PROSPECTUS **July 2010**

BANKINTER 20
FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS

EUR 1,650,000,000 **Aaa/AAA**

Backed by pass-through certificates and mortgage certificates issued on mortgage loans and credits (first drawdowns) by

bankinter.

Lead Manager and Subscriber

bankinter.

Paying Agent

BANKINTER

Fund established and managed by

edt Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores on July 8, 2010

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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, as currently worded ("**Regulation 809/2004**") and in 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 1310/2005**"), 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**").

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.

BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**" and/or the "**Issuer**") is a separate closed-end fund devoid of legal personality and is managed by a management company, EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the "**Management Company**" or "**EUROPEA DE TITULIZACIÓN**"), in accordance with Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**"). The Fund shall be liable only for its obligations to its creditors with its assets.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998, which include enforcing Bondholders' interests as the manager of third-party portfolios, and there shall be no syndicate of bondholders. Therefore, the capacity to enforce Bondholders' interests shall depend on the Management Company's means.

b) Forced substitution of the Management Company.

In accordance with article 19 of Royal Decree 926/1998, where the Management Company is adjudged insolvent or its licence to operate as a securitisation fund management company is revoked by the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the "**CNMV**"), 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, the Fund shall be liquidated early and the Bonds issued by the same shall be redeemed, in accordance with the provisions of the Deed of Constitution and of this Prospectus.

c) Limitation of actions.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Mortgage Credit Obligors who may have defaulted on their payment obligations or against the Originator. Any such action may be brought by 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 Mortgage Credit default or, as the case may be, prepayment, 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.

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

d) Applicability of the Bankruptcy Act

Both the Originator of the Mortgage Credit receivables, BANKINTER S.A. ("**BANKINTER**" or the "**Originator**") and the Fund Management Company may be declared insolvent.

In particular, the insolvency of BANKINTER could affect its contractual relationships with the Fund, in accordance with the provisions of Bankruptcy Act 22/2003, July 9 (the "**Bankruptcy Act**"). Moreover, in the event of insolvency of the Management Company, it must be replaced with another management company in accordance with the provisions of paragraph 1.b) above and articles 18 and 19 of Royal Decree 926/1998.

Pursuant to Additional Provision 5 of Act 3/1994, April 14, as currently worded, adapting Spanish laws in the matter of Credit Institutions to the Second Banking Coordination Directive, the assignment to the Fund of the Mortgage Credit receivables by issuing the Mortgage Certificates and the Pass-Through Certificates can only be rescinded or contested as provided for in article 71 of the Bankruptcy Act by the receivers, who shall have to prove the existence of fraud.

In addition, in the event of BANKINTER being decreed insolvent, in accordance with the Bankruptcy Act, the Fund, acting through the Management Company, shall have a right of separation with respect to the Mortgage Certificates and the Pass-Through Certificates, on the terms provided for in articles 80 and 81 of the Bankruptcy Act. In addition, the Fund, acting through its Management Company, shall be entitled to obtain from the Originator the resulting Mortgage Certificate and Pass-Through Certificate amounts from the date on which insolvency is decreed, for those amounts will be considered to be the Fund's property, through its Management Company, and must therefore be transferred to the Management Company, representing the Fund. This right of separation would not necessarily extend to the monies received and kept by the Originator on behalf of the Fund before that date, for they might be earmarked as a result of the insolvency, based on the most widespread construction of article 80 of the Bankruptcy Act, given the essential fungible nature of money.

The structure of this asset securitisation transaction 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 Treasury Account opened in the Fund's name by the Management Company (which is involved in opening those accounts as the Fund's authorised representative and not just as a simple attorney-in-fact for the Fund), and the Fund would therefore have a right of separation in that respect, on the terms provided for in articles 80 and 81 of the Bankruptcy Act.

In the event of insolvency 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.

Notwithstanding all of the above, the insolvency of any party involved (be that the Originator, the Management Company or any other Fund counterparty institution) may in any event affect its contractual relations with the Fund.

2 Risks derived from the securities.

a) Issue Price.

The Bond Issue is made with the intention of being fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or be subsequently sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem's valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

b) Liquidity.

As set out in the preceding section, the Originator will fully subscribe for the Bond Issue and in the event that it should hereafter fully or partially dispose of the Bond Issue, there is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

In addition, 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.

c) Yield.

Calculation of the yield (internal rate of return) of the Bonds contained in section 4.10 of the Securities Note is subject, inter alia, to presumed Mortgage Credit prepayment and delinquency rates which might not be fulfilled, and future market interest rates, given the floating nature of the Nominal Interest Rate of the Bond Issue.

d) Duration.

Calculation of the average life and duration of the Bonds contained in section 4.10 of the Securities Note is subject to fulfilment of Mortgage Credit repayment and, inter alia, to assumed Mortgage Credit prepayment rates that may not be fulfilled. Mortgage Credit prepayment rate fulfilment 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.

e) Late-payment interest.

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

f) Rating of the Bonds.

The credit risk of the Bonds issued by the Fund has been rated by Moody's Investors Service España, S.A. and Standard & Poor's España S.A. (the "**Rating Agencies**").

The Rating Agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

These 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.

g) Ratings not confirmed.

The Rating Agencies' failure to confirm the provisional ratings given to the Bonds by 2pm (CET) on July 13, 2010 shall be an event of termination of the establishment of the Fund and the Bond Issue.

3 Risks derived from the assets backing the issue.

a) Risk of default on the Mortgage Credits.

Holders of the Bonds issued by the Fund shall bear the risk of default on the Mortgage Credits underlying the Mortgage Certificates and the Pass-Through Certificates.

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

b) Limited Liability.

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

c) Limited Hedging.

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

d) Mortgage Certificate and Pass-Through Certificate early amortisation risk.

There will be an early amortisation of the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund when Obligors prepay the portion of relevant Mortgage Credit capital not yet due or in the event that BANKINTER should be substituted in the Mortgage Credits by any other financial institution licensed to do so, subject to Act 2/1994, or in any other event having the same effect.

That early amortisation risk shall pass quarterly on each Payment Date to Bondholders by the partial amortisation of the Bonds, in accordance with the Bond Issue amortisation terms.

e) Delinquency.

BANKINTER's mortgage delinquency rate at March 31, 2010 and, in any event, the other assumed values referred to at the beginning of section 4.10 of the Securities Note have been taken into account in calculating the amounts and details tabled therein. This delinquency rate would not trigger a reduction of the Required Interest Cash Reserve or of the Required Principal Cash Reserve, as set down in section 3.4.2.2 of the Building Block.

As described in section 2.2.8 (28) of the Building Block, none of the Mortgage Credits that will finally be the subject of the issue of the Mortgage Certificates and the Pass-Through Certificates for the Fund to be established shall have any payments more than one (1) month overdue on their issue date.

f) Ranking of the various mortgage credit drawdowns.

With respect to the portfolio of mortgage credits (first drawdowns) selected (12.38% in terms of outstanding principal on the selected total), the senior mortgage loan secures both the first and subsequent drawdowns made, and the different drawdowns rank *pari passu*, and therefore, in the event of execution of the mortgage credits, the Fund, as holder of the Mortgage Certificates and the Pass-Through Certificates, shall be entitled to receive any amount which BANKINTER should have received under the mortgage credits and rights attached thereto, albeit only proportionally to the participated first drawdown.

g) Geographical concentration.

As detailed in section 2.2.2 q) of the Building Block, the three Autonomous Communities with the largest concentration of the address of the properties mortgaged under the mortgage loans and credits (first drawdowns) selected to be assigned to the Fund upon being established, as a percentage of the outstanding principal, are the Autonomous Community of Madrid, at 27.15%, Catalonia, at 15.66%, and the Autonomous Community of Andalusia, at 14.09%.

Given these concentration levels, any circumstance whatsoever having a substantial negative effect on those Autonomous Communities could affect payments of the Mortgage Credits backing the Bond Issue.

h) Loan-to-value ratio.

3.70%, in terms of outstanding principal, of the total selected portfolio of mortgage loans and credits (first drawdowns) are loans with a ratio (outstanding principal amount of the mortgage loans, plus the outstanding principal, if any, of loans or credits with senior-ranked mortgage in the same mortgaged properties to the total appraisal value of those mortgaged properties) lying between 80.01% and 100.00%. The weighted average ratio of the selected portfolio is 54.21%.

In the event of the market or appraisal value of the collateralised property falling, the relevant Mortgage Credit could actually not be fully secured by the mortgage.

i) Principal and interest exclusion.

12.38%, in terms of outstanding principal of the total selected portfolio of mortgage loans and credits (first drawdowns) are first drawdowns under mortgage credit facility agreements in which the obligor or borrower is allowed to establish or eliminate principal and interest exclusion periods and also extend the maturity date, subject to the limitations established in paragraph 2.2 of the Building Block.

j) Concentration on the origination date of the selected mortgage loans and credits (first drawdowns).

The mortgage loans and credits (first drawdowns) making up the selected portfolio and originated in the years 2008, 2009 and 2010 (until March 24, 2010) account for 54.64%, in terms of outstanding principal, of the total selected portfolio. The weighted average age of the portfolio is 3.66 years as at June 22, 2010, the selected portfolio selection date.

k) Mortgage loans ranked second or lower.

The mortgage loans in the portfolio of selected mortgage loans and credits (first drawdowns) with mortgage entered as a second or lower-ranked mortgage account for 2.31% of the total selected portfolio, in terms of outstanding principal.

l) Selected mortgage loans and credits (first drawdowns) secured with officially protected homes.

Some selected mortgage loans and credits (first drawdowns) may be secured with officially protected homes. In these cases, as BANKINTER has represented in section 2.2.8 (20) of the Building Block, the appraisal value considered and reported for all calculation purposes was the maximum legal value under the official protection system. Identifying the same within the portfolio of selected mortgage loans and credits (first drawdowns) has not been possible because BANKINTER does not distinguish the same from loans and credits with free-market housing mortgage security. In any event, the selected mortgage loans and credits (first drawdowns) whose mortgage security is a protected home do not benefit from any state or autonomous community aid whatsoever.

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 company sponsoring BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente, General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993, January 28, 2000, November 23, 2009 and January 31, 2010, is acting expressly for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee in a resolution dated June 4, 2010.

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 contents.

2. STATUTORY AUDITORS

2.1 Fund's Auditors.

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

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

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

2.2 Accounting policies used by the Fund.

Income and expenditure will be accounted for by the Fund in accordance with the accounting principles applicable from time to time, currently set out mainly in CNMV Circular 2/2009, March 25, on Securitisation Fund accounting rules, annual accounts, public financial statements and non-public statistical information statements.

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 paragraph 1 of Risk Factors of the preceding Risk Factors section of this Prospectus.

4. INFORMATION ABOUT THE ISSUER

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

The Issuer is a closed-end asset securitisation fund to be established in accordance with Spanish laws.

4.2 Legal and commercial name of the Issuer.

The Issuer's name is "BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- BANKINTER 20 FTA
- BANKINTER 20 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 has been entered in the Official Registers of the CNMV.

Companies Register

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, pursuant to 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 and BANKINTER S.A., as Originator of the Mortgage Credit receivables by issuing the Mortgage Certificates and the Pass-Through Certificates, shall proceed to execute on July 12, 2010 a public deed whereby BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANKINTER will assign Mortgage Credit receivables to the Fund by issuing Mortgage Certificates and Pass-Through Certificates to be subscribed for by the Fund 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, notwithstanding the need to complete the respective details and amounts of the Mortgage Credit Mortgage Certificates and Pass-Through Certificates to be issued and subscribed for under the Deed of Constitution.

As provided for in article seven of Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"), as currently worded, the Deed of Constitution may be amended, upon request by the Management Company, provided that the amendment (i) does not alter the nature of the assets assigned to the Fund; (ii) does not result in the Fund becoming a mortgage securitisation fund, and (c) does not de facto result in a new fund being set up.

In addition, in order to amend the Deed of Constitution, the Management Company shall have to prove:

a) that the consent of all the holders of the securities issued by the Fund was obtained, and also of the lenders and other creditors, if any, existing, provided that they are affected by the amendment; or

b) that the amendment is scarcely relevant, in the CNMV's opinion. In this connection, the Management Company shall have to prove that the amendment is not detrimental to the assurances and rights of the holders of the securities issued, lays down no new obligations therefor and that the ratings given to the Bonds by the Rating Agencies are upheld or improve after the amendment.

In any event, before the public deed of amendment is executed, the Management Company shall (i) inform the Rating Agencies, and (ii) prove to the CNMV the satisfaction of such requirements.

Upon the CNMV checking that they are satisfied, the Management Company shall execute the deed of amendment and submit a certified copy thereof to the CNMV to be included in the relevant public record. In addition, the amendment of the Deed of Constitution shall be disclosed by the Management Company through the Fund's periodic public information and be posted at the Management Company's website. Where required, a supplement to the Prospectus shall be prepared and disclosed as material information in accordance with the provisions of article 92 of the Securities Market Act.

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 December 17, 2053 or the following Business Day if that is not a Business Day (the "**Final Maturity Date**"), unless there should previously have been an Early Liquidation of the Fund as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 of this Registration Document should occur.

4.4.3 Early Liquidation of the Fund.

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

(i) When the amount of the Outstanding Balance of the Mortgage Credits yet to be repaid is less than ten (10) percent of the initial Outstanding Balance of the Mortgage Credits upon the Fund being established, and provided that the payment obligations derived from the Bonds may be honoured and settled in full in the Liquidation Priority of Payments.

Payment obligations derived from the Bonds on the Early Liquidation date of the Fund shall at all events be deemed to be the Outstanding Principal Balance of the Bonds 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, as provided for in article 11.b) of Royal Decree 926/1998 is permanently damaged. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.

(iii) Mandatorily, in the event that the Management Company should be adjudged insolvent and/or have its licence to operate as a securitisation fund management company revoked by the CNMV, or the statutory term to do so or otherwise four months should elapse without a new management company being designated in accordance with the provisions of section 3.7.1.3 of the Building Block to this Prospectus.

(iv) When a payment default occurs indicating a major permanent imbalance in relation to the Bonds issued or to any unsubordinated credit or that it is about to occur.

(v) If the Management Company should have the express consent and acceptance of all the Bondholders and all the counterparties to the agreements in force with the Fund, as regards both payment of amounts resulting from, and the procedure for, such Early Liquidation.

(vi) Upon the lapse of thirty-six (36) months from the date of the last maturity of the Mortgage Credits, even if they still have overdue amounts.

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

(i) That Bondholders be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company's resolution to proceed to Early Liquidation of the Fund.

(ii) That the Management Company previously advise the CNMV and the Rating Agencies of the notice referred to in the preceding paragraph.

(iii) The notice of the Management Company's resolution to proceed to Early Liquidation of the Fund shall contain a description (i) of the event or events triggering Early Liquidation of the Fund, (ii) of the liquidation procedure, and (iii) of the manner in which the Bond payment obligations 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 Early Liquidation of the Fund and Early Amortisation of the Bond Issue, the Management Company shall, for and on behalf of the Fund:

(i) Proceed to sell the Mortgage Certificates and the Pass-Through Certificates remaining in the Fund at a reasonable market price, initially not less than the sum of the principal value still outstanding plus interest accrued and not paid on the relevant Mortgage Credits, subject to the provisions of paragraph (iv) below.

(ii) Proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.

(iii) Be entitled to arrange for a credit facility, with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1 respectively by Moody's and S&P, or a loan, which shall be fully allocated to early amortisation of the Bonds. Financial expenses due shall be paid and credit facility or loan principal shall be repaid in accordance with the Liquidation Priority of Payments.

(iv) Finally, both due to the preceding actions falling short and the existence of Mortgage Certificates and/or Pass-Through Certificates or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a reasonable market value. The Management Company shall be bound to accept the best bid received for the Pass-Through Certificates and other assets on offer, if any. In order to set the reasonable market value, the Management Company may secure such valuation reports as it shall deem necessary.

However, in (i) and (iv) above, BANKINTER shall have a pre-emptive right and will therefore have priority over third parties to voluntarily acquire the Mortgage Certificates and/or Pass-Through Certificates or other assets still on the assets of the Fund, and in (iii) above the Originator shall have priority to grant to the Fund, as the case may be, the credit facility or loan designed for early amortisation of the Bonds. In relation to (iv) above, the Management Company shall send BANKINTER a list of the assets and of third-party bids received, if any, and the latter may use that right for all of the Mortgage Certificates and/or Pass-Through Certificates or assets offered by the Management Company, or the credit facility or the loan, within ten (10) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids, if any. BANKINTER shall notify the Management Company that the exercise of the pre-emptive right was subject to its usual revision procedures and that the exercise of the right is not designed to implicitly support securitisation.

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 or the loan arranged for early amortisation of the Bonds, which shall be applied to honouring their payment obligations.

4.4.4 Termination of the Fund.

The Fund shall terminate in any case, after complying with and observing the relevant legal procedure, in the following events:

(i) Upon the Mortgage Certificates and the Pass-Through Certificates pooled therein being fully amortised.

(ii) Upon the Bonds issued being fully amortised.

(iii) When the Early Liquidation of the Fund procedure established in section 4.4.3 above is over.

(iv) At all events, upon final liquidation of the Fund on the Final Maturity Date on December 17, 2053 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 2pm (CET) on July 13, 2010. In this event, the Management Company shall terminate the establishment of the Fund, subscription for the Mortgage Certificates and the Pass-Through Certificates by the Fund and the Bond Issue.

In that event, 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 Fund 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 Management Company shall defray the Fund set-up and Bond issue and admission expenses payable with the Start-Up Loan, and the Start-Up Loan agreement shall not be terminated but shall rather be cancelled after those amounts are settled, 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 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 Mortgage Credit receivables that are pending the outcome of court or out-of-court proceedings instituted as a result of default by the Mortgage Credit Obligor, both their continuation and the proceeds of their termination 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 Mortgage Certificates and the Pass-Through Certificates and the remaining assets of the Fund have been liquidated and the Fund's Liquidation Available Funds have been distributed, in the 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 triggering its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the 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 the Management Company is entrusted with establishing, managing and being the authorised representative thereof, and, as the manager of third-party portfolios, with representing and enforcing the interests of the holders of the securities issued by the Fund and of all its 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 and implementing regulations, (ii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Additional Provision Five of Act 3/1994, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other financial system changes ("**Act 3/1994**"), as currently worded, (iv) Securities Market Act 24/1988, July 28, (the "**Securities Market Act**"), in force as of the date of establishment of the Fund, (v) Mortgage Market Regulation Act 2/1981, March 25, ("**Act 2/1981**") as currently worded by Act 41/2007, December 8 ("**Act 41/2007**"), (vi) Royal Decree 716/2009, April 24, implementing certain aspects of Mortgage Market Regulation Act 2/1981, ("**Royal Decree 716/2009**"), (vii) Royal Decree 1310/2005, (viii) Regulation 809/2004, and (ix) 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, additional provisions one of Royal Decree 716/2009, April 24; 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), paragraphs 15 and 20, of the Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24, additional provision five of Act 3/1994, April 14, and Personal Income Tax Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts, the most relevant characteristics of each tax under the current tax system of the Fund are mainly as follows:

(i) The establishment of the Fund and all transactions entered into by the Fund are subject to and exempt from the corporate transactions category of Capital Transfer and Documents under Seal Tax.

(ii) Bond issue, subscription, transfer and repayment are not subject to or exempt from, as the case may be, payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.

(iii) The Fund pays Corporation Tax, the taxable income being determined in accordance with the provisions of Title IV of the Consolidation of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 30%, and subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax.

(iv) As for returns on the Mortgage Certificates and Pass-Through Certificates, loans or other receivables constituting Fund income, there is no Corporation Tax withholding or interim payment obligation.

(v) The management and custody services provided to the Fund are exempt from Value Added Tax.

(vi) Assignment of the Mortgage Credit receivables by issuing the Mortgage Certificates and Pass-Through Certificates subscribed for by the Fund is a transaction exempt from and subject to Value Added Tax and Capital Transfer and Documents Under Seal Tax.

(vii) The reporting duties established by Additional Provision Two of Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985, as amended by Act 19/2003, July 4, Act 23/2005, November 18, and Act 4/2008, December 23, shall apply to the Fund.

At the registration date of this Prospectus, the procedure to satisfy those reporting duties was implemented by Royal Decree 1065/2007, July 27, approving General Regulations for tax management and inspection actions and procedures and implementing rules common to procedures applicable to taxes.

(viii) Financial Swap Agreement payments received by the Fund shall pay tax based on the Corporation Tax rules and shall not be subject to a withholding on account.

4.6 Issuer's authorised and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the Issuer's principal activities.

The Fund's activity is to subscribe for a set of mortgage participation certificates (the "**Mortgage Certificates**") and pass-through certificates (the "**Pass-Through Certificates**") issued by BANKINTER on mortgage loans and on the first drawdowns of mortgage credits (collectively, the "**Mortgage Credits**") owned by BANKINTER granted to individuals (the "**Obligors**") with real estate mortgage security ranking as a first, second or junior mortgage, on properties (homes, parking spaces and/or lumber rooms, business premises and offices, or rustic and urban land) located in Spain and to issue asset-backed bonds (either the "**Asset-Backed Bonds**" or the "**Bonds**"), the subscription for which is designed to finance the acquisition of the Mortgage Certificates and the Pass-Through Certificates.

(In this Registration Document and elsewhere in the Prospectus, the term "Mortgage Credits" shall be used in some definitions to generically refer to the Mortgage Certificates and to the Pass-Through Certificates perfecting the assignment of the Mortgage Credit receivables, other than where specific reference is made to the Mortgage Certificates and the Pass-Through Certificates as such or to the documents representing the same.)

Mortgage Credit interest and principal repayment income received by the Fund shall be allocated quarterly on each Payment Date to Bond interest payment and principal repayment in the Priority of Payments established for Fund payments.

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

5.2 Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and be the authorised representative of the Fund, and has, together with BANKINTER, structured the financial terms of the Fund and the Bond Issue.

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

  VAT REG. No.: A-805144 66 Business Activity Code No.: 6630

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

- BANKINTER is the Originator of the Mortgage Credit receivables to be assigned to the Fund upon being established by issuing the Mortgage Certificates and the Pass-Through Certificates and shall be the Lead Manager and the Bond Issue Subscriber. It shall in addition take on the duties of article 35.3 of Royal Decree 1310/2005.

  Out of the functions and activities that lead managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANKINTER has, together with the Management Company, structured the financial terms of the Fund and the Bond Issue.

  Moreover, BANKINTER shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Subordinated Loan, Start-Up Loan, Financial Swap, Mortgage Credit Servicing and Mortgage Certificate and Pass-Through Certificate Custody, Bond Paying Agent and Financial Intermediation Agreements.

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

  VAT REG. No.: A28157360 Business Activity Code No.: 6419

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

  The following are the ratings for BANKINTER's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies:

	Moody's Ratings	S&P Ratings
Short-term	P-1 (June 2009)	A-1 (June 2010)
Long-term	A1 (June 2009)	A (June 2010)
Outlook	Negative (June 2009)	Stable (June 2010)

- Moody's Investors Service España, S.A. is one of the Rating Agencies rating the Bond Issue.

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

  TIN: A-80448475

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

- Standard & Poor's España, S.A. is one of the Rating Agencies rating the Bond Issue.

  Standard & Poor's España, S.A. is a Spanish company licensed as a rating agency by the CNMV, and is affiliated to and operates in accordance with the methodology, standards and quality control of Standard & Poor's Rating Services (both of them "**S&P**" without distinction).

  TIN: A-80310824

  Registered Office: Marqués de Villamejor number 5 – 1st Floor, 28006 Madrid (Spain)

- The law firm RAMÓN Y CAJAL ABOGADOS S.L. ("**RAMÓN Y CAJAL**") has provided legal advice for establishing the Fund and issuing the Bonds and has reviewed the tax implications thereof.

  VAT Reg. Number: B-80340896

  Registered Office: Calle Almagro 16-18, 28010 Madrid (Spain)

- Deloitte, S.L. ("**Deloitte**") has issued the audit report on certain features and attributes of a sample of all BANKINTER's selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken in order for their receivables to be mostly assigned to the Fund upon being established .

  Deloitte is entered in the Official Register of Auditors (ROAC) of Spain under number S0692.

  TIN: B-79104469

  Registered Office: Plaza Pablo Ruiz Picasso number s/n (Torre Picasso) 28020 Madrid (Spain).

BANKINTER S.A. has a 1.5623% interest in the share capital of EUROPEA DE TITULIZACIÓN.

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

6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative 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 of this Prospectus.

6.1 Incorporation and registration at the Companies Register.

EUROPEA 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 is 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, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and in a deed executed on October 25, 1999 before Madrid Notary Public Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register.

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

6.2 Audit.

EUROPEA DE TITULIZACIÓN's annual accounts for the financial years ended on December 31, 2009, 2008 and 2007 have been audited by the firm Deloitte S.L., with place of business at Madrid, and entered in the Official Register of Auditors (ROAC) under number S0692, and are not qualified.

6.3 Principal activities.

The exclusive objects of EUROPEA DE TITULIZACIÓN are to establish, manage and be the authorised representative of both asset securitisation funds and mortgage securitisation funds .

EUROPEA DE TITULIZACIÓN manages 111 securitisation funds at the registration date of this registration document, 21 being mortgage securitisation funds and 90 being asset securitisation funds.

The following table itemises the 111 securitisation funds managed, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances as at June 30, 2010.

Securitisation Fund	Establishment	Initial Bond Issue EUR	Bond Issue Balance 30.06.2010 EUR	?%	Bond Issue Balance 31.12.2009 EUR	?%	Bond Issue Balance 31.12.2008 EUR
TOTAL		**150,280,296,652.96**	**89,518,108,912.11**	**-5.9%**	**95,124,784,480.79**	**-0.32%**	**95,428,214,189.99**
Mortgage (FTH)		**15,117,046,652.96**	**5,938,187,827.94**	**-5.8%**	**6,304,505,622.07**	**-10.76%**	**7,064,807,436.13**
Bankinter 15 FTH	**08.10.2007**	1,525,500,000.00	1,246,575,016.34	-3.8%	1,295,824,891.50	-7.1%	1,395,112,380.00
Bankinter 14 FTH	**19.03.2007**	964,000,000.00	754,915,724.34	-3.7%	784,061,288.38	-6.0%	834,115,075.93
Bankinter 12 FTH	**06.03.2006**	1,200,000,000.00	769,674,204.80	-4.5%	805,848,578.88	-8.8%	883,553,888.64
Valencia Hipotecario 2 FTH	**07.12.2005**	950,000,000.00	531,423,088.75	-6.1%	566,068,308.45	-10.3%	630,751,948.45
Bankinter 11 FTH	**28.11.2005**	900,000,000.00	574,934,430.56	-5.0%	605,205,937.04	-8.4%	660,398,419.92
Bankinter 7 FTH	**18.02.2004**	490,000,000.00	201,426,961.24	-6.1%	214,557,164.88	-10.3%	239,121,435.14
Bankinter 5 FTH	**16.12.2002**	710,000,000.00	237,033,491.97	-7.0%	254,742,389.25	-12.1%	289,676,798.81
BZ Hipotecario 4 FTH	**27.11.2002**	313,400,000.00	67,986,302.24	-12.1%	77,326,346.08	-16.4%	92,465,223.44
Rural Hipotecario IV FTH	**14.11.2002**	520,000,000.00	148,659,103.14	-7.2%	160,111,798.51	-13.6%	185,213,314.44
Bancaja 4 FTH	**05.11.2002**	1,000,000,000.00	244,900,159.80	-6.9%	263,073,467.95	-12.9%	302,038,681.15
Bankinter 4 FTH	**24.09.2002**	1,025,000,000.00	350,301,677.36	-7.1%	377,048,929.64	-12.9%	432,999,671.58
Rural Hipotecario III FTH	**14.05.2002**	325,000,000.00	82,468,881.82	-8.9%	90,567,539.11	-14.4%	105,771,208.78
Bankinter 3 FTH	**22.10.2001**	1,322,500,000.00	354,908,183.20	-8.3%	386,962,104.55	-14.3%	451,287,203.74
BZ Hipotecario 3 FTH	**23.07.2001**	310,000,000.00	51,388,834.98	-10.7%	57,520,198.48	-18.1%	70,236,608.06
Rural Hipotecario II FTH	**29.05.2001**	235,000,000.00	42,407,607.40	-10.4%	47,318,092.00	-18.7%	58,205,527.00
BZ Hipotecario 2 FTH	**28.04.2000**	285,000,000.00	26,602,530.98	-12.3%	30,317,398.50	-21.6%	38,645,672.22
Rural Hipotecario I FTH	**22.02.2000**	200,000,000.00	21,887,267.06	-12.5%	25,015,790.78	-23.2%	32,562,907.76
Bankinter 2 FTH	**25.10.1999**	320,000,000.00	59,918,421.56	-8.5%	65,483,921.41	-16.1%	78,041,823.55
Bankinter 1 FTH	**12.05.1999**	600,000,000.00	65,343,700.80	-12.1%	74,298,445.20	-21.5%	94,625,851.08
BZ Hipotecario 1 FTH	**16.04.1999**	350,000,000.00	23,401,033.66	-15.6%	27,715,102.40	-26.4%	37,673,057.52
Hipotecario 2 FTH	**04.12.1998**	1,051,771,182.67	82,031,205.94	-14.0%	95,437,929.08	-24.4%	126,168,514.90
Bancaja 2 FTH	**23.10.1998**	240,404,841.75	liquidated		0.00	-100.0%	26,142,224.02
Bancaja 1 FTH	**18.07.1997**	120,202,420.88	liquidated				
BBV-MBS I FTH	**30.11.1995**	90,151,815.66	liquidated				
Hipotecario 1 FTH	**20.09.1993**	69,116,392.00	liquidated				
Asset (FTA)		**135,163,250,000.00**	**83,579,921,084.17**	**-5.9%**	**88,820,278,858.72**	**0.5%**	**88,363,406,753.86**
BBVA RMBS 9 FTA	**19.04.2010**	1,295,000,000.00	1,295,000,000.00				
BBVA Empresas 3 FTA	**21.12.2009**	2,600,000,000.00	2,343,608,397.00	-9.9%	2,600,000,000.00		
BBVA Consumo 4 FTA	**09.12.2009**	1,100,000,000.00	1,100,000,000.00	0.0%	1,100,000,000.00		
Rural Hipotecario XII FTA	**04.11.2009**	910,000,000.00	875,766,693.88	-3.8%	910,000,000.00		
Bancaja Leasing 1 FTA	**22.10.2009**	800,000,000.00	721,153,606.40	-9.9%	800,000,000.00		
PYME Bancaja 8 FTA	**29.07.2009**	510,000,000.00	397,943,753.19	-15.4%	470,489,720.34		
BBVA RMBS 8 FTA	**16.07.2009**	1,220,000,000.00	1,148,364,793.96	-3.7%	1,192,955,474.32		
FTGENVAL Bancaja 1 FTA	**27.05.2009**	300,000,000.00	286,203,469.37	-2.4%	293,197,827.16		
Bankinter 19 FTA	**27.04.2009**	1,650,000,000.00	1,503,538,243.69	-4.4%	1,572,945,906.41		
Bancaja – BVA VPO 1 FTA	**03.04.2009**	390,000,000.00	366,075,229.08	-3.4%	378,989,215.62		
Bankinter Empresas 1 FTA	**16.03.2009**	710,000,000.00	556,458,700.40	-10.4%	621,086,659.64		
PYME Valencia 2 FTA	**13.03.2009**	500,000,000.00	344,454,316.00	-14.2%	401,239,970.75		
BBVA Empresas 2 FTA	**09.03.2009**	2,850,000,000.00	2,017,626,770.16	-15.4%	2,385,510,616.08		
Rural Hipotecario XI FTA	**25.02.2009**	2,200,000,000.00	1,967,664,021.07	-4.4%	2,058,061,171.21		
MBS Bancaja 6 FTA	**02.02.2009**	1,000,000,000.00	907,634,975.20	-3.1%	936,480,259.20		
Financiación Bancaja 1 FTA	**22.12.2008**	550,000,000.00	266,004,867.70	-24.3%	351,393,557.90	-36.1%	550,000,000.00
Valencia Hipotecario 5 FTA	**17.12.2008**	500,000,000.00	460,408,276.40	-3.2%	475,658,337.20	-4.9%	500,000,000.00
Bancaja 13 FTA	**09.12.2008**	2,895,000,000.00	2,656,267,153.48	-2.0%	2,710,128,255.53	-6.4%	2,895,000,000.00
BBVA RMBS 7 FTA	**24.11.2008**	8,500,000,000.00	6,964,682,587.00	-6.3%	7,430,357,956.60	-12.6%	8,500,000,000.00
BBVA RMBS 6 FTA	**10.11.2008**	4,995,000,000.00	4,374,893,831.92	-4.8%	4,595,381,161.10	-8.0%	4,995,000,000.00
Bankinter 18 FTA	**10.11.2008**	1,500,000,000.00	1,385,503,464.88	-3.0%	1,428,581,680.72	-4.8%	1,500,000,000.00
PYME Bancaja 7 FTA	**10.10,2008**	1,100,000,000.00	609,346,484.00	-14.8%	715,606,095.20	-33.1%	1,069,150,856.96
Bankinter 4 FTPYME FTA	**15.09.2008**	400,000,000.00	308,838,096.00	-10.3%	344,424,960.00	-13.9%	400,000,000.00
BBVA-8 FTPYME FTA	**21.07.2008**	1,100,000,000.00	622,750,865.96	-17.8%	757,330,272.11	-24.7%	1,005,182,459.39
Rural Hipotecario X FTA	**25.06.2008**	1,880,000,000.00	1,586,520,170.24	-4.8%	1,667,334,397.76	-8.4%	1,820,587,870.08
Bankinter Leasing 1 FTA	**23.06.2008**	400,000,000.00	252,682,779.82	-21.3%	321,039,895.66	-19.7%	400,000,000.00
Bankinter 17 FTA	**09.06.2008**	1,000,000,000.00	864,591,457.00	-3.9%	899,373,994.75	-7.5%	972,781,741.00
BBVA RMBS 5 FTA	**26.05.2008**	5,000,000,000.00	4,186,007,700.00	-4.7%	4,391,731,542.50	-9.0%	4,823,797,380.00
MBS Bancaja 5 FTA	**08.05.2008**	1,850,000,000.00	1,478,546,541.16	-4.2%	1,544,033,626.02	-12.6%	1,767,311,250.78
BBVA Consumo 3 FTA	**14.04.2008**	975,000,000.00	602,532,017.10	-17.0%	725,507,253.90	-25.6%	975,000,000.00
Bancaja 12 FTA	**09.04.2008**	2,100,000,000.00	liquidated		0.00	-100.0%	2,033,236,240.16
Bankinter 16 FTA	**10,03,2008**	2,043,000,000.00	1,736,601,742.80	-3.6%	1,801,422,339.60	-6.3%	1,922,024,851.80
BBVA-7 FTGENCAT FTA	**11.02.2008**	250,000,000.00	118,684,175.67	-19.0%	146,547,853.29	-30.1%	209,714,529.60
Valencia Hipotecario 4 FTA	**21.12.2007**	978,500,000.00	811,771,324.32	-5.9%	863,076,722.80	-6.2%	919,895,774.04
Ruralpyme 3 FTA	**19.12.2007**	830,000,000.00	495,106,445.04	-13.1%	569,542,740.24	-19.3%	706,144,431.44
BBVA RMBS 4 FTA	**19.11.2007**	4,900,000,000.00	3,716,767,716.00	-5.2%	3,920,709,204.00	-12.1%	4,459,929,696.00

Securitisation Fund	Establishment	Initial Bond Issue EUR	Bond Issue Balance 30.06.2010 EUR	?%	Bond Issue Balance 31.12.2009 EUR	?%	Bond Issue Balance 31.12.2008 EUR
Bankinter 3 FTPYME FTA	**12.11.2007**	617,400,000.00	410,705,466.66	-8.2%	447,362,856.00	-14.9%	525,513,852.00
BBVA Empresas 1 FTA	**05.11.2007**	1,450,000,000.00	571,346,300.00	-20.5%	718,897,500.00	-33.0%	1,073,707,300.00
FTPYME Bancaja 6 FTA	**26.09.2007**	1,027,000,000.00	352,180,813.71	-18.4%	431,450,959.71	-39.3%	710,816,961.05
BBVA RMBS 3 FTA	**23.07.2007**	3,000,000,000.00	2,438,515,560.00	-2.2%	2,492,220,480.00	-9.0%	2,739,937,080.00
PYME Valencia 1 FTA	**20.07.2007**	865,300,000.00	323,752,524.40	-13.2%	373,035,703.96	-30.4%	536,115,603.28
Bancaja 11 FTA	**16.07.2007**	2,022,900,000.00	1,597,914,979.00	-3.3%	1,652,066,780.50	-10.1%	1,838,382,680.00
BBVA Leasing 1 FTA	**25/06/2007**	2,500,000,000.00	1,189,748,517.46	-22.1%	1,528,183,660.66	-38.9%	2,500,000,000.00
BBVA-6 FTPYME FTA	**11/06/2007**	1,500,000,000.00	534,653,611.32	-19.4%	663,014,901.98	-32.1%	975,935,302.62
BBVA Finanzia Autos 1 FTA	**30/04/2007**	800,000,000.00	398,633,204.00	-19.2%	493,290,240.80	-29.2%	697,029,804.80
MBS Bancaja 4 FTA	**27/04/2007**	1,873,100,000.00	1,265,187,892.31	-5.0%	1,331,395,185.53	-15.4%	1,573,100,000.00
Rural Hipotecario IX FTA	**28/03/2007**	1,515,000,000.00	1,118,110,440.74	-2.7%	1,149,260,439.02	-9.3%	1,267,346,992.47
BBVA RMBS 2 FTA	**26/03/2007**	5,000,000,000.00	3,643,443,120.00	-4.0%	3,797,069,760.00	-8.6%	4,152,695,095.00
BBVA RMBS 1 FTA	**19.02.2007**	2,500,000,000.00	1,829,344,160.00	-4.0%	1,906,554,860.00	-8.1%	2,073,701,700.00
Bancaja 10 FTA	**26.01.2007**	2,631,000,000.00	1,908,683,471.60	-4.1%	1,989,810,788.90	-9.6%	2,202,073,104.00
BBVA Consumo 2 FTA	**27.11.2006**	1,500,000,000.00	693,472,368.45	-21.1%	878,727,371.21	-35.2%	1,356,588,688.04
Ruralpyme 2 FTPYME FTA	**24.11.2006**	617,050,000.00	288,721,710.20	-11.9%	327,887,662.50	-18.7%	403,363,458.20
Bankinter 13 FTA	**20.11.2006**	1,570,000,000.00	1,135,678,367.22	-4.0%	1,183,585,431.42	-8.1%	1,288,480,982.94
Valencia Hipotecario 3 FTA	**15.11.2006**	911,000,000.00	611,493,221.68	-5.1%	644,411,983.67	-8.7%	705,744,244.09
BBVA-5 FTPYME FTA	**23.10.2006**	1,900,000,000.00	501,080,900.92	-20.6%	630,892,097.77	-35.2%	974,218,142.16
PYME Bancaja 5 FTA	**02.10.2006**	1,178,800,000.00	252,367,662.46	-13.4%	291,350,612.62	-40.9%	493,376,579.84
Bankinter 2 PYME FTA	**26.06.2006**	800,000,000.00	359,976,664.00	-10.1%	400,433,517.80	-19.0%	494,613,353.00
Consumo Bancaja 1 FTA	**26.06.2006**	612,900,000.00	180,300,532.50	-26.9%	246,603,579.75	-42.8%	431,331,180.57
Rural Hipotecario VIII FTA	**26.05.2006**	1,311,700,000.00	827,359,256.52	-5.2%	872,584,733.56	-9.2%	960,987,411.88
BBVA Consumo 1 FTA	**08.05.2006**	1,500,000,000.00	551,713,655.25	-23.3%	719,358,618.00	-40.0%	1,199,925,867.75
MBS BANCAJA 3 FTA	**03.04.2006**	810,000,000.00	436,438,235.20	-5.0%	459,506,012.00	-9.7%	509,113,362.00
Bancaja 9 FTA	**02.02.2006**	2,022,600,000.00	1,116,857,070.00	-5.0%	1,175,063,370.00	-10.8%	1,316,933,640.00
BBVA Autos 2 FTA	**12.12.2005**	1,000,000,000.00	366,540,030.55	-19.8%	456,868,244.35	-34.5%	697,184,035.75
EdT FTPYME Pastor 3 FTA	**05.12.2005**	520,000,000.00	88,673,220.55	-22.5%	114,482,719.69	-34.0%	173,518,158.86
Rural Hipotecario Global I FTA	**18.11.2005**	1,078,000,000.00	586,604,175.25	-5.8%	622,982,875.09	-10.8%	698,705,903.35
FTPYME Bancaja 4 FTA	**07.11.2005**	1,524,000,000.00	197,389,735.84	-13.8%	228,939,618.16	-33.1%	342,336,309.04
BBVA 4 PYME FTA	**26.09.2005**	1,250,000,000.00	169,167,588.00	-21.8%	216,342,912.30	-40.0%	360,632,613.03
Bankinter 10 FTA	**27.06.2005**	1,740,000,000.00	972,753,332.98	-5.0%	1,023,853,480.00	-9.3%	1,129,269,953.14
MBS Bancaja 2 FTA	**27.06.2005**	809,200,000.00	334,126,180.88	-6.0%	355,390,981.76	-12.5%	406,244,255.92
BBVA Hipotecario 3 FTA	**13.06.2005**	1,450,000,000.00	415,229,757.70	-14.4%	485,304,136.86	-24.4%	642,055,733.17
Rural Hipotecario VII FTA	**29.04.2005**	1,100,000,000.00	546,095,084.75	-6.2%	581,961,795.01	-10.8%	652,623,985.37
Bancaja 8 FTA	**22.04.2005**	1,680,100,000.00	783,141,893.27	-4.6%	821,157,887.86	-9.7%	909,687,849.80
Bankinter 9 FTA	**14.02.2005**	1,035,000,000.00	563,191,770.60	-5.5%	596,171,265.48	-10.2%	663,544,032.70
BBVA-3 FTPYME FTA	**29.11.2004**	1,000,000,000.00	138,827,978.57	-22.3%	178,674,389.24	-33.8%	269,966,083.10
Ruralpyme 1 FTPYME FTA	**23.11.2004**	214,000,000.00	48,217,932.40	-15.1%	56,765,323.81	-24.3%	74,962,808.98
BBVA Autos 1 FTA	**25.10.2004**	1,000,000,000.00	130,997,380.00	-30.0%	187,053,270.00	-45.5%	343,148,435.00
FTPYME Bancaja 3 FTA	**11.10.2004**	900,000,000.00	107,002,664.80	-18.3%	130,925,342.50	-27.1%	179,663,794.99
Bancaja 7 FTA	**12.07.2004**	1,900,000,000.00	729,444,174.13	-5.3%	770,293,444.20	-11.0%	865,846,478.84
Rural Hipotecario VI FTA	**07.07.2004**	950,000,000.00	411,589,292.61	-5.8%	437,073,494.75	-10.6%	488,624,113.56
MBS Bancaja 1 FTA	**17.05.2004**	690,000,000.00	179,280,738.26	-8.4%	195,619,808.47	-17.1%	236,017,686.48
Valencia H 1 FTA	**23.04.2004**	472,000,000.00	187,357,398.67	-7.5%	202,532,491.31	-12.7%	232,007,756.74
Bankinter 8 FTA	**03.03.2004**	1,070,000,000.00	454,287,571.96	-6.3%	485,087,041.82	-11.3%	546,915,812.87
Bancaja 6 FTA	**03.12.2003**	2,080,000,000.00	618,268,390.48	-6.0%	657,735,200.72	-12.3%	749,696,558.52
Rural Hipotecario V FTA	**28.10.2003**	695,000,000.00	253,312,374.92	-6.7%	271,507,418.48	-12.1%	308,893,570.42
Bankinter 6 FTA	**25.09.2003**	1,350,000,000.00	576,891,949.18	-6.4%	616,665,281.34	-10.6%	689,596,864.79
FTPYME Bancaja 2 FTA	**19.09.2003**	500,000,000.00	67,308,129.20	-13.4%	77,697,470.75	-22.7%	100,471,032.89
Bancaja 5 FTA	**14.04.2003**	1,000,000,000.00	280,339,501.80	-6.0%	298,094,986.95	-12.7%	341,277,231.90
Bancaja 3 FTA	**29.07.2002**	520,900,000.00	257,786,167.63	-9.2%	283,985,376.55	-17.6%	344,588,694.79
FTPYME Bancaja 1 FTA	**04.03.2002**	600,000,000.00	liquidated		0.00	-100.0%	64,005,795.00
BBVA-2 FTPYME-ICO FTA	**01.12.2000**	900,000,000.00	23,897,120.40	-21.2%	30,328,236.90	-44.5%	54,615,458.88
BCL Municipios I FTA	**21.06.2000**	1,205,000,000.00	194,344,210.00	-12.6%	222,252,950.00	-24.7%	295,005,440.00
BBVA-1 FTA	**24.02.2000**	1,112,800,000.00	30,174,967.30	-0.7%	30,373,639.40	-60.3%	76,510,839.04

6.4 **Share capital and equity.**

The Management Company's 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)	31.12.2009	?%	31.12.2008	?%	31.12.2007
Equity *	**10,260,817.24**	**66.54%**	**6,161,104.95**	**99.05%**	**3,095,298.97**
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	8,457,779.74	94.07%	4,358,067.45	237.24%	1,292,261.47
Legal	*360,607.50*	*0.00%*	*360,607.50*	0.00%	*360.607,50*
Voluntary	*8,097,172.24*	*102.56%*	*3,997,459.95*	329.07%	*931.653,97*
Year's profit	**6,144,652.25**	**49.88%**	**4,099,712.29**	**33.72%**	**3,065,805.98**

* 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.**

Under the articles of association, the General Shareholders' Meeting and the Board of Directors are entrusted with governing and managing the Management Company. 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 Pedro María Urresti Laca (**)

Directors: Mr Ignacio Echevarría Soriano (*) (**)
Ms Ana Fernández Manrique (**)
Mr Mario Masiá Vicente (*)
Mr Justo de Rufino Portillo (*) (**)
Mr Borja Uriarte Villalonga on behalf of Bankinter, 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.
(**) Proprietary Directors for BBVA.

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

General Manager.

The Management Company's General Manager 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.**

None of the persons referred to in the preceding section performs any activities relevant to the Fund outside the Management Company.

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

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

6.9 **Litigation in the Management Company.**

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 at 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 undertakings listed below, specifying the percentage share capital holding of each one:

Name of shareholder company	Holding (%)
Banco Bilbao Vizcaya Argentaria, S.A.	87.5041
J.P. Morgan España, S.A.	4.0000
Bankinter, S.A.	1.5623
Caja de Ahorros del Mediterráneo	1.5420
Banco Sabadell, S.A.	1.5317
Banco Cooperativo Español, S.A.	0.7965
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, 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 III of Royal Decree 217/2008, February 15, on the legal system of investment services companies and other undertakings providing investment services and partially amending the implementing Regulations of Undertakings for Collective Investment Act 35/2003, November 4, approved by Royal Decree 1309/2005, November 4, 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 of the Issuer as at the date of the Registration Document.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund's operations shall commence on the date of execution of the Deed of Constitution and therefore the Fund has no financial statement as at 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 sourced from a third party is included.

10. DOCUMENTS ON DISPLAY

10.1 Documents on display.

If necessary, the following documents or copies thereof shall be on display during the period of validity of this Registration Document and during the life of the Fund:

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 audit report on certain features and attributes of a sample of all BANKINTER's selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken in order for their receivables to be mostly assigned to the Fund upon being established;

e) the Rating Agencies' letters notifying the provisional and final ratings assigned to the Bond Issue;

f) the letter from BANKINTER taking responsibility, with the Management Company, for the Securities Note;

g) the notarial certificate of payment of the Bond Issue, once the Bond Issue is paid up;

h) the Management Company's annual accounts and the relevant audit reports; and

i) the Management Company's articles of association and memorandum of association.

Those documents are physically on display 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.es, and of the CNMV at www.cnmv.es.

The Deed of Constitution of the Fund is physically on display at the place of business of Iberclear in Madrid, Plaza de la Lealtad number 1.

In addition, the documents listed in a) to g) are on display 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.

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Mr Mario Masiá Vicente, General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993, January 28, 2000, November 23, 2009 and March 31, 2010, is expressly acting for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee in a resolution dated June 4, 2010.

Ms Isabel Alonso Matey, duly authorised for these presents, for and on behalf of BANKINTER, S.A., Lead Manager of the Bond Issue by BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Ms Isabel Alonso Matey is acting as attorney-in-fact for the Lead Manager using the authorities conferred by the Board of Directors at its meeting held on June 17, 2009 and the powers conferred on her before Madrid Notary Public Ms Ana López-Monis Gallego on June 19, 2008, her document number 1976.

1.2 Declaration by those responsible for the Securities Note.

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

Ms Isabel Alonso Matey declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Building Block) is, to the best of her knowledge, in accordance with the facts and contains no omission likely to affect its contents.

2 RISK FACTORS

The Bond Issue is made with the intention of being fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or be subsequently sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem's valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

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

The risk factors linked to the assets backing the Bond Issue are described in paragraph 3 of the preceding Risk Factors section 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 connection between them are detailed in section 5.2 of the Registration Document. Their interest as persons involved in the offer of the Bond Issue are as follows:

a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.

b) BANKINTER and EUROPEA DE TITULIZACIÓN have structured the financial terms of the Fund and the Bond Issue.

c) BANKINTER is the Originator of the Mortgage Credit receivables by issuing the Mortgage Certificates and Pass-Through Certificates to be pooled in the Fund, and to be subscribed for by the same.

d) BANKINTER is the Lead Manager and the Bond Issue Subscriber.

e) BANKINTER is involved as Paying Agent of the Bond Issue and shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Subordinated Loan, Start-Up Loan, Financial Swap, Mortgage Credit Servicing and Mortgage Certificate and Pass-Through Certificate Custody, Bond Paying Agent and Financial Intermediation Agreements.

f) DELOITTE has audited certain features and attributes of a sample of all of BANKINTER's selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken to be assigned to the Fund upon being established.

g) Moody's and S&P are the Rating Agencies that have rated the Bond Issue.

h) RAMÓN Y CAJAL, as independent adviser, has provided legal advice for establishing the Fund and the Bond issue and has been involved in reviewing this Prospectus, the transaction and financial service agreements referred to herein and the Deed of Constitution.

The description of the institutions referred to in the preceding paragraphs is contained in section 5.2 of the Registration Document.

Other than the existing relationship with BANKINTER described in section 5.2 of the Registration Document, 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 5.2 of the Registration Document.

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

4.1 Total amount of the securities.

The total face value and cash amount of the issue of Asset-Backed Bonds (either the "**Bond Issue**" or the "**Bonds**") is EUR one billion six hundred and fifty million (1,650,000,000.00), consisting of sixteen thousand five hundred (16,500) Bonds having a unit face value of EUR one hundred thousand (100,000).

The Bonds are issued at 100 percent of their face value. The issue price of each Bond shall be EUR one hundred thousand (100,000), clear of taxes and subscription costs for the subscriber through the Fund. The expenses and taxes inherent in the Bond Issue shall be borne by the Fund.

4.1.1 Subscription for the Bond Issue.

The Bond Issue shall be exclusively subscribed for by BANKINTER (the "**Subscriber**") under the management and subscription agreement (the **Management and Subscription Agreement**") to be entered into by the Management Company for and on behalf of the Fund.

Similarly, BANKINTER shall be involved in the Bond Issue as lead manager (the "**Lead Manager**"). BANKINTER shall receive no fee whatsoever for either managing or subscribing for Bond Issue.

The Management and Subscription Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 2pm (CET) on July 13, 2010.

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 Securities Market Act 24/1988, July 28, 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) Additional Provision Five of Act 3/1994, (v) Regulation 809/2004, (vi) Royal Decree 1310/2005, and (vii) all other legal and statutory provisions in force and applicable from time to time.

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

All matters, disagreements, actions and claims arising out of the Management Company establishing, managing and being the authorised representative of BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond Issue by the same shall be referred to the Courts and Tribunals of the city of Madrid.

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 Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14 ("**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.U. ("**Iberclear**"), with place of business at Plaza de la Lealtad, no. 1, 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 admitted to trading on the AIAF and represented by means of 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.

The Bonds issued by the Fund are all in a single series. There is no subordination whatsoever among them.

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

Payment of interest accrued by the 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.

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

The Bond Principal Amortisation Due is fifth (5th) 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 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.

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 Mortgage Credit Obligors who may have defaulted on their payment obligations or against the Originator. Any such rights shall lie with the Management Company, representing the Fund.

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

Bondholders and all other creditors of the Fund shall have no recourse against the Management Company other than as derived from breaches of its duties or inobservance of the provisions of this Prospectus and of the Deed of Constitution. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

All matters, disagreements, actions and claims arising out of the Management Company establishing, managing and being the authorised representative of the Fund and the Bond Issue by the same shall be heard and ruled upon by the Courts and Tribunals of the city of Madrid.

4.8 Nominal interest rate and provisions relating to interest payable.

4.8.1 Bond nominal interest rate.

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

The resultant yearly nominal interest rate (the "**Nominal Interest Rate**") shall be payable quarterly in arrears on each Payment Date on the Outstanding Principal Balance of the Bonds at the preceding Determination 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 capital, 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 the Bonds shall be divided into successive interest accrual periods (the "**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, July 14, 2010, inclusive, and the first Payment Date, September 17, 2010, exclusive.

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

4.8.1.2 Nominal Interest Rate.

The Nominal Interest Rate applicable to the Bonds 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 0.30% margin.

The resultant Nominal Interest Rate shall be expressed as a percentage to three decimal places rounding the relevant figure to the nearest thousandth, rounding up when equidistant.

4.8.1.3 Reference Rate and determining the same.

The reference rate (the "**Reference Rate**") for determining the Nominal Interest Rate applicable to the Bonds 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 ("Fédération Bancaire de l'Union Européene") mandate, set at 11am (CET or "Central European Time") on the Interest Rate Fixing Date described below, which is currently published on electronic page EURIBOR01 supplied by Reuters, or any other page taking its stead in providing these services.

   Exceptionally, the Reference Rate for the first Interest Accrual Period shall be two- (2-) month Euribor, set at 11am (CET) on the Business Day preceding the Closing Date.

   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 as soon as possible after 11am (CET) on the Interest Rate Fixing Date.

   Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable two- (2-) month deposit transactions in Euros, declared by the banks as provided for in paragraph one above, following a simultaneous request to each of their headquarters by the Paying Agent as soon as possible after 11am (CET) on the Business Day preceding the Closing Date.

   The resultant Nominal Interest Rate shall be expressed as a percentage to three decimal places rounding the relevant figure to the nearest thousandth, rounding up when equidistant.

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 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 subsequent Interest Accrual Periods whilst matters remain the same. For the first Interest Accrual Period, two- (2-) month Euribor available immediately before 11am (CET) on the Business Day preceding the Closing Date shall be applied, calculated and distributed as described in the first paragraph of i) above.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with paragraphs i), ii) and iii) 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 the Bonds 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 for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the Business Day preceding the Closing Date, and shall notify the same in writing on the same day to the Subscriber. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

The Nominal Interest Rates determined for the Bonds for subsequent 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, payable on each Payment Date for each Interest Accrual Period, shall be calculated 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.*

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

R = *Nominal Interest Rate expressed as a yearly percentage.*

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

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

Interest on the Bonds will be paid until finally amortised by Interest Accrual Periods in arrears on March 17, June 17, September 17 and December 17 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 then accrue until said first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first Bond interest Payment Date shall be September 17, 2010, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, July 14, 2010, inclusive, and September 17, 2010, exclusive.

In this Bond Issue, business days ("**Business Days**" or individually "**Business Day**") shall be deemed to be all days other than a:

- public holiday in the city of Madrid, or
- non-business day in the TARGET 2 calendar (or future replacement calendar).

Both interest resulting for Bondholders 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 the Priority of Payments, unpaid amounts shall accumulate on the following Payment Date to interest payable 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 shortfall of Available Funds.

Overdue interest amounts 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 September 17, 2053, 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, and therefore the Management Company shall, for and on behalf of the Fund, enter into the Paying Agent Agreement with BANKINTER as set out in section 5.2.1 of this Securities Note.

4.9 Maturity date and amortisation of the securities.

4.9.1 Bond redemption price.

The redemption price of the Bonds 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 shall be amortised in an equal amount by reducing the face amount of each of the Bonds.

4.9.2 Partial amortisation of the Bonds.

Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Principal Amortisation Due applied on each Payment Date, by reducing the face amount of each Bond, as provided for in section 4.9.3.4 below concerning the Principal Amortisation Due.

The first partial amortisation of the Bonds shall occur on the first Payment Date, September 17, 2010.

Final amortisation of the Bonds shall occur on the Final Maturity Date (September 17, 2053 or the following Business Day if that is not a Business Day), notwithstanding possible full amortisation before that date due to the partial amortisation for which provision is made or because the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 **Partial amortisation of the Bonds.**

Irrespective of the Final Maturity Date and subject to Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to partial amortisation of the Bonds on each Payment Date other than the Final Maturity Date or upon Early Liquidation of the Fund on the terms described hereinafter in this section.

4.9.3.1 **Determination Dates and Determination Periods.**

Determination dates (the "**Determination Dates**" or individually the "**Determination Date**") will be the dates falling on the fifth (5th) 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 which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be September 10, 2010.

Determination periods (the "**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, September 10, 2010, 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 Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Mortgage Certificates and the Pass-Through Certificates 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 b) but including a).

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

The outstanding principal balance (the "**Outstanding Principal Balance of the Bond Issue**") shall be the sum of the principal pending repayment (outstanding balance) at a date of all the Bonds.

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

The outstanding balance (the "**Outstanding Balance**") of a Mortgage Credit shall be the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on the specific Mortgage Credit at a date.

The outstanding balance of the Mortgage Credits (the "**Outstanding Balance of the Mortgage Credits**") at a date shall be the sum of the Outstanding Balance of each and every one of the Mortgage Credits at that date.

Delinquent Mortgage Credits (the "**Delinquent Mortgage Credits**") shall be deemed to be Mortgage Credits that are delinquent at a date with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Mortgage Credits. Non-delinquent Mortgage Credits (the "**Non-Delinquent Mortgage Credits**") shall be deemed to be Mortgage Credits that at a date are not deemed to be either Delinquent Mortgage Credits or Doubtful Mortgage Credits. The potential deferment of payment of instalments referred to in section 2.2 (ii) of the Building Block, shall not be considered a delay in payment of overdue Mortgage Credit amounts.

Doubtful Mortgage Credits (the "**Doubtful Mortgage Credits**") shall be deemed to be Mortgage Credits that are delinquent at a date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information received from the Servicer. Non-doubtful Mortgage Credits (the "**Non-Doubtful Mortgage Credits**") shall be deemed to be Mortgage Credits that are not deemed to be Doubtful Credits at a date. The potential deferment of payment of instalments referred to in section 2.2 (ii) of the Building Block, shall not be considered a delay in payment of overdue Mortgage Credit amounts.

4.9.3.4 **Bond Amortisation on each Payment Date.**

On each Payment Date, the Available Funds shall be used in fifth (5th) place in the Priority of Payments to amortise Bond principal in an amount ("**Principal Amortisation Due**") equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Balance of Non-Doubtful Mortgage Credits.

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

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

4.9.5 **Final Maturity Date.**

The Final Maturity Date and consequently final amortisation of the Bonds shall be on December 17, 2053 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 4.9.2 to 4.9.4 of this Securities Note, proceeding to amortise the Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall be made subject to the Liquidation Priority of Payments.

4.10 Indication of yield.

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

i) The repayment schedule and system of each Mortgage Credit established in the relevant agreements.

ii) The Obligors' capacity to prepay the Mortgage Credits in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Mortgage Credit prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also "**CPR**"), are very significant and shall directly affect the pace at which the Bonds are amortised, and therefore their average life and duration.

iii) The floating interest rates which shall apply to each Mortgage Credit, resulting in the repayment amount on every instalment differing, notwithstanding their potential renegotiation to a fixed rate.

iv) The Obligors' delinquency and default in payment of Mortgage Credit instalments.

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

- Mortgage Credit interest rate: 2.07% weighted average interest rate as at June 22, 2010 of the portfolio of selected mortgage loans and credits (first drawdowns) which has been used for calculating the repayment instalments and interest of each of the selected mortgage loans and credits (first drawdowns);
- maintenance of the selected mortgage loans and credits (first drawdowns) systems at June 22, 2010;

- Mortgage Credit portfolio delinquency: 2.08% of the Outstanding Balance of the Mortgage Credits (BANKINTER's mortgage delinquency rate at March 31, 2010), with 75.00% recoveries within 18 months of becoming delinquent;
- Mortgage Credit portfolio doubtful rate: 0.52%, with 80% recovery within 18 months of becoming doubtful;
- that the Mortgage Credit prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is July 14, 2010; and
- that there is no extension of the term of any of the selected mortgage loans and credits (first drawdowns) and no repayment or repayment and interest exclusion periods are established for the selected mortgage credits (first drawdowns).

The actual adjusted life and the yield or return on the Bonds will also depend on their rate, which floats. The Bond nominal interest rate assumed for the first Interest Accrual Period results from 2-month Euribor (0.608%) at June 29, 2010, and the margin set in section 4.8.1.2 of this Securities Note.

	Bonds
Nominal interest rate	0.908%

For subsequent Interest Accrual Periods, the floating interest rate of the Bonds is assumed to be constant as follows, resulting from 3-month Euribor (0.793%) at June 29, 2010 and the margin set in section 4.8.1.2 of this Securities Note:

	Bonds
Nominal interest rate	1.093%

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 Mortgage Credits is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs, based on the performance in recent months of similarly characterised mortgage loans and credits previously securitised by BANKINTER, would be as follows:

% CPR:	2.00%	4.00%	6.00%
Average life (years)	10.23	8.63	7.41
IRR	1.109%	1.108%	1.108%
Duration (years)	9.35	7.97	6.90
Final maturity	17 12 2032	18 03 2030	17 12 2027
(in years)	22.45	19.70	17.44

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

- Whereas the Mortgage Credit CPRs are assumed to be constant respectively at 2.00%, 4.00% and 6.00% 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 actual Mortgage Credit prepayment, delinquency and default rates.

- Whereas Bond nominal interest rates are assumed to be constant from the second Interest Accrual Period, the Bond interest rate is known to float.
- It is assumed that the Management Company will exercise the Early Liquidation of the Fund option and thereby proceed to Early Amortisation of the Bond Issue when the Outstanding Balance of the Mortgage Credits is less than 10% of the Initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3 of the Registration Document.
- The assumptions mentioned at the beginning of this section 4.10 are reasonable and are based on the historical performance of the mortgage loans and credits (first drawdowns) granted by BANKINTER to individuals.

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER (AMOUNTS IN EUR)

CPR = 2.00%

Payment	Bonds		
Date	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	11,300.78	111,300.78
14/07/2010			
17/09/2010	1,042.94	163.94	1,206.88
17/12/2010	1,595.47	273.40	1,868.88
17/03/2011	1,582.44	266.04	1,848.48
17/06/2011	1,620.74	267.53	1,888.27
19/09/2011	1,578.11	268.72	1,846.83
19/12/2011	1,568.24	255.79	1,824.03
19/03/2012	1,582.67	251.45	1,834.12
18/06/2012	1,583.62	247.08	1,830.71
17/09/2012	1,566.09	242.71	1,808.79
17/12/2012	1,550.44	238.38	1,788.82
18/03/2013	1,527.67	234.10	1,761.76
17/06/2013	1,526.00	229.87	1,755.88
17/09/2013	1,502.11	228.14	1,730.25
17/12/2013	1,485.71	221.51	1,707.22
17/03/2014	1,464.84	215.01	1,679.85
17/06/2014	1,464.51	215.70	1,680.21
17/09/2014	1,447.40	211.61	1,659.01
17/12/2014	1,430.61	205.31	1,635.92
17/03/2015	1,407.22	199.15	1,606.37
17/06/2015	1,404.53	199.64	1,604.18
17/09/2015	1,386.79	195.72	1,582.50
17/12/2015	1,373.51	189.76	1,563.27
17/03/2016	1,355.60	185.96	1,541.56
17/06/2016	1,347.53	184.22	1,531.75
19/09/2016	1,328.03	184.38	1,512.41
19/12/2016	1,311.81	174.83	1,486.64
17/03/2017	1,288.26	165.56	1,453.82
19/06/2017	1,281.20	173.17	1,454.37
18/09/2017	1,264.67	164.10	1,428.77
18/12/2017	1,249.27	160.61	1,409.88
19/03/2018	1,227.37	157.16	1,384.52
18/06/2018	1,217.27	153.77	1,371.04
17/09/2018	1,196.37	150.40	1,346.77
17/12/2018	1,181.84	147.10	1,328.94
18/03/2019	1,160.78	143.83	1,304.62
17/06/2019	1,152.63	140.63	1,293.25
17/09/2019	1,130.27	138.95	1,269.22
17/12/2019	1,112.67	134.32	1,246.99
17/03/2020	1,090.19	131.24	1,221.43
17/06/2020	1,081.07	129.64	1,210.71
17/09/2020	1,064.79	126.62	1,191.42
17/12/2020	1,052.14	122.30	1,174.45
17/03/2021	1,033.57	118.08	1,151.65
17/06/2021	1,027.67	117.82	1,145.49
17/09/2021	1,009.25	114.95	1,124.20
17/12/2021	994.46	110.91	1,105.38
17/03/2022	975.90	106.98	1,082.87
17/06/2022	969.24	106.63	1,075.87
19/09/2022	955.68	106.18	1,061.86
19/12/2022	942.96	100.15	1,043.11
17/03/2023	926.96	94.33	1,021.29
19/06/2023	918.02	98.12	1,016.14
18/09/2023	897.51	92.45	989.96
18/12/2023	882.85	89.97	972.82
18/03/2024	865.86	87.53	953.39
17/06/2024	848.94	85.14	934.07
17/09/2024	820.41	83.70	904.11
17/12/2024	798.27	80.52	878.80
17/03/2025	773.68	77.46	851.13
17/06/2025	762.18	77.02	839.19
17/09/2025	748.23	74.89	823.12
17/12/2025	736.22	72.01	808.23
17/03/2026	722.74	69.21	791.94
17/06/2026	716.24	68.72	784.96
17/09/2026	705.26	66.72	771.98
17/12/2026	694.26	64.05	758.31
17/03/2027	681.81	61.45	743.26
17/06/2027	675.40	60.91	736.31
17/09/2027	663.48	59.02	722.50
17/12/2027	653.16	56.55	709.71
17/03/2028	640.15	54.74	694.89
19/06/2028	630.01	54.72	684.74
18/09/2028	616.58	51.24	667.82
18/12/2028	601.41	49.53	650.94
19/03/2029	581.73	47.87	629.60
18/06/2029	566.14	46.26	612.41
17/09/2029	540.98	44.70	585.68
17/12/2029	520.65	43.20	563.85
18/03/2030	496.38	41.77	538.15
17/06/2030	484.39	40.39	524.78
17/09/2030	474.74	39.48	514.22
17/12/2030	466.14	37.74	503.88
17/03/2031	457.47	36.06	493.53
17/06/2031	452.47	35.58	488.05
17/09/2031	443.83	34.32	478.15
17/12/2031	437.99	32.72	470.71
17/03/2032	428.93	31.51	460.44
17/06/2032	422.67	30.65	453.33
17/09/2032	413.35	29.47	442.83
17/12/2032	10,138.39	28.01	10,166.40

CPR = 4.00%

Payment	Bonds		
Date	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	9,525.55	109,525.55
14/07/2010			
17/09/2010	1,357.23	163.94	1,521.17
17/12/2010	2,081.84	272.54	2,354.37
17/03/2011	2,044.88	263.85	2,308.73
17/06/2011	2,074.52	264.00	2,338.52
19/09/2011	2,013.79	263.82	2,277.61
19/12/2011	1,980.81	249.84	2,230.65
19/03/2012	1,982.29	244.37	2,226.66
18/06/2012	1,973.12	238.89	2,212.01
17/09/2012	1,938.08	233.44	2,171.52
17/12/2012	1,901.03	228.08	2,129.11
18/03/2013	1,857.69	222.83	2,080.52
17/06/2013	1,847.80	217.70	2,065.50
17/09/2013	1,808.33	214.93	2,023.26
17/12/2013	1,772.31	207.60	1,979.90
17/03/2014	1,732.71	200.47	1,933.18
17/06/2014	1,724.39	200.09	1,924.48
17/09/2014	1,692.61	195.27	1,887.89
17/12/2014	1,658.01	188.47	1,846.49
17/03/2015	1,617.88	181.87	1,799.75
17/06/2015	1,607.70	181.39	1,789.10
17/09/2015	1,576.71	176.90	1,753.61
17/12/2015	1,546.93	170.62	1,717.56
17/03/2016	1,516.70	166.35	1,683.05
17/06/2016	1,498.67	163.94	1,662.61
19/09/2016	1,467.43	163.23	1,630.66
19/12/2016	1,436.60	153.96	1,590.57
17/03/2017	1,399.80	145.05	1,544.85
19/06/2017	1,386.52	150.95	1,537.47
18/09/2017	1,359.27	142.30	1,501.56
18/12/2017	1,330.64	138.54	1,469.18
19/03/2018	1,296.91	134.87	1,431.78
18/06/2018	1,281.50	131.28	1,412.78
17/09/2018	1,251.73	127.74	1,379.47
17/12/2018	1,225.41	124.28	1,349.69
18/03/2019	1,193.99	120.90	1,314.89
17/06/2019	1,180.75	117.60	1,298.35
17/09/2019	1,151.06	115.59	1,266.65
17/12/2019	1,123.61	111.16	1,234.77
17/03/2020	1,094.68	108.05	1,202.73
17/06/2020	1,079.04	106.18	1,185.22
17/09/2020	1,055.60	103.17	1,158.77
17/12/2020	1,033.55	99.13	1,132.68
17/03/2021	1,007.05	95.22	1,102.27
17/06/2021	996.62	94.52	1,091.14
17/09/2021	972.53	91.74	1,064.26
17/12/2021	949.92	88.05	1,037.98
17/03/2022	924.72	84.49	1,009.20
17/06/2022	914.10	83.78	997.89
19/09/2022	894.82	83.00	977.82
19/12/2022	874.99	77.87	952.86
17/03/2023	852.93	72.97	925.90
19/06/2023	840.93	75.51	916.44
18/09/2023	817.23	70.78	888.00
18/12/2023	797.02	68.52	865.54
18/03/2024	776.65	66.32	842.96
17/06/2024	757.81	64.17	821.98
17/09/2024	729.23	62.76	791.99
17/12/2024	704.68	60.06	764.74
17/03/2025	678.69	57.48	736.16
17/06/2025	666.04	56.86	722.89
17/09/2025	649.45	55.00	704.45
17/12/2025	633.48	52.61	686.09
17/03/2026	616.71	50.30	667.00
17/06/2026	608.12	49.69	657.81
17/09/2026	594.38	47.99	642.38
17/12/2026	579.96	45.83	625.79
17/03/2027	564.74	43.74	608.48
17/06/2027	556.53	43.14	599.67
17/09/2027	542.77	41.58	584.35
17/12/2027	529.58	39.63	569.21
17/03/2028	515.47	38.17	553.64
19/06/2028	504.23	37.95	542.18
18/09/2028	490.09	35.35	525.44
18/12/2028	474.33	34.00	508.32
19/03/2029	455.75	32.68	488.44
18/06/2029	442.08	31.43	473.50
17/09/2029	420.84	30.20	451.05
17/12/2029	402.59	29.04	431.63
18/03/2030	10,108.82	27.93	10,136.75

CPR = 6.00%

Payment	Bonds		
Date	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	8,170.88	108,170.88
14/07/2010			
17/09/2010	1,677.09	163.94	1,841.03
17/12/2010	2,572.58	271.65	2,844.24
17/03/2011	2,506.49	261.64	2,768.13
17/06/2011	2,522.48	260.45	2,782.93
19/09/2011	2,438.97	258.91	2,697.88
19/12/2011	2,378.71	243.91	2,622.62
19/03/2012	2,363.38	237.34	2,600.72
18/06/2012	2,340.13	230.81	2,570.94
17/09/2012	2,284.06	224.34	2,508.40
17/12/2012	2,222.71	218.03	2,440.75
18/03/2013	2,156.29	211.89	2,368.18
17/06/2013	2,134.80	205.94	2,340.73
17/09/2013	2,077.28	202.24	2,279.52
17/12/2013	2,019.93	194.30	2,214.23
17/03/2014	1,960.20	186.64	2,146.85
17/06/2014	1,941.26	185.32	2,126.58
17/09/2014	1,893.32	179.89	2,073.22
17/12/2014	1,840.19	172.71	2,012.90
17/03/2015	1,782.83	165.78	1,948.61
17/06/2015	1,763.19	164.49	1,927.67
17/09/2015	1,718.25	159.56	1,877.81
17/12/2015	1,672.11	153.08	1,825.19
17/03/2016	1,629.23	148.46	1,777.69
17/06/2016	1,600.48	145.54	1,746.02
19/09/2016	1,557.44	144.14	1,701.58
19/12/2016	1,512.81	135.23	1,648.04
17/03/2017	1,463.65	126.73	1,590.39
19/06/2017	1,443.24	131.20	1,574.44
18/09/2017	1,405.76	123.02	1,528.78
18/12/2017	1,365.27	119.14	1,484.41
19/03/2018	1,321.10	115.37	1,436.47
18/06/2018	1,299.84	111.72	1,411.56
17/09/2018	1,262.06	108.12	1,370.18
17/12/2018	1,225.71	104.64	1,330.35
18/03/2019	1,185.68	101.25	1,286.93
17/06/2019	1,167.22	97.98	1,265.19
17/09/2019	1,131.29	95.79	1,227.08
17/12/2019	1,095.98	91.62	1,187.60
17/03/2020	1,061.76	88.60	1,150.36
17/06/2020	1,040.46	86.60	1,127.06
17/09/2020	1,011.32	83.70	1,095.02
17/12/2020	982.19	79.99	1,062.19
17/03/2021	949.96	76.43	1,026.40
17/06/2021	935.48	75.48	1,010.96
17/09/2021	907.26	72.86	980.12
17/12/2021	879.23	69.56	948.80
17/03/2022	849.63	66.40	916.03
17/06/2022	835.74	65.50	901.24
19/09/2022	812.57	64.54	877.11
19/12/2022	788.17	60.23	848.40
17/03/2023	762.43	56.14	818.58
19/06/2023	748.12	57.79	805.92
18/09/2023	722.76	53.88	776.64
18/12/2023	699.42	51.89	751.30
18/03/2024	677.30	49.95	727.26
17/06/2024	657.56	48.08	705.65
17/09/2024	629.84	46.77	676.61
17/12/2024	604.66	44.53	649.18
17/03/2025	578.81	42.38	621.19
17/06/2025	565.58	41.71	607.29
17/09/2025	547.95	40.13	588.08
17/12/2025	530.25	38.18	568.43
17/03/2026	512.27	36.31	548.58
17/06/2026	502.54	35.69	538.22
17/09/2026	487.77	34.28	522.06
17/12/2026	472.12	32.56	504.68
17/03/2027	456.15	30.91	487.07
17/06/2027	447.13	30.33	477.46
17/09/2027	433.10	29.08	462.17
17/12/2027	9,977.40	27.57	10,004.96

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:

The Executive Committee of EUROPEA DE TITULIZACIÓN's Board of Directors resolved on June 4, 2010 that:

i) BANKINTER 20 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 in 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) Mortgage participation certificates and/or pass-through certificates issued by BANKINTER on loans and the first drawdowns of credit facility agreements owned by BANKINTER granted to individuals with real estate mortgage security on properties located in Spain, be pooled in the Fund, in accordance with the provisions of Act 2/1981 and Additional Provision Five of Act 3/1994, as they are currently worded.

iii) The Bonds be issued by the Fund.

Resolution to assign mortgage loans and credits by issuing mortgage participation certificates and pass-through certificates:

At a meeting held on June 17, 2009, BANKINTER's Board of Directors resolved that the assignment of loans and credits and the issue of mortgage participation certificates and pass-through certificates thereon to be subscribed for by one or several Securitisation Funds be authorised.

b) Registration by the CNMV.

There is a condition precedent for the Fund to be established and for the Bond Issue that this Prospectus and all other supporting documents be entered in the Official Registers of the CNMV, 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.

c) Execution of the Fund public deed of constitution.

Once the CNMV has registered this Prospectus, the Management Company shall, with the presence of BANKINTER, as Originator, proceed to execute on July 12, 2010 a public deed whereby BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANKINTER will assign the Mortgage Credit Receivables to the Fund by issuing the Mortgage Certificates and the Pass-Through Certificates to be subscribed for by the Fund, and the Fund will issue the Asset-Backed Bonds, on the terms provided for 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, notwithstanding the need to complete the relevant details and amounts of the Mortgage Credit Mortgage Certificates and Pass-Through Certificates to be issued and subscribed for under the Deed of Constitution.

The Management Company shall submit a copy of the Deed of Constitution to the CNMV to be entered in the Official Registers by July 14, 2010.

4.13 Issue date of the securities.

The Bond issue date shall be July 12, 2010, the date of establishment of the Fund.

4.13.1 **Subscription for the Bonds.**

The Bond Issue shall be fully subscribed for by BANKINTER.

4.13.2 **Bond Issue subscription payment method and dates.**

The Subscriber shall subscribe for the Bond Issue on July 13, 2010 and pay to the Fund by 2pm (CET) on July 14, 2010 (the "**Closing Date**"), for same day value, the issue price comprising the face value of all the Bonds subscribed for.

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 (book entry) 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 S.A. ("**AIAF**"), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a regulated market, as contained in the annotated presentation of regulated markets and additional provisions as required by Directive 93/22 on investment services in the securities field, published in the Official Journal of the European Union on July 11, 2009. The Management Company undertakes to do all such things as may be necessary in order that definitive admission to trading is 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 admitted to trading 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, if the delay is due to events attributable to the same.

5.2 Paying agents and depository agents.

5.2.1 Paying Agent of the Bond Issue.

The Bond Issue will be serviced through BANKINTER as Paying Agent. Interest payment 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 payment and repayments shall be made to Bondholders by the relevant members and to the latter in turn by Iberclear, the institution responsible for the accounting record.

The Management Company shall, for and on behalf of the Fund, enter with BANKINTER into a paying agent agreement to service the Bond Issue, the most significant terms of which are given in section 3.4.7.2 of the Building Block.

6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.

The expected expenses deriving from setting up the Fund and issue and admission to trading of the Bond Issue are EUR four hundred and ninety-four thousand three hundred (494,300.00). These expenses include, inter alia, the initial Management Company fee, notary's fees, rating and legal advice fees, CNMV fees, AIAF and Iberclear fees, and Prospectus translation expenses.

7 ADDITIONAL INFORMATION.

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

RAMÓN Y CAJAL, as independent adviser, has provided legal advice for establishing the Fund and issuing the Bonds and has been involved in reviewing this Prospectus, the transaction and financial service agreements referred to herein and the Deed of Constitution.

BANKINTER and EUROPEA DE TITULIZACIÓN have structured the financial terms of the Fund and of 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.

Deloitte has audited the most significant features of a sample of the selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken to be assigned to the Fund upon being established, on the terms set forth in section 2.2 of the Building Block. In addition, Deloitte audited the Management Company's annual accounts for the years ended December 31, 2009, 2008 and 2007.

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 BANKINTER as to the truthfulness of the characteristics of BANKINTER as Originator, of the Mortgage Credits and of the Mortgage Certificates and Pass-Through Certificates given in section 2.2.8 of the Building Block, and of the remaining information on BANKINTER, and of the selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken given in this Prospectus.

In the Deed of Constitution of the Fund, BANKINTER shall reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established.

The Management Company confirms that the information from BANKINTER on the selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken and on the Originator proper has been accurately reproduced and, to the best of its knowledge and ability to determine based on that information provided by BANKINTER, 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.

Moody's and S&P have, on July 6, 2010, assigned the following provisional ratings to the Bonds, and expect to assign the same final ratings by 2pm (CET) on July 13, 2010.

	Moody's Rating	S&P Rating
Bond Issue	Aaa	AAA

If the Rating Agencies should not confirm any of the assigned provisional ratings as final by July 13, 2010, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section 4.1.2.2 of the Building Block. Furthermore, this circumstance would result in the establishment of the Fund, the Bond Issue and the issue of and subscription for the Mortgage Certificates and the Pass-Through Certificates terminating, as provided for in section 4.4.4.(v) of the Registration Document.

Rating considerations.

The ratings assigned to the Bonds by Moody's measure the expected loss before the Final Maturity Date. In Moody's opinion, the structure allows timely interest and principal payment during the life of the transaction and, in any event, before the Final Maturity Date. Moody's ratings only measure credit risks inherent in the transaction; other risk types which may materially impact investors' return are not measured.

The ratings assigned to the Bonds by S&P are an opinion as to the Fund's ability to pay interest on a timely basis and pay principal throughout the life of the transaction and, in any event, before the Final Maturity Date.

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 revision or suspension of the ratings:

(i) are assigned by the Rating Agencies based on manifold information received with respect to which they can 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.

In carrying on the rating and monitoring process, the Rating Agencies rely on the accuracy and wholeness of the information provided by BANKINTER, the Management Company, Deloitte as auditors of certain features and attributes of a sample of the selected mortgage loans and credits (first drawdowns), as well as the legal opinion to be issued by RAMÓN Y CAJAL, as independent legal advisers.

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

The Rating Agencies may revise, 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.

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 Mortgage Credit Mortgage Certificates and Pass-Through Certificates to be issued by BANKINTER and subscribed for by the Fund upon being established and their Outstanding Balance shall be equal to or slightly above EUR one billion six hundred and fifty million (1,650,000,000.00), the face value amount of the Bond Issue.

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.

In accordance with 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 Mortgage Credit receivables allow the payments due and payable on the Bonds issued to be distinctly satisfied.

Nevertheless, in order to cover for potential payment defaults by the securitised Mortgage Credit Obligors, a number of credit enhancement transactions have been arranged allowing the amounts payable on the Bonds to be covered to a different extent and mitigating the interest risk due to the different terms of the interest clauses of the Mortgage Credits and of the Bonds. In exceptional circumstances, the enhancement transactions could actually fall short for meeting payments on the Bonds or other creditors of the Fund. The credit enhancement transactions are described in sections 3.4.2, 3.4.3, 3.4.4 and 3.4.7 of this Building Block.

Upon the occurrence of a (i) substantial alteration or permanent financial 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 the Bonds issued or suggesting that it will occur, the Management Company may proceed to Early Liquidation of the Fund and thereby 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 receivables to be pooled in the Fund, represented by the Management Company, upon being established, shall exclusively consist of the Mortgage Certificates and Pass-Through Certificates issued by BANKINTER on the Mortgage Credits (loans and first drawdowns under credit facility agreements granted by BANKINTER to individuals for buying or renovating homes or other purposes, with real estate mortgage security ranking as a first, second or junior mortgage, on properties -homes, parking spaces and/or lumber rooms, business premises and offices, or rustic and urban land- located in Spain).

Part of the Mortgage Credits are first drawdowns under credit facility agreements in which the credit limit is equivalent to the first drawdown amount (the "**First Drawdown**") and allow the obligor or borrower to make subsequent drawdowns subject to certain limits as to minimum and maximum amount and provided however that the total sum of subsequent drawdowns shall at all times be less than or equal to the part repaid on the first drawdown. Subsequent drawdowns other than the First Drawdown are not the subject of an assignment upon the issue of the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund, although those Mortgage Certificates and Pass-Through Certificates share the mortgage security with the subsequent drawdowns under those mortgage credit facility agreements. BANKINTER may freely and unilaterally refuse new drawdowns requested under each of those mortgage credit facility agreements. The maximum term of each subsequent drawdown shall be the lower of ten years and the term to the maturity date of the First Drawdown.

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

(i) Extend the date of maturity on the terms provided for in section 2.2.4.1 of this Building Block.

(ii) Establish or suppress repayment and interest exclusion periods, subject to the following limitations:

a) During the first ten years and after the first three years from the date of execution of the public deed recording the mortgage credit facility, possibility of deferring not more than three monthly payments, consecutively or otherwise, per annum, up to not more than twelve payments during that period, and

b) From the tenth year and for each ten-year period during the term of the transaction, the possibility of deferring not more than three monthly payments, consecutively or otherwise, per annum, up to not more than 12 payments during that period.

c) The obligor or borrower shall be in good standing in respect of all payments accrued and shall not be in breach of any of the duties described in the public deed recording the credit facility.

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

The contract terms of 35.26% of the selected mortgage loans and credits (first drawdowns) (5,484 mortgage loans and credits (first drawdowns)) allow for a lowering of the margin applicable for determining the interest rate, provided that the obligor is in good standing with respect to the mortgage loan or credit obligations taken on and has no debt whatsoever with BANKINTER under any other transaction and subject to the following requirements:

a) That the obligor shall have taken out and still has life insurance with BANKINTER.

b) That the obligor shall have taken out and still has a pension plan with BANKINTER.

c) That the obligor shall have taken out and deposited a certain amount of securities or financial investments at BANKINTER.

d) That the obligor shall have taken out and still has household insurance with BANKINTER with respect to the property securing the mortgage loan or credit.

Out of the 5,484 selected mortgage loans and credits (first drawdowns) allowing for a lowering of the margin applicable as referred to above, 4,895 mortgage loans and credits (first drawdowns) enjoy the highest benefit provided for in their respect origination deeds. That highest benefit in the margin ranges between 0.01% and 2.00%.

The portfolio of selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken to be assigned to the Fund upon being established comprises 15,552 mortgage loans and credits (first drawdowns), the outstanding principal as at June 22, 2010 being EUR 1,779,105,583.96.

Out of the portfolio of selected mortgage loans and credits (first drawdowns), 99.27%, in terms of outstanding principal, is financing granted by BANKINTER to individual obligors with Spanish citizenship or residing in Spain, whereas the remaining 0.73% relate to foreign individual obligors not resident in Spain.

The details of the 15,552 selected mortgage loans and credits (first drawdowns) for issuing the Mortgage Certificates and issuing the Pass-Through Certificates based on the eligible loan policy, for the purpose of being the subject of issues of mortgage participation certificates laid down in Chapter II of Royal Decree 716/2009, at the mortgage loans and credits (first drawdowns) selection date, is as follows:

	Selected portfolio	
	Principal	**%**
Eligible loans and credits	1,579,416,662.60	88.78
ineligible loans and credits	199,688,921.36	11.22
Total	**1,779,105,583.96**	**100.00**

The Mortgage Credit receivables shall be assigned to the Fund by issuing Mortgage Certificates because the relevant Mortgage Credits satisfy all the requirements established in Chapter II of Royal Decree 716/2009 and are therefore considered eligible loans for issuing mortgage participation certificates. The Mortgage Credit receivables shall be assigned to the Fund by issuing Pass-Through Certificates because the relevant Mortgage Credits do not satisfy all the requirements established in Chapter II of Royal Decree 716/2009 and are not therefore considered eligible loans for issuing mortgage participation certificates.

Audit of the assets securitised through the Fund.

DELOITTE has audited the aforementioned selected mortgage loans and credits (first drawdowns).

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

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

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

The securitised assets are governed by Spanish Law.

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

a) Number of mortgage loans and credits (first drawdowns) and their amount or outstanding balance at present.

The portfolio of selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits backing the issue of the Mortgage Certificates and the Pass-Through Certificates shall be taken, comprises 15,552 mortgage loans and credits (first drawdowns), the outstanding principal as at June 22, 2010 being EUR 1,779,105,583.96.

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

The following table gives the concentration of the ten obligors weighing most in the portfolio of selected mortgage loans and credits (first drawdowns) as at June 22, 2010.

Selected mortgage loans and credits (first drawdowns) portfolio at 22/06/2010 Classification by Obligor				
	Loans	**%**	**Outstanding principal (EUR)**	**%**
Obligor 1	2	0.013	2,941,575.92	0.17
Obligor 2	1	0.006	2,600,082.10	0.15
Obligor 3	1	0.006	2,395,183.00	0.13
Obligor 4	1	0.006	2,349,268.09	0.13
Obligor 5	1	0.006	2,259,594.07	0.13
Obligor 6	1	0.006	2,199,448.01	0.12
Obligor 7	1	0.006	2,056,555.05	0.12
Obligor 8	1	0.006	1,661,974.39	0.09
Obligor 9	1	0.006	1,500,000.00	0.08
Obligor 10	1	0.006	1,200,000.00	0.07
Subtotal 10 obligors weighing most	***11***	***0.071***	***21,163,680.63***	***1.19***
Rest: 15,376 Obligors	15,541	99.929	1,757,941,903.33	98.81
Total: 15,386 obligors	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

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

c) Information regarding distribution of selected mortgage loans and credits (first drawdowns).

The following table gives the distribution of the outstanding principal of the mortgage loans and credits (first drawdowns).

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010				
	Loans / Credits No.	**%**	**Outstanding principal (EUR)**	**%**
Mortgage loans	13,715	88.19	1,558,872,511.16	87.62
Ranking senior	*12,990*	*83.53*	*1,517,813,201.40*	*85.31*
Ranking second or junior	*725*	*4.66*	*41,059,309.76*	*2.31*
Senior-ranking mortgage credits (first drawdown)	1,837	11.81	220,233,072.80	12.38
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

d) Information regarding type of property mortgaged as security for the selected mortgage loans and credits (first drawdowns).

The following table gives the distribution by type of property mortgaged as security for the selected mortgage loans and credits (first drawdowns). In the case of mortgage loans and credits (first drawdowns) with several mortgaged properties, the type of property having the highest appraisal value has been taken.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by type of mortgaged property				
Type of mortgaged property	**Loans / Credits**	**%**	**Outstanding principal (EUR)**	**%**
Homes	14,956	96.17	1,720,326,842.89	96.70
Parking spaces/lumber rooms	16	0.10	1,199,785.44	0.07
Business premises and offices	548	3.52	54,282,748.98	3.05
Rustic and urban land	32	0.21	3,296,206.65	0.19
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

In addition to mortgage security, 15.02% of the selected mortgage loans and credits (first drawdowns). In terms of outstanding principal, include third-party personal guarantees.

e) Information regarding purpose of the selected mortgage loans and credits (first drawdowns).

The following table gives the various purposes of the selected mortgage loans and credits (first drawdowns).

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by purpose				
	Loans / Credits No.	**%**	**Outstanding principal (EUR)**	**%**
Buying a home	14,139	90.91	1,645,523,816.03	92.49
Refurbishing a home	508	3.27	36,587,838.09	2.06
Business investments	281	1.81	33,055,885.62	1.86
Purchase of business premises	266	1.71	31,799,695.80	1.79
Purchase of fixed assets	223	1.43	21,887,735.67	1.23
Debt refinancing	65	0.42	4,508,466.09	0.25
Other *	70	0.45	5,742,146.66	0.32
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

* Includes: purchase of parking spaces, offices, land, motor cars, financing studies and leisure and household equipment.

f) Information regarding outstanding principal of the selected mortgage loans and credits (first drawdowns).

The outstanding principal of the selected mortgage loans and credits (first drawdowns) as at June 22, 2010 ranges between EUR 1,339.99 and EUR 2,600,082.10.

The following table gives the distribution of the outstanding principal of the selected mortgage loans and credits (first drawdowns) by EUR 100,000.00 intervals. No details are given for intervals without contents.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by outstanding principal				
Outstanding principal interval (in EUR)	**Loans / Credits No.**	**%**	**Outstanding principal (EUR)**	**%**
0.00 - 99,999.99	8,989	57.80	469,539,316.78	26.39
100,000.00 - 199,999.99	4,413	28.38	626,358,178.95	35.21
200,000.00 - 299,999.99	1,402	9.01	340,218,655.43	19.12
300,000.00 - 399,999.99	417	2.68	143,802,656.15	8.08
400,000.00 - 499,999.99	164	1.05	72,944,969.50	4.10
500,000.00 - 599,999.99	77	0.50	42,318,341.42	2.38
600,000.00 - 699,999.99	34	0.22	22,273,182.96	1.25
700,000.00 - 799,999.99	17	0.11	12,665,760.85	0.71
800,000.00 - 899,999.99	6	0.04	5,069,550.07	0.28
900,000.00 - 999,999.99	15	0.10	14,245,793.17	0.80
1,000,000.00 - 1,099,999.99	4	0.03	4,205,235.67	0.24

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by outstanding principal				
Outstanding principal interval (in EUR)	**Loans / Credits No.**	**%**	**Outstanding principal (EUR)**	**%**
1,100,000.00 - 1,199,999.99	4	0.03	4,641,989.51	0.26
1,200,000.00 - 1,299,999.99	1	0.01	1,200,000.00	0.07
1,500,000.00 - 1,599,999.99	1	0.01	1,500,000.00	0.08
1,600,000.00 - 1,699,999.99	1	0.01	1,661,974.39	0.09
2,000,000.00 - 2,099,999.99	1	0.01	2,056,555.05	0.12
2,100,000.00 2,199,999.99	1	0.01	2,199,448.01	0.12
2,200,000.00 - 2,299,999.99	1	0.01	2,259,594.07	0.13
2,300,000.00 - 2,399,999.99	2	0.01	4,744,451.09	0.27
2,500,000.00 - 2,599,999.99	1	0.01	2,599,848.79	0.15
2,600,000.00 - 2,699,999.99	1	0.01	2,600,082.10	0.15
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**
	Average principal:		**114,397.22**	
	Minimum principal:		**1,339.99**	
	Maximum principal:		**2,600,082.10**	

g) Information regarding applicable nominal interest rates.

The nominal interest rates applicable to the selected mortgage loans and credits (first drawdowns) as at June 22, 2010 range between 1.23% and 6.25%, the average nominal interest rate weighted by the outstanding principal being 2.07%.

The following table gives the distribution of the mortgage loans and credits (first drawdowns) by 0.25% nominal interest rate intervals. No details are given for intervals without contents.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by nominal interest rates					
% Interest Rate Interval	**Loans / Credits**	**%**	**Outstanding principal (EUR)**	**%**	**% Interest Rate***
1.00 - 1.24	1	0.01	446,894.34	0.03	1.23
1.25 - 1.49	123	0.79	24,600,534.31	1.38	1.43
1.50 - 1.74	2,882	18.53	410,865,066.95	23.09	1.68
1.75 - 1.99	4,700	30.22	477,383,210.79	26.83	1.87
2.00 - 2.24	3,618	23.26	384,692,952.55	21.62	2.12
2.25 - 2.49	1,933	12.43	217,703,127.15	12.24	2.32
2.50 - 2.74	1,154	7.42	141,765,788.29	7.97	2.58
2.75 - 2.99	447	2.87	52,220,615.56	2.94	2.81
3.00 - 3.24	345	2.22	37,117,315.74	2.09	3.12
3.25 - 3.49	146	0.94	14,494,715.49	0.81	3.31
3.50 - 3.74	93	0.60	9,042,205.85	0.51	3.60
3.75 - 3.99	38	0.24	3,397,670.01	0.19	3.85
4.00 - 4.24	32	0.21	2,382,462.90	0.13	4.07
4.25 - 4.49	10	0.06	963,948.89	0.05	4.30
4.50 - 4.74	21	0.14	1,629,255.80	0.09	4.56
4.75 - 4.99	4	0.03	159,154.12	0.01	4.85
5.00 - 5.24	3	0.02	124,394.46	0.01	5.07
5.25 5.49	1	0.01	95,292.49	0.01	5.29
6.25 6.49	1	0.01	20,978.27	0.00	6.25
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**	
			Weighted average:		**2.07**
			Simple average:		**2.10**
			Minimum:		**1.23**
			Maximum:		**6.25**

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

h) Information regarding minimum nominal interest rates applicable to the selected mortgage loans and credits (first drawdowns).

None of the selected mortgage loans and credits (first drawdowns) have had a minimum nominal interest rate floor set for applicable nominal interest rate variability.

i) Information regarding the maximum nominal interest rates applicable to the selected mortgage loans and credits (first drawdowns).

None of the selected mortgage loans and credits (first drawdowns) have had a maximum nominal interest rate ceiling set for applicable nominal interest rate variability.

j) Information regarding payment frequency of the selected mortgage loans and credits (first drawdowns).

The following table gives the distribution of the selected mortgage loans and credits (first drawdowns) based on loan instalment payment frequency.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by instalment payment frequency				
Instalment payment frequency	**Loans / Credits**	**%**	**Outstanding principal (EUR)**	**%**
MONTHLY	15,434	99.24	1,762,592,789.70	99.07
QUARTERLY	66	0.42	9,430,582.35	0.53
SIX-MONTHLY	52	0.33	7,082,211.91	0.40
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

k) Information regarding repayment system of the selected mortgage loans and credits (first drawdowns).

The following table gives the distribution of the selected mortgage loans and credits (first drawdowns) based on their repayment system.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by repayment system				
	Loans / Credits	**%**	**Outstanding principal (EUR)**	**%**
French system	15,546	99.96	1,777,905,144.36	99.93
Constant repayment instalment	6	0.04	1,200,439.60	0.07
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

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

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

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by interest rate benchmark index					
Benchmark index	**Loans / Credits**	**%**	**Outstanding principal (EUR)**	**%**	**%Margin * above index**
1-YEAR EURIBOR/MIBOR	15,552	100.00	1,779,105,583.96	100.00	0.71
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**	
*Average margin weighted by the outstanding principal.					

* The EURIBOR and MIBOR indices have been grouped because their respective values are similar and they are financially comparable for the purpose of the financial transaction structure.

m) Information regarding selected mortgage loan and credit (first drawdown) origination dates.

The provisional portfolio mortgage loans and credits (first drawdowns) were originated on dates comprised between April 6, 1995 and March 24, 2010, the weighted average portfolio age being 3.66 years as at June 22, 2010.

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

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by mortgage loan origination date				
Date interval	**Loans / Credits**	**%**	**Outstanding principal (EUR)**	**%**
01/01/1995 to 30/06/1995	4	0.03	206,351.94	0.01
01/07/1995 to 31/12/1995	3	0.02	58,101.49	0.00
01/01/1996 to 30/06/1996	31	0.20	945,584.29	0.05
01/07/1996 to 31/12/1996	126	0.81	5,542,320.77	0.31
01/01/1997 to 30/06/1997	163	1.05	6,183,307.26	0.35
01/07/1997 to 31/12/1997	145	0.93	7,231,010.08	0.41
01/01/1998 to 30/06/1998	247	1.59	12,837,795.09	0.72
01/07/1998 to 31/12/1998	337	2.17	18,770,219.73	1.06
01/01/1999 to 30/06/1999	539	3.47	30,925,274.06	1.74
01/07/1999 to 31/12/1999	506	3.25	29,409,724.52	1.65
01/01/2000 to 30/06/2000	503	3.23	30,698,982.65	1.73
01/07/2000 to 31/12/2000	465	2.99	28,974,373.82	1.63
01/01/2001 to 30/06/2001	577	3.71	35,649,961.32	2.00
01/07/2001 to 31/12/2001	572	3.68	37,543,078.76	2.11
01/01/2002 to 30/06/2002	452	2.91	31,921,161.81	1.79
01/07/2002 to 31/12/2002	560	3.60	42,896,265.77	2.41
01/01/2003 to 30/06/2003	1,001	6.44	82,038,567.71	4.61
01/07/2003 to 31/12/2003	585	3.76	51,958,758.57	2.92
01/01/2004 to 30/06/2004	199	1.28	20,375,884.47	1.15
01/07/2004 to 31/12/2004	193	1.24	21,427,467.15	1.20
01/01/2005 to 30/06/2005	299	1.92	37,721,289.83	2.12
01/07/2005 to 31/12/2005	316	2.03	39,425,405.87	2.22
01/01/2006 to 30/06/2006	323	2.08	44,033,007.15	2.48
01/07/2006 to 31/12/2006	346	2.22	50,580,456.12	2.84
01/01/2007 to 30/06/2007	363	2.33	59,436,002.21	3.34
01/07/2007 to 31/12/2007	441	2.84	80,235,525.74	4.51
01/01/2008 to 30/06/2008	445	2.86	68,824,959.35	3.87
01/07/2008 to 31/12/2008	853	5.48	118,384,191.54	6.65
01/01/2009 to 30/06/2009	1,877	12.07	285,698,794.73	16.06
01/07/2009 to 31/12/2009	2,542	16.35	416,831,603.49	23.43
01/01/2010 to 30/06/2010	539	3.47	82,340,156.67	4.63
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**
Weighted average age		**3.66**	**Years**	
Maximum age	**6/04/1998**	**15.22**	**Years**	
Minimum age	**24/03/2010**	**0.25**	**Years**	

n) Information regarding selected mortgage loan and credit (first drawdown) principal repayment exclusion period.

The following table gives the selected mortgage loan and credit (first drawdown) distribution according to expiry of the loan principal repayment exclusion period. No details are given of intervals with no contents.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by principal repayment exclusion period				
Expiry of the principal exclusion period	Loans / Credits		Outstanding principal	
	No.	%	(EUR)	%
No Exclusion	15,378	98.88	1,737,986,686.72	97.69
01/04/2010 to 30/06/2010	5	0.03	1,859,000.00	0.10
01/7/2010 to 30/09/2010	33	0.21	9,445,364.04	0.53
01/10/2010 to 31/12/2010	34	0.22	5,861,751.29	0.33
01/01/2011 to 31/03/2011	38	0.24	7,422,796.19	0.42
01/04/2011 to 30/06/2011	27	0.17	5,589,589.14	0.31
01/7/2011 to 30/09/2011	10	0.06	3,689,527.20	0.21
01/10/2011 to 31/12/2011	19	0.12	5,665,127.70	0.32
01/01/2012 to 31/03/2012	6	0.04	1,446,874.29	0.08
01/04/2012 to 30/06/2012	2	0.01	138,867.39	0.01
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

Out of the 199 selected mortgage loans and credits (first drawdowns) with a principal exclusion period in place at June 22, 2010, all are mortgage loans.

o) Information regarding selected mortgage loan and credit (first drawdown) final maturity date.

Final maturity of the selected mortgage loans and credits (first drawdowns) falls on dates comprised between October 18, 2010 and March 24, 2050.

The selected mortgage loans and credits (first drawdowns) are repaid, other than the principal repayment exclusion period for some of them, throughout the life remaining until fully repaid, during which period mortgagors must pay capital repayment and interest instalments.

Obligors may, at any time during the life of the selected mortgage loans and credits (first drawdowns), 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 following table gives the distribution of the selected mortgage loans and credits (first drawdowns) according to final maturity date by yearly intervals, and total weighted average residual life and first and last maturity dates.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by final maturity date						
Final maturity year	Loans / Credits		Outstanding principal		Residual life $_{wa}$*	
		%	(EUR)	%	Years	Date
2010	1	0.01	1,339.99	0.00	0.32	18/10/2010
2011	78	0.50	1,781,286.83	0.10	1.08	20/07/2011
2012	169	1.09	3,476,314.24	0.20	2.09	23/07/2012
2013	283	1.82	7,080,234.33	0.40	3.02	28/06/2013
2014	290	1.86	9,251,094.44	0.52	4.12	6/08/2014
2015	312	2.01	11,244,386.20	0.63	5.07	19/07/2015
2016	429	2.76	17,283,258.56	0.97	6.09	23/07/2016
2017	426	2.74	19,690,439.29	1.11	7.05	8/07/2017
2018	476	3.06	27,557,266.38	1.55	8.00	22/06/2018
2019	569	3.66	35,226,624.67	1.98	9.07	19/07/2019
2020	377	2.42	25,301,558.10	1.42	10.02	29/06/2020
2021	464	2.98	34,501,397.94	1.94	11.04	8/07/2021
2022	429	2.76	30,915,692.92	1.74	12.06	14/07/2022
2023	569	3.66	47,227,643.26	2.65	13.04	7/07/2023
2024	926	5.95	86,248,242.72	4.85	14.04	4/07/2024
2025	515	3.31	44,585,902.15	2.51	14.98	15/06/2025
2026	426	2.74	35,681,734.16	2.01	16.05	12/07/2026

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by final maturity date						
Final maturity year	**Loans / Credits**	**%**	**Outstanding principal (EUR)**	**%**	**Residual life $_{wa}$* Years**	**Date**
2027	421	2.71	44,545,324.79	2.50	17.07	19/07/2027
2028	643	4.13	70,710,877.66	3.97	18.11	30/07/2028
2029	978	6.29	120,469,437.57	6.77	19.06	14/07/2029
2030	457	2.94	50,394,098.68	2.83	19.94	30/05/2030
2031	338	2.17	37,265,799.01	2.09	21.07	17/07/2031
2032	380	2.44	48,019,297.39	2.70	22.06	12/07/2032
2033	632	4.06	82,842,124.19	4.66	23.03	4/07/2033
2034	712	4.58	110,337,990.33	6.20	24.11	2/08/2034
2035	345	2.22	46,176,357.71	2.60	24.94	30/05/2035
2036	290	1.86	45,932,213.22	2.58	26.05	11/07/2036
2037	326	2.10	56,620,730.55	3.18	27.05	10/07/2037
2038	381	2.45	57,595,705.14	3.24	28.07	17/07/2038
2039	980	6.30	187,794,122.32	10.56	29.10	30/07/2039
2040	253	1.63	42,825,846.67	2.41	29.86	2/05/2040
2041	160	1.03	28,418,202.89	1.60	31.04	5/07/2041
2042	161	1.04	32,885,380.61	1.85	32.10	27/07/2042
2043	159	1.02	34,156,174.21	1.92	33.00	22/06/2043
2044	431	2.77	93,012,105.67	5.23	34.14	12/08/2044
2045	87	0.56	17,701,984.43	0.99	34.79	6/04/2045
2046	67	0.43	12,931,846.90	0.73	36.17	23/08/2046
2047	115	0.74	23,384,976.73	1.31	37.08	20/07/2047
2048	138	0.89	25,911,458.57	1.46	38.13	7/08/2048
2049	319	2.05	64,162,264.46	3.61	39.13	9/08/2049
2050	40	0.26	7,956,848.08	0.45	39.61	29/01/2050
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**		
	Weighted average:				**23.04**	**5/07/2033**
	Simple average:				**18.79**	**8/04/2029**
	Minimum:				**0.32**	**18/10/2010**
	Maximum:				**39.75**	**24/03/2050**

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

As set out in section 2.2.4.1 of this Building Block, the terms of the mortgage credits allow the maturity date to be extended.

p) Specification of maximum, minimum and average value of the "current principal/appraisal value" ratio.

There are 15,552 selected mortgage loans and credits (first drawdowns) with real estate mortgage security as at June 22, 2010 and their outstanding principal amounts to EUR 1,779,105,583.96, and the mortgages are all registered as first or second or lower ranked mortgages. In the case of selected mortgage loans with second or lower ranked registered security, there is a prior mortgage ranking as the first mortgage securing a mortgage loan or credit registered in the name of BANKINTER.

There are 1,837 selected mortgage credits (first drawdowns) as at June 22, 2010 and their outstanding principal amounts to EUR 220,233,072.80, and the mortgages are all registered as a first ranked mortgage.

The ratio at June 22, 2010, expressed as a percentage, of (i) the outstanding principal amount of the mortgage loans, or (ii) the outstanding principal of the first mortgage credit drawdown, plus the outstanding principal of subsequent drawdowns, if any, to the appraisal value of all the mortgaged properties of those selected mortgage loans and credits (first drawdowns) having a senior mortgage included in the provisional portfolio ranged between 1.48% and 99.14%, the weighted average ratio being 54.20%.

The following table gives the distribution of the selected mortgage loans and credits (first drawdowns) according to 5.00% ratio intervals where the mortgage is entered as a first mortgage.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010
Classification by Principal*-to-Value Ratio

Ratio Intervals	Loans and credits ranked first	%	Outstanding Principal (EUR)	%	Outstanding principal*-to-value** (%)
0.01 - 5.00	103	0.69	1,944,928.48	0.11	3.77
5.01 - 10.00	527	3.55	14,907,627.91	0.86	7.77
10.01 - 15.00	738	4.98	30,542,181.02	1.76	12.73
15.01 - 20.00	842	5.68	43,337,494.23	2.49	17.61
20.01 - 25.00	916	6.18	59,749,423.25	3.44	22.57
25.01 - 30.00	978	6.60	74,813,337.56	4.30	27.66
30.01 - 35.00	1,040	7.01	96,807,154.99	5.57	32.54
35.01 - 40.00	1,048	7.07	109,668,406.39	6.31	37.63
40.01 - 45.00	1,008	6.80	114,259,923.23	6.57	42.58
45.01 - 50.00	1,149	7.75	137,054,495.64	7.89	47.57
50.01 - 55.00	1,082	7.30	152,315,241.51	8.76	52.51
55.01 - 60.00	1,111	7.49	155,920,428.44	8.97	57.64
60.01 - 65.00	1,019	6.87	149,837,523.51	8.62	62.57
65.01 - 70.00	1,103	7.44	175,979,841.86	10.13	67.50
70.01 - 75.00	792	5.34	142,152,249.66	8.18	72.50
75.01 - 80.00	1,064	7.18	216,521,926.59	12.46	77.62
80.01 - 85.00	134	0.90	24,119,775.11	1.39	82.43
85.01 - 90.00	79	0.53	15,770,665.35	0.91	88.11
90.01 - 95.00	56	0.38	13,250,720.37	0.76	92.61
95.01 - 100.00	38	0.26	9,092,929.10	0.52	97.39
Total	**14,827**	**100.00**	**1,738,046,274.20**	**100.00**	
	Weighted average:				**54.20 %**
	Simple Average:				**45.35 %**
	Minimum:				**1.48 %**
	Maximum:				**99.14 %**

* (i) Outstanding principal amount of the loans; or (ii) outstanding principal of the first credit drawdown, plus the outstanding principal of subsequent drawdowns, if any,
** Principal-to-Value Ratio lists averages weighted by the outstanding principal.

The following table gives the distribution of the mortgage loans by 5.00% intervals of the ratio of (i) the sum of the outstanding principal of the loans and the outstanding principal of loans or credits whose mortgage ranks senior, to (ii) the appraisal value of selected mortgage loans whose mortgage is entered as a second or junior-ranked mortgaged (2.31% in terms of selected portfolio outstanding principal).

Portfolio of mortgage loans ranking second or junior at 22/06/2010
Classification by Principal*-to-Value Ratio

Ratio Intervals	Second or Junior Ranked Loans	%	Outstanding principal (EUR)	%	Outstanding principal*-to-value** (%)
5.01 - 10.00	10	1.38	200,776.05	0.49	8.52
10.01 - 15.00	14	1.93	432,715.74	1.05	13.13
15.01 - 20.00	30	4.14	1,253,450.30	3.05	18.05
20.01 - 25.00	44	6.07	1,309,925.20	3.19	22.31
25.01 - 30.00	38	5.24	1,562,310.78	3.81	27.32
30.01 - 35.00	57	7.86	2,252,297.94	5.49	32.27
35.01 - 40.00	53	7.31	2,092,435.13	5.10	37.53
40.01 - 45.00	64	8.83	3,663,426.60	8.92	42.02
45.01 - 50.00	67	9.24	4,234,215.73	10.31	47.94
50.01 - 55.00	61	8.41	3,219,759.30	7.84	52.36
55.01 - 60.00	53	7.31	3,678,688.49	8.96	56.64

Portfolio of mortgage loans ranking second or junior at 22/06/2010 Classification by Principal*-to-Value Ratio					
Ratio Intervals	Second or Junior Ranked Loans		Outstanding principal		Outstanding principal*-to-value** (%)
		%	(EUR)	%	
60.01 - 65.00	50	6.90	3,534,503.87	8.61	62.67
65.01 - 70.00	59	8.14	3,830,583.71	9.33	67.33
70.01 - 75.00	37	5.10	2,931,688.29	7.14	72.77
75.01 - 80.00	40	5.52	3,240,296.63	7.89	77.81
80.01 - 85.00	17	2.34	1,120,431.73	2.73	82.99
85.01 - 90.00	12	1.66	1,037,062.28	2.53	86.84
90.01 - 95.00	8	1.10	456,805.43	1.11	92.09
95.01 - 100.00	11	1.52	1,007,936.56	2.45	96.76
Total	**725**	**100,00**	**41,059,309.76**	**100,00**	
	Weighted Average:				**54.91 %**
	Simple Average:				**49.56 %**
	Minimum:				**6.94 %**
	Maximum:				**98.94 %**

* Sum of the outstanding principal of the selected mortgage loans ranking second or junior and the outstanding principal of loans or credits with a senior ranked mortgage.
** Aggregate outstanding principal-to-value refers to averages weighted by the initial principal.

The average outstanding principal-to-value ratio, weighted by the outstanding principal, of the selected portfolio is 54.22%.

q) Information regarding geographical distribution by Autonomous Communities where the real properties securing the selected mortgage loans and credits (first drawdowns) are located.

The following table gives the geographical distribution of the selected mortgage loans and credits (first drawdowns) arranged by Autonomous Communities in which the properties securing the same are located. In the case of mortgage loans and mortgage credits (first drawdowns) with several mortgaged properties, the property with the highest appraisal value has been taken for distribution of the location.

Portfolio of mortgage loans and credits (first drawdowns) at 22/06/2010 Classification by Autonomous Communities				
Autonomous Communities	Loans / Credits	%	Outstanding principal (EUR)	%
Andalusia	2,101	13.51	250,662,073.19	14.09
Aragón	343	2.21	32,643,115.11	1.83
Asturies	296	1.90	28,186,957.73	1.58
Balearic Isles	397	2.55	60,369,754.53	3.39
Canary Islands	753	4.84	72,934,617.18	4.10
Cantabria	481	3.09	41,003,109.29	2.30
Catalonia	2,308	14.84	278,564,937.65	15.66
Ceuta	1	0.01	146,998.51	0.01
Basque Country	994	6.39	91,489,325.59	5.14
Extremadura	133	0.86	10,910,391.11	0.61
Galicia	506	3.25	43,263,288.09	2.43
Castile-León	770	4.95	73,132,818.77	4.11
Madrid	3,436	22.09	483,034,998.20	27.15
Castile La Mancha	513	3.30	54,522,862.82	3.06
Murcia	478	3.07	42,642,756.28	2.40
Navarre	108	0.69	11,622,151.69	0.65
La Rioja	58	0.37	8,559,202.63	0.48
Valencian Community	1,876	12.06	195,416,225.59	10.98
Total	**15,552**	**100.00**	**1,779,105,583.96**	**100.00**

Madrid is the province with the highest concentration, in terms of outstanding principal, at 27.15% of the total selected portfolio.

r) Information regarding delays in collecting selected mortgage loan and credit (first drawdown) principal instalments.

The following table gives the number of selected mortgage loans and credits (first drawdowns), the outstanding principal and the overdue principal of selected mortgage loans and credits (first drawdowns) in arrears as at June 22, 2010 in payment of amounts due.

Arrears in payment of instalments due at 22/06/2010				
Interval Days	**Mortgage loans**	**Outstanding principal**	**Overdue principal**	% on Total outstanding principal
In good standing	14,994	1,714,129,671.40		
1 to 15 days	376	44,277,638.17	132,947.04	0.0075
16 to 30 days	182	20,698,274.39	48,522.35	0.0027
Total	**15,552**	**1,779,105,583.96**	**181,469.39**	**0.0102**

As described in section 2.2.8.2 (28) of the Building Block, none of the Mortgage Credits that will finally be the subject of the issue of the Mortgage Certificates and the Pass-Through Certificates for the Fund to be established shall have any payments more than one (1) month overdue on their issue date.

2.2.3 Legal nature of the pool of assets.

The selected mortgage loans and credits (first drawdowns) were originated in a public deed subject to the Civil Code, the Mortgage Act, February 8, 1946, mortgage market regulation rules and supplementary laws.

Mortgage Credit receivables shall be assigned to the Fund upon BANKINTER issuing and the Fund subscribing for Mortgage Certificates and Pass-Through Certificates subject to the provisions of Act 2/1981, Royal Decree 716/2009 and Additional Provision Five of Act 3/1994, on the terms provided for in section 3.3 of this Building Block.

Subject to the representations given in section 2.2.8.2 of this Building Block, the First Drawdowns of the mortgage credits meet the following requirements:

i) The mortgage credit (the First Drawdown and subsequent drawdowns, if any) is secured with a senior real estate mortgage in the legal and beneficial ownership of the entire mortgaged property.

ii) The mortgage credits are secured with a safety or maximum mortgage, and a record is made of the First Drawdown in the public deed granting the mortgage credit for the purpose of entering the debt undertaken in the relevant Land Registry.

iii) The mortgage credit capital (the First Drawdown and subsequent drawdowns, if any) does not exceed 80 percent of the appraisal value of the mortgaged property.

iv) The properties mortgaged as security for the mortgage credits all have at least damage risk cover under a) valid insurance policies naming BANKINTER as the beneficiary and the insured sum thereunder is not less than the appraisal value of the mortgaged property or mortgaged properties, excluding elements that cannot by nature be insured, or b) BANKINTER has taken out a secondary general insurance policy ensuring damage insurance cover in the event of that insurance not existing or of the insured sums falling short of the lower of: (i) the current mortgage credit balance, or (ii) the appraisal value of the mortgaged property or properties, excluding elements that are uninsurable by nature.

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

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

Obligors may at any time during the life of the mortgage loans and credits (first drawdowns) 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 selected mortgage loans and credits (first drawdowns) as at June 22, 2010 lies between October 18, 2010 and March 24, 2050. Section 2.2.2.o) above contains a table giving the distribution of the selected mortgage loans and credits (first drawdowns) based on the final maturity date for each one.

2.2.4.1 Extending the maturity date of the assets.

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

a) The extension may not be agreed before the 24-month period after the date of execution of the origination public deed.

b) The maturity date may be extended for the shorter of the following periods:

   i) Up to a period of not more than 40 years from the date of execution of the origination public deed.

   ii) An extended period of 6 months for every 12 months paid and elapsed after the first 24 months.

c) The ratio of the outstanding credit principal to the appraisal value, calculated as provided for in section 2.2.2 p), shall be equal to or less than 80 percent.

Based on the above terms for extending the maturity date of the first drawdown, the last maturity date of the selected mortgage loans and credits (first drawdowns) as at June 22, 2010 if extended could actually be March 16, 2050. The maturity date of the first drawdown of the mortgage credits may at no event extend beyond the latter date.

2.2.5 Amount of the assets.

The Fund shall be set up with the Mortgage Certificates and the Pass-Through Certificates representing Mortgage Credit receivables, which BANKINTER shall issue and the Fund shall subscribe for upon being established and their Outstanding Balance shall be equal to or slightly above EUR one billion six hundred and fifty million (1,650,000,000.00), the face value amount of the Bond Issue.

The portfolio of selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken in order for BANKINTER to issue the Mortgage Certificates and Pass-Through Certificates, comprises 15,552 mortgage loans and credits (first drawdowns), the outstanding principal as at June 22, 2010 being EUR 1,779,105,583.96.

2.2.6 Loan to value ratio or level of collateralisation.

The loan to value ratio or level of collateralisation ratio is given in section 2.2.2 p).

2.2.7 Method of creation of the assets.

Credit risk decisions are made at BANKINTER by means two approval systems:

- ❑ Automatic approval
- ❑ Manual approval

Broadly, and saving the peculiarities of certain processes, the risks process begins at the branch or centre upon the customer applying for a credit facility and the customer's signature being obtained.

Both where the approval is automatic and where it becomes manual, a proposal is drawn up by the branch through an electronic file. The proposal is the basic support with which to study and analyse a customer and sets in motion the electronic processing of transactions.

Automatic approval

BANKINTER has a system for individuals that captures the necessary data for each transaction and controls the entire process of empowerment and passage of transactions that cannot be approved by the system to subsequent manual approval. It also feeds information to the control and alerts systems and ensures consistency between authorisation and booking of transactions, and has an approval rules control application that allows the same to be duly monitored.

At present, that system is used for processing almost all transactions for individuals.

That transaction approval and authorisation processing system includes since 2005 an objective rating system based on a statistical model in accordance with Basle II regulations.

The prime rating objectives are:

1. Laying down benchmarks for the risks
2. Making provisions in keeping with that rating
3. Proceeding to a proper capital allocation.

Rating is designed to allocate customers a score representing their credit quality. The rating model sorts each risk category into consistent groups arranged hierarchically by the rating.

The rating is used to approve having regard to the risks policy defined for each product and category; in particular for each transaction the rating will:

- authorise,
- refuse or
- leave the transaction in "manual" status in order for the empowered loan committees to make a decision.

The rating model provides a rating, 1 being the worst score and 9 being the best score. Transactions included within each rating have a similar default frequency and meet the same requirements of the prevailing model.

After assessing the default probabilities of each rating, each group is assigned an assessed DP (default probability).

The score, which is the result of weighting a number of objective and subjective variables:

- Allows the portfolio to be ordered and rated.
- Boosts the control and monitoring tools.
- Assists decision-making.

The selection of objective variables that are finally weighted for rating purposes originates in a great many factors and ratios relating to the financial status and development of the customers and/or the transaction.

Along with the rating, other elements subsist for decision-making. Such are capacity modules relating to the characteristics of the product and security (maturity, amount…), appraisal value -in the case of homes eligible for the official protection system BANKINTER's policy is that these loans or credits be granted based on the maximum legal value applicable to the home-, etc., the individual's economic and financial status, and the risks policy at BANKINTER.

In drawing up the statistical rating models, payment defaults have been used based on the standards set by the Bank of Spain.

Moreover, as required by Bank of Spain regulations, in accordance with the Basle II Accord, rating models calculate the default probability within the next 12 months, over a five-year period.

The calculations and functions implemented are regularly reviewed, taking to the historic file data from manually approved transactions refused by the automatic system, and analysing the results obtained in different simulations having regard to delinquency and profitability.

Manual approval

Decisions at BANKINTER by manual approval are collegially made through loan committees. Moreover, those committees are empowered to approve transactions outside the automatic systems based on certain empowerment levels.

In order to go about this type approval BANKINTER has established two stages:

1. *Risks file*

Analysing and reporting on manual approval requires having for every customer the mandatory risks file containing all information concerning the customer and the transaction, which includes documents supporting the customer's activity, such as repayment capacity, credit standing, payment history and experience with the Bank and all other financial institutions, risks at the Bank of Spain's Risks Centre, and all such information as must be available, as directed by the different internal and external audits and the Bank of Spain.

2. *Committee Approval*

Once the branch completes the electronic file, the transaction at issue shall be cleared by the relevant Committee in accordance with the empowerment table, following approval by the lower level Committees.

Five decision levels may be singled out having regard to the powers with which each of the following committees are entrusted:

- Branch Loan Committee

  The Branch Manager acts as Committee Chair. The level of powers entrusted to this Committee varies according to the Manager's experience, the investment figure and delinquency, and the staff number.

- Organisation Loan Committee

  There are a certain number of Organisations established by geographic criteria. The powers allocated to each Organisation are conferred by the Risks Committee. Those powers vary depending on the characteristics of the Organisations.

- Risks Management Loan Committee

  This body has powers authorised by the Risks Committee.

- Risks Committee

  This Committee also has powers conferred by the Board of Directors.

- Board of Directors

  This is the highest approval body.

In all cases, the decisions made must all be set down in minutes signed by all members of the relevant Committee.

Control, monitoring and recovery systems

BANKINTER has certain software applications, as detailed hereinafter, to assist those responsible for the Risks area involved in Control, Monitoring and Recovery to discharge their duties.

This set of tools is designed for the Network of centres and branches to monitor the risk, and therefore has to be used by all areas in BANKINTER to properly control risk quality.

Statistical customer alert

The "Alerts" are mainly aimed at anticipating and providing business centres with an efficient tool making Control and Monitoring easier, detecting through a monthly scoring customers whose operating methods suggest that it is highly likely that their risk quality will worsen. This scoring relies on statistical surveys and the variables used are therefore those that actually alert the most.

Risk Quality

This risk control system is based on a permanently updated sorting and grouping of all customers whose risk quality is self-evidently poor, or where there are doubts as to the same. All customers posing a current or future asset recovery problem should be identified as being of "risk quality".

Persons may be manually rated by any Loan Committee or by automatic facilities. In addition, information is offered as to the development of these so-called "substandard" risks. Where customers are manually rated, only the rating centre may remove the rating.

The System seeks to anticipate a customer's irregular status by means of a prior rating and in addition to get to know the true quality status of the credit portfolio independently of the objective quality.

Anticipation at Centres (also Statistical Alert at Centres).

This model could basically be defined as a set of indicators helping to assess or evaluate the different risk management stages, wherever that risk occurs, at business centres. These indicators will individually allow the management at different centres to be compared to each other and will overall contribute to obtain an overview of how credit risk is treated at centres.

For an enhanced efficiency, these indicators are obtained using the structure of networks-centres and the customer segmentation established by the bank. This is an open, flexible model that will allow us to learn and extend the same, adding new indicators, improving its efficiency.

Anticipating the Risk

Lastly, BANKINTER has this application which measures the appropriateness of Statistical Alert systems at Centres and Risk Rating. In other words, "Anticipating the Risk" advises for every 100 transactions, or for every 100 Euros, falling in arrears, the percentage transactions or the percentage amount that was not anticipated by these two systems.

It therefore measures the proper functioning of the two other tools.

RECOVERY PROCEDURES

1. ORGANISATIONAL DESCRIPTION

The Control and Recoveries Department is responsible for managing the portfolio after a position becomes eventful by more than one day and for managing alerts prior to default.

The Control and Recovery Process relies on the involvement of the following constituent elements:

? Branch

? Collection Agency

? Organisation (Territorial)

? Control and monitoring

? Recoveries

? Division

? Mortgage specialist

? Legal Department

The following tables summarise the responsibilities of each constituent element of the Control, Monitoring and Recoveries Process, by type of customer/term, explained in the relevant internal circular.

Individuals (mortgage security)	€0 - €120,000	+ €120,000
0 to 60 days	Branch	Branch and Control and monitoring and Organisation (Territorial)
60 days to 120 days	Recoveries & Organisation (Territorial)	Mortgage Specialist
More than 120 days	Legal Department	Legal Department

Depending on the amount of the debt, the Recoveries Application may be used to allow claims to be made by telephone (Recovery Call Centre), post, e-mail and mobile telephone, and information to be provided as to creditworthiness, payment commitments, steps taken, etc. and automatically change the type of agent.

The Recoveries Application generates call requests through Automatic Recovery Methods to the Recovery Call Centre, letters of demand, blocking of accounts, e-mails and mobile telephone messages claiming the debt... and advises, through messages to agents and depending on amounts and periods, overdue cases to be assigned to Collection Agencies, the Delinquent and Doubtful Debtors Department and the Legal Department.

It also allows a manual request to be made for recovery telephone calls, letters of demand, blocking of accounts, etc.

The recovery department staff can stop automatic actions at any time and become involved personally, normally by contacting the obligor, in order to resolve the incident. An attempt is made at a cash recovery, acceptance of a payment schedule for the position to be regularised in the medium term, refinancing where improved collaterals are given and default interest is paid, or delivery of the mortgaged or any other asset (surrender in lieu of payment) covering the amount of the debt.

Upon pre-judicial actions being dismissed, the documents shall be handed to the relevant Legal Adviser depending on the Organisation or the channel in which the position is booked.

Legal Advisers are usually subcontracted external staff, although in some cases they are on the Bank's payroll. Legal Advisers are asked to report as to the progress of legal proceedings, so that the latest action is known at all times.

2. ORGANISATIONAL DESCRIPTION

The Recoveries Application is a computer tool ensuring recovery actions with respect to all the portfolio positions in arrears.

This application has the following functions:

- Automatically generating recovery actions.
- Manually generating recovery actions.
- Running an information system with delinquent positions and customers, allowing the user to note relevant portfolio recovery events and to view the information entered by other users.

The Application basically consists of associating, by assigning a recovery case number, an account that is past due with an automatic recovery method carrying out the set actions.

These actions are addressed to the parties involved in the account (recovery calls, e-mails with claims, messages to mobile telephones, recovery letters), the account proper or other related accounts (Blocking), and users with recovery responsibility (Warnings, assigning Agents).

In addition, the Application allows these automatic actions to be stopped and those that are best for each specific case or for given portfolios to be ordered.

Several computer files concurrently allow payment commitment information, recovery actions differing from those automatically generated, creditworthiness details, general information, court milestones, etc. to be recorded.

The Recovery Methods are a set of Recovery actions executed automatically with respect to each position to be dealt with by the recovery Department. Accordingly, positions are sorted into Cases base on the source of the position, type of account, legal type and type of security, among other criteria.

Each case has an associated method defining, depending on the days by which the account is overdue, the recovery actions to be executed and the Agent who is to oversee the account (this Agent will initially always be the Branch at which the position is booked).

Independently of the automatic actions, those responsible for managing arrears do such things as may be necessary to recovery the debt, either outsourcing to an external Collection Agency, or advising the obligor to obtain refinancing at another institution or at BANKINTER where appropriate, or indeed deciding that legal proceedings be commenced.

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 that BANKINTER shall give and make, as holder of the Mortgage Credits until assigned to the Fund and as issuer of the Mortgage Certificates and Pass-Through Certificates, in the Deed of Constitution of the Fund, to the Management Company, on the Fund's behalf.

1. In relation to BANKINTER.

(1) That it is a credit institution duly incorporated in accordance with the laws in force for the time being and entered in the Companies Register and in the Bank of Spain's Register of Credit Institutions, and is authorised to operate in the mortgage market.

(2) That neither at today's date nor at any time since it was incorporated has it had a creditors' meeting called or been insolvent, in receivership or bankrupt, nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.

(3) That it has obtained all necessary authorisations from both the administration and its corporate bodies and third parties, if any, potentially affected by the assignment of the Mortgage Credit receivables to the Fund and the issue of the Mortgage Certificates and Pass-Through Certificates,

to validly execute the Deed of Constitution, for the undertakings made therein and to execute the agreements relating to the establishment of the Fund.

(4) That it has audited individual and consolidated annual accounts for the years ended December 31, 2009, 2008 and 2007 with a favourable opinion and without any negative qualifications from the auditors in any of those years, which have been filed with the CNMV and with the Companies Register.

2. In relation to the Mortgage Certificates, Pass-Through Certificates and Mortgage Credits.

(1) That the assignment of the Mortgage Credit receivables and issue of the Mortgage Certificates and the Pass-Through Certificates are transactions carried out in the ordinary course of business of BANKINTER and the issue is made at arm's length in accordance with Act 2/1981, Royal Decree 716/2009, and the provisions of Additional Provision Five of Act 3/1994, as worded by Act 41/2007, and other applicable laws. The Mortgage Loan receivables are assigned to the Fund by issuing the Mortgage Certificates because the relevant Mortgage Credits satisfy all the requirements established in Chapter II of Royal Decree 716/2009. The Mortgage Credit receivables are assigned to the Fund by issuing the Pass-Through Certificates because the Mortgage Credits do not satisfy all the requirements established in Chapter II of Royal Decree 716/2009. This information is consistent with the contents laid down in schedule I to Royal Decree 716/2009 on the special accounting register of mortgage loans and credits.

(2) That the Mortgage Certificates and the Pass-Through Certificates are issued for the same term remaining until maturity and for the same interest rate of each of the underlying Mortgage Credits.

(3) That the Mortgage Credits exist and are valid and enforceable in accordance with the applicable laws, and all applicable laws have also been observed in granting the same.

(4) That BANKINTER is the legal and beneficial owner of all the Mortgage Credits and of the relevant mortgages and there is no obstacle whatsoever for the Mortgage Certificates and Pass-Through Certificates to be issued.

(5) That the details and information of the mortgage loans and credits (first drawdowns) selected for the Mortgage Certificates and Pass-Through Certificates to be issued given in section 2 of the Prospectus Building Block, accurately reflect their status on the date referred to and are correct.

(6) That the Mortgage Certificate and Pass-Through Certificate and Mortgage Credit details included in the schedules to the Deed of Constitution accurately reflect the current status of those Mortgage Credits, Mortgage Certificates and Pass-Through Certificates and are complete and accurate, and match the data files sent to the Management Company on those Mortgage Credits, Mortgage Certificates and Pass-Through Certificates.

(7) That the Mortgage Credits underlying the Mortgage Certificates and Pass-Through Certificates are part of the mortgage loans and credits (first drawdowns) selected for the Mortgage Certificates and Pass-Through Certificates to be issued, the characteristics of which are given in section 2 of the Prospectus Building Block.

(8) That the Mortgage Certificate and Pass-Through Certificate and Mortgage Credit information given in the Prospectus is accurate and fairly reflects their real status.

(9) That the eligible Mortgage Credits, underlying the Mortgage Certificates, are secured with a first ranked real estate mortgage established on the legal and beneficial ownership of each and every one of the mortgage properties and the ineligible Mortgage Credits underlying the Pass-Through Certificates are secured with a first or a second or lower ranked real estate mortgage established on the legal and beneficial ownership of each and every one of the mortgaged properties. Moreover, the Mortgage Credits are not encumbered by restrictions on disposal, conditions subsequent, or any restriction on ownership. Nevertheless, the Mortgage Credits originating in the first drawdowns of credit facilities shall share the mortgage security with subsequent drawdowns granted by BANKINTER to the obligors of the credit facility from which such Mortgage Credits derive.

(10) That in the case of Mortgage Credits with second or lower ranked registered security, there are only prior mortgages ranking as a senior mortgage securing a mortgage loan or credit registered in the name of BANKINTER.

(11) That the Mortgage Credits are all originated in a public deed, and the mortgages are all duly granted and entered in the relevant Land Registries. The registration of the mortgaged properties is in force and has not been howsoever opposed and is subject to no limitation whatsoever taking precedence over BANKINTER's mortgages, in accordance with the applicable laws.

(12) That the Mortgage Credits all stand as a valid and binding payment obligation for the relevant Obligor and are enforceable on their own terms.

(13) That the Mortgage Credits are all denominated and payable exclusively in Euros, and the initial capital or principal has been fully drawn down. However, part of the Mortgage Credits are First Drawdowns under mortgage credit facility agreements in which the credit limit is equivalent to the First Drawdown amount and the obligor or borrower is allowed to make subsequent drawdowns subject to certain limitations.

(14) That all the Mortgage Credit payment obligations are satisfied by directly debiting a bank account opened at BANKINTER.

(15) That the Mortgage Credit Obligors are all individuals and are not employees, officers or directors of BANKINTER.

(16) That the Mortgage Credits have been granted to individuals both directly and through subrogations of financing granted to developers for building homes.

(17) That the mortgages are granted on real properties that are wholly legally and beneficially owned by the respective mortgagor, and BANKINTER is not aware of the existence of litigation over the ownership of those properties which might detract from the mortgages.

(18) That the properties mortgaged under the Mortgage Credits are not, and are not ineligible as, assets excluded for standing as security under article 11.1.d) of Royal Decree 716/2009, nor do the Mortgage Credits have any of the credit features excluded or restricted under articles 12.1 a), c), d) and f) and 12.2 of Royal Decree 716/2009.

(19) That all the mortgaged real properties (i) are located in Spain, (ii) have been appraised by duly qualified institutions approved by BANKINTER and entered in the Bank of Spain's Register of Appraisal Companies, evidence of which appraisal has been provided in the form of an appropriate certificate, and (iii) in the case of real properties which are buildings, building work has been completed.

(20) That in the case of Mortgage Credits secured with officially protected homes, the appraisal value considered and reported for all calculation purposes was the maximum legal value under the official protection system.

(21) That (i) the outstanding principal balance of each of the eligible mortgage loans underlying Mortgage Certificates the purpose of which is acquiring, building or renovating homes and their annexes (parking spaces and/or lumber rooms), if any, or subrogations by resident individuals to developer financing in respect of homes designed to be sold, does not exceed 80 percent, or (ii) in the case of mortgage credits underlying Mortgage Certificates, the aggregate outstanding principal of the first drawdown and subsequent drawdowns, if any, does not exceed 80% of the appraisal value of the properties mortgaged as security for the relevant Mortgage Credit.

(22) That the outstanding principal balance of each of the eligible mortgage loans underlying Mortgage Certificates the purpose of which is other than acquiring, building or renovating homes and their annexes (parking spaces and/or lumber rooms), if any, or subrogations by resident individuals to developer financing in respect of homes designed to be sold, does not exceed 60 percent of the appraisal value of the properties mortgaged as security for the relevant mortgage loan.

(23) That the outstanding principal balance of each of the ineligible mortgage loans underlying Pass-Through Certificates, plus the current balance of previous mortgage(s), if any, does not exceed 100% of the appraisal value of the properties mortgaged as security for the relevant Mortgage Credit.

(24) That BANKINTER is not aware of there having been any fall in the value of any of the properties mortgaged as security for the Mortgage Credits in excess of 20% of the appraisal value.

(25) That the properties mortgaged as security for the mortgage credits all have at least damage risk cover under valid insurance policies naming BANKINTER as the beneficiary and the insured sum thereunder is not less than the appraisal value of the mortgaged property or mortgaged properties, excluding elements that cannot by nature be insured, or that BANKINTER has taken out a secondary general insurance policy ensuring damage insurance cover in the event of that insurance not existing or of the insured sums falling short of the lower of: (i) the current Mortgage Credit balance, or (ii) the appraisal value of the mortgaged property or properties, excluding elements that are uninsurable by nature.

(26) That BANKINTER is not aware of the premiums accrued heretofore by the insurance taken out referred to in paragraph (25) above not having been paid in full.

(27) That the Mortgage Credits are not represented by such instruments as registered, negotiable or bearer securities, other than the Mortgage Certificates and Pass-Through Certificates issued to be pooled in the Fund.

(28) That none of the Mortgage Certificates and Pass-Through Certificates have any payments more than one (1) month overdue on the date of issue of the Pass-Through Certificates.

(29) That BANKINTER is not aware that any Mortgage Credit Obligor holds any credit right against BANKINTER whereby that Obligor might be entitled to a set-off which might adversely affect the rights conferred by the Mortgage Certificates and the Pass-Through Certificates.

(30) That BANKINTER has strictly adhered to the policies for granting credit in force at the time of granting each and every one of the Mortgage Credits and of accepting, as the case may be, the subrogation of subsequent borrowers or obligors in the position of the initial borrower or obligor, and in that respect a summary description by BANKINTER of BANKINTER's policies for granting credits and loans with real estate security to individuals is given in section 2.2.7 of the Building Block to the Prospectus and is attached to the Deed of Constitution.

(31) That the deeds for the mortgages granted on the properties mortgaged by the Mortgage Credits have all been duly filed in the records of BANKINTER suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Mortgage Credits are all clearly identified both in data files and by means of their public origination deeds.

(32) That the outstanding capital balance of each Mortgage Credit on the issue date is equivalent to the principal figure of the relevant Mortgage Certificate or Pass-Through Certificate and that, in turn, the total capital of the Mortgage Certificates and Pass-Through Certificates is at least equal to EUR one billion six hundred and fifty million (1,650,000,000.00).

(33) That the final maturity date of the Mortgage Credits (including potential extensions of the maturity date of the first drawdowns of mortgage credits) is at no event after March 24, 2050.

(34) That, after being granted, the Mortgage Credits have been serviced and are still being serviced by BANKINTER in accordance with its set customary procedures.

(35) That BANKINTER is not aware of the existence of any litigation whatsoever in relation to the Mortgage Credits which may detract from their validity or which may result in the application of Civil Code article 1535, or of the existence of circumstances which may result in the purchase agreement of the properties mortgaged as security for the Mortgage Credits being ineffective.

(36) That BANKINTER is not aware of any Obligor being able to make any objection whatsoever to paying any Mortgage Credit amount.

(37) That, on the issue date, BANKINTER has received no notice whatsoever of full prepayment of any Mortgage Credit.

(38) That the Mortgage Credit payment frequency is monthly, quarterly or six-monthly.

(39) That, on the issue date, no Mortgage Credit has any clauses establishing interest rate floors and ceilings limiting the floating interest rate amount applicable to the Mortgage Credit.

(40) That, on the issue date, at least one interest payment has fallen due on each Mortgage Credit.

(41) That BANKINTER is not aware of the existence of any circumstance whatsoever which might prevent the mortgage security from being enforced.

(42) That the Mortgage Credits are not earmarked for any issue whatsoever of mortgage debentures, mortgage bonds, mortgage participation certificates or pass-through certificates, other than the issue of the Mortgage Certificates and the Pass-Through Certificates, and after their issue the Mortgage Credits shall not be earmarked for any issue whatsoever of mortgage debentures, mortgage bonds, mortgage participation certificates or pass-through certificates other than the Mortgage Certificates and the Pass-Through Certificates in force.

(43) That nobody has a preferred right over the Fund in and to the Mortgage Credits, as holder of the Mortgage Certificates and the Pass-Through Certificates.

(44) That, on the issue date, BANKINTER has had no notice that any Mortgage Credit Obligor has been decreed insolvent.

(45) That the Mortgage Credits are financing granted by BANKINTER to individuals in order to refurbish, renovate or buy properties (homes, parking spaces and/or lumber rooms, business premises and offices, or rustic and urban land), purchasing fixed assets, refinancings (extension or rearrangement of previous delinquent loans or credits) and other financings.

2.2.9 Substitution of the securitised assets.

Set rules for substituting the Mortgage Certificates and Pass-Through Certificates or otherwise repayment to the Fund.

1. In the event of early amortisation of the Mortgage Certificates and Pass-Through Certificates upon the relevant Mortgage Credit capital being prepaid, there will be no substitution of the redeemed Mortgage Certificates and Pass-Through Certificates.

2. In the event that during the full term of the Mortgage Certificates and Pass-Through Certificates it should be found that any of them or the relevant Mortgage Credit fail to conform to the representations given in section 2.2.8 above upon the Fund being established, BANKINTER agrees with respect to the Mortgage Certificates or Pass-Through Certificates it shall have issued, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or, as the case may be, redeem the affected Mortgage Certificates or Pass-Through Certificates not substituted, by early amortisation of the affected Mortgage Certificates or Pass-Through Certificates, subject to the following rules:

   (i) The party becoming acquainted with the existence of a Mortgage Certificate or a Pass-Through Certificate in that circumstance, be it the Originator or the Management Company, shall advise the other party. The Originator shall have a period of not more than fifteen (15) Business Days from said notice to remedy that circumstance if it may be so remedied or proceed to substitution of the affected Mortgage Certificates or Pass-Through Certificates, notifying the Management Company of the characteristics of the mortgage loans or credits (first drawdowns) intended to be assigned to take their stead, which shall fulfil the representations given in section 2.2.8 above and be homogeneous as to residual term, interest rate, outstanding principal value and credit quality in terms of security ranking and existing ratio between the mortgage loan or credit outstanding principal and the appraisal value of the mortgaged property or properties of the Mortgage Certificates or Pass-Through Certificates to be replaced, in order for the financial balance of the Fund not to be affected by such substitution, nor indeed the rating of the Bonds in connection with the provisions of section 7.5 of the Securities Note. Once the Management Company has checked the eligibility of the substitute mortgage loan(s) or credit(s) (first drawdowns), and after advising the Originator expressly of mortgage loans eligible to be so substituted, such substitution shall be made by early amortisation of the affected Mortgage Certificates or Pass-Through Certificates and, as the case may be, issuing the new substitute mortgage certificates or pass-through certificates.

Substitution shall be recorded in a public deed subject to the same formalities established for the issue of and subscription for the Mortgage Certificates or Pass-Through Certificates upon the Fund being established, in accordance with the specific characteristics of the new mortgage loans or credits (first drawdowns) assigned. The Management Company shall provide the CNMV, the undertaking in charge of the Bond accounting record and the Rating Agencies with a copy of the public deed.

(ii) In the event that there should be no substitution of the affected Mortgage Certificates or Pass-Through Certificates in accordance with rule (i) above, the affected Mortgage Certificates or Pass-Through Certificates not substituted shall be cancelled early. That early cancellation shall take place by a repayment in cash to the Fund by the Originator of the outstanding principal of the affected Mortgage Certificates or Pass-Through Certificates not substituted, interest accrued and not paid, calculated until the repayment date, and any other amount owing to the Fund under those Mortgage Certificates or Pass-Through Certificates.

(iii) In the event of (i) or (ii) above occurring, the Originator shall be vested in all the rights attaching to those Mortgage Certificates or Pass-Through Certificates accruing from the date of substitution or repayment to the Fund or accrued and not due, and overdue amounts on that same date.

3. In particular, the amendment by the Originator during the life of the Mortgage Credits of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originator in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by the 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 Mortgage Certificates and/or Pass-Through Certificates, in accordance with the procedure provided for in paragraph 2 above of this section, which shall not result in the Originators 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 Originator and cannot be charged to the Fund or the Management Company. The Management Company shall notify the CNMV of Mortgage Certificate and Pass-Through Certificate replacements in terms of the procedure provided for in paragraph 2.b) and c) above.

2.2.10 Relevant insurance policies relating to the securitised assets.

In accordance with the Originator's representation (25) given in section 2.2.8.2 of this Building Block, the properties mortgaged as security for the Mortgage Credits all have at least damage risk cover under valid insurance policies naming BANKINTER as the beneficiary and the insured sum thereunder is not less than the appraisal value of the mortgaged property or mortgaged properties, excluding elements that cannot by nature be insured, or BANKINTER has taken out a secondary general insurance policy ensuring damage insurance cover in the event of that insurance not existing or of the insured sums falling short of the lower of: (i) the current Mortgage Credit balance, or (ii) the appraisal value of the mortgaged property or properties, excluding elements that are uninsurable by nature.

No details are included regarding concentration of the insurers because the current status of the insurance policies taken out by the Obligors and their data is not entirely supported or updated in the Originator's computer records, and concentration could therefore exist in one or several insurers. The Originator shall concurrently perfect the assignment attached to the issue of the Mortgage Certificates and Pass-Through Certificates of the rights available to the Originator as the beneficiary of the damage insurance contracts made by the Obligors or any other insurance policy providing equivalent cover (in particular, the general insurance policy taken out by BANKINTER, with GROUPAMA SEGUROS Y REASEGUROS, S.A., in the event of the damage insurance policy taken out by the Obligor not existing, falling short or being ineffective). As the holder of the Mortgage Certificates and Pass-Through Certificates, the Fund shall be entitled to all the amounts the Originator would have received under such insurance.

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 Originators, 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.

The appraisal values of the properties securing the selected mortgage loans and credits (first drawdowns) correspond to appraisals made by appraisers for the purpose of granting and arranging the same. No details are included regarding concentration of appraisal firms because this aspect has not been considered significant.

2.3 Actively managed assets backing the issue.

Not applicable.

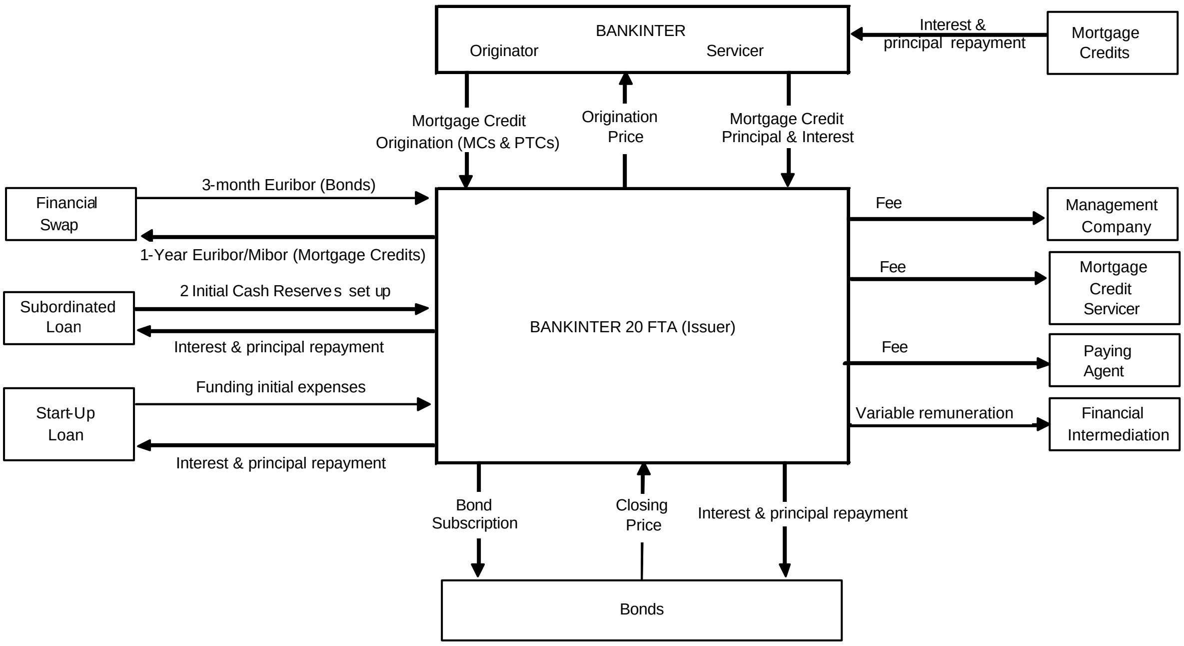
2.4 Where the Issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

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 at closing on the Closing Date will be as follows:

ASSETS		LIABILITIES	
Receivables	**1,650,105,700.00**	**Obligations & marketable securities**	**1,650,000,000.00**
MCs and PTCs (adjustment excess to EUR 105,700.00)	1,650,105,700.00	Bonds	1,650,000,000.00
Liquid assets	**to be determined**	**Credit institution liabilities**	**132,600,000.00**
Treasury Account (Cash Reserves)*	132,000,000.00	Subordinated Loan	132,000,000.00
		Start-Up Loan	600,000.00
Derivatives	**to be determined**	**Derivatives**	**to be determined**
Financial Swap collections	to be determined	Financial Swap payments	to be determined
		Short-term creditors	**to be determined**
		Mortgage Credit interest accrued **	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 494,300.00 as set out in section 6 of the Securities Note.

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 be the authorised representative of the Fund and has, together with BANKINTER, structured the financial terms of the Fund and the Bond Issue.

(ii) BANKINTER is the Originator of the Mortgage Credit receivables to be assigned to the Fund upon being established by issuing the Mortgage Certificates and Pass-Through Certificates and shall be the Lead Manager and the Bond Issue Subscriber.

Out of the functions and activities that lead managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANKINTER has, together with the Management Company, structured the financial terms of the Fund and the Bond Issue. It shall in addition take on the duties of article 35.3 of that Royal Decree.

In addition, BANKINTER shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Subordinated Loan, Start-Up Loan, Financial Swap, Mortgage Credit Servicing and Mortgage Certificate and Pass-Through Certificate Custody, Bond Paying Agent and Financial Intermediation Agreements.

(iii) RAMÓN Y CAJAL, as independent adviser, has provided legal advice for establishing the Fund and the Bond Issue and has reviewed the tax implications thereof.

(iv) DELOITTE has audited certain features and attributes of a sample of all of BANKINTER's selected mortgage loans and credits (first drawdowns) from which the Mortgage Credits will be taken to be assigned to the Fund upon being established.

(v) Moody's and S&P are the Rating Agencies that have assigned the rating to the Bond Issue.

A detailed description of the institutions referred to in the preceding paragraphs is given in section 5.2 of the Registration Document.

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

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

3.3.1 Perfecting the assignment of the Mortgage Credit receivables.

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

The Mortgage Certificates and Pass-Through Certificates will be issued in accordance with the provisions of Act 2/1981, additional provision one of Royal Decree 716/2009 and additional provision five of Act 3/1994, as currently worded, and other applicable laws.

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

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

Given that subscription for and holding of the Mortgage Certificates and Pass-Through Certificates is restricted to professional investors and that the Fund is an institutional investor and that the Fund has subscribed for the Mortgage Certificates and Pass-Through Certificates, for the purposes of paragraph two of article 32.1 of Royal Decree 716/2009, the issue of the Mortgage Certificates and Pass-Through Certificates shall not be subject to a marginal note on each entry of the mortgage underlying each of the Mortgage Credits in the Land Registry.

The assignment by BANKINTER to the Fund of the Mortgage Credit receivables, upon the Mortgage Certificates and Pass-Through Certificates being issued and subscribed for, shall not be notified to the Obligors. However, 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 and mortgaged property insurers, if any) of the transfer to the Fund of the outstanding Mortgage Credit receivables, and that payments thereunder 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 (and guarantors and mortgaged property insurers, if any), 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 and mortgaged property insurers, if any).

3.3.2 Mortgage Certificate and Pass-Through Certificate issue and subscription terms.

1. The Mortgage Credit receivables will be fully and unconditionally assigned, perfected by BANKINTER issuing and the Fund subscribing for the Mortgage Certificates and Pass-Through Certificates, from the date of establishment, for the entire term remaining until maturity of each Mortgage Credit.

2. The Mortgage Certificates and Pass-Through Certificates shall be represented by means of registered individual or multiple certificates as established in section 3.3.4 below.

3. BANKINTER shall be liable to the Fund for the existence and lawfulness of the Mortgage Credits, to the same extent determined in articles 348 of the Commercial Code and 1529 of the Civil Code, and for the personality with which the Mortgage Certificates and Pass-Through Certificates are assigned and issued, but shall not be liable for Obligors' creditworthiness.

   Moreover, BANKINTER shall not bear the risk of default on the Mortgage Credits and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other Mortgage Credit amount owing by the Obligors. It will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Mortgage Certificates and Pass-Through Certificates, saving as provided for in section 2.2.9 of this Building Block.

4. The Mortgage Certificates and Pass-Through Certificates will be issued in respect of 100 percent of the outstanding principal, interest not due and overdue interest and any and all other amounts, assets or rights attaching to each of the relevant Mortgage Credits, excluding the fees established in each Mortgage Credit, which shall remain for the benefit of BANKINTER.

   Specifically, for the sake of illustration, without limitation, the Mortgage Certificates and Pass-Through Certificates shall confer on the Fund as their holder the following rights in relation to each Mortgage Credit:

   a) To receive all Mortgage Credit capital or principal repayment amounts accrued.

   b) To receive all Mortgage Credit principal ordinary interest amounts accrued.

   c) To receive all Mortgage Credit late-payment interest amounts accrued.

   d) To receive any other amounts, properties, assets, securities or rights received as payment of Mortgage Credit principal, interest or expenses, either in the form of knock-down price or amount determined by a court decision or notarial procedure in enforcing the mortgage securities, on the sale or utilisation of properties, assets or securities awarded or given as payment in kind, upon foreclosing, in the administration or interim possession of the properties, assets or securities in foreclosure proceedings, and for first drawdowns under credit facility agreements, proportionally to the first drawdown assigned.

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

f) In the case of Mortgage Credits with second or lower ranked registered security, the Fund shall be entitled to the items described in paragraphs a) to e) above. However, because foreclosure of a second or lower-ranked mortgage does not imply termination of previous mortgages, the proceeds of the foreclosure shall be allocated firstly to paying the preferred creditors and the balance shall be allocated to paying the Fund.

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

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

   BANKINTER shall concurrently perfect the assignment attached to the issue of the Pass-Through Certificates of the rights available to BANKINTER as the beneficiary of those damage insurance contracts taken out by the Obligors or any other insurance policy providing equivalent cover (in particular, the general insurance policy taken out by BANKINTER in the event of the damage insurance policy taken out by the Obligor not existing, falling short or being ineffective). As the holder of the Mortgage Certificates and Pass-Through Certificates, the Fund shall be entitled to all the amounts BANKINTER would have received under such insurance and, for first drawdowns under credit facility agreements, proportionally to the first drawdown assigned.

6. In the event of prepayment of the Mortgage Credits upon a full or partial repayment of the principal, there will be no direct substitution of the affected Mortgage Certificates and Pass-Through Certificates.

7. The Fund's rights resulting from the Mortgage Certificates and Pass-Through Certificates shall be linked to the payments made by the Obligors and are therefore directly affected by the evolution, late payments, prepayments or any other incident in connection with the Mortgage Credits.

8. The Fund shall defray any and all expenses or costs resulting for the Originator derived from recovery actions in the event of a breach by the Mortgage Credit Obligors of their obligations, including enforcement proceedings against the same and, for first drawdowns under credit facility agreements, proportionally to the first drawdown assigned.

9. In the event of renegotiation consented to by the Management Company, for and on behalf of the Fund, of the Mortgage Credits, or their due dates, the change in the terms shall affect the Fund.

3.3.3 Mortgage Certificate and Pass-Through Certificate issue price.

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

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

(i) The part of the price consisting of the face value of the capital of all Mortgage Credits, item (i) of paragraph one of this section, shall be paid by the Fund on the Closing Date, for same day value, upon subscription for the Bond Issue being paid up. The Originator shall receive no interest on the deferment of payment until the Closing Date.

(ii) The part of the price consisting of interest accrued on each Mortgage Credit, item (ii) of paragraph one of this section, shall be paid by the Fund on the first interest settlement date for each one, and will not be subject to the Fund Priority of Payments.

If the establishment of the Fund and consequently the issue of and subscription for the Mortgage Certificates and Pass-Through Certificates should be terminated, as provided for in section 4.4.4 (v) of the Registration Document, (i) the Fund's obligation to pay the full price for subscribing for the Mortgage Certificates and Pass-Through Certificates shall terminate, and (ii) the Management Company shall be obliged to restore to BANKINTER any rights whatsoever accrued for the Fund upon the Mortgage Certificates and Pass-Through Certificates being subscribed for.

3.3.4 Mortgage Certificate and Pass-Through Certificate representation and custody.

The Mortgage Certificates and Pass-Through Certificates shall be represented by means of registered individual or multiple certificates which shall contain the minimum data currently provided for in respect of mortgage participation certificates in article 29 of Royal Decree 716/2009, along with the registered particulars of the properties mortgaged as security for the Mortgage Credits. The Mortgage Certificates and Pass-Through Certificates which shall be issued to be pooled in the Fund upon being established shall be represented by means of a two registered multiple certificates.

Both in the event that any Pass-Through Certificate should be substituted, as prescribed in section 2.2.9 of this Building Block, and in the event that the Management Company, acting for and on behalf of the Fund, should proceed to foreclose a Mortgage Credit, as prescribed in section 3.7.2.1.8 of this Building Block, and moreover if, upon Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, said Mortgage Certificates and Pass-Through Certificates have to be sold, BANKINTER agrees to split, as the case may be, any multiple certificate into such individual or multiple certificates as may be necessary, or to substitute or exchange the same for the above purposes.

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

3.4 Explanation of the flow of funds.

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

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

The weighted average interest rate of the selected mortgage loans and credits (first drawdowns) as at June 22, 2010, as detailed in section 2.2.2.g) of this Building Block, is 2.07%, which is above the 1.09% nominal interest rate of the Bonds that has been presumed for hypothetical purposes in the table contained in section 4.10 of the Securities Note.

The Financial Swap mitigates the interest rate risk occurring in the Fund because Mortgage Credit interest floats initially benchmarked to 1-year Euribor or Mibor 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 and the risk deriving from potential Mortgage Credit interest rate renegotiations to a fixed rate.

Quarterly, on each Payment Date, Bondholders will be paid interest accrued and principal repayment on the Bonds 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 Reserves set up upon the Subordinated Loan being drawn down.

Mitigate the Mortgage Credit delinquency and default credit risk.

(ii) Financial Swap:

Mitigates the interest rate risk occurring in the Fund because Mortgage Credit interest floats initially benchmarked to 1-year Euribor or Mibor 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 and the risk deriving from potential Mortgage Credit interest rate renegotiations which may even result in their novation to a fixed rate.

(iii) Treasury Account.

Partly mitigates the loss of return on the liquidity of the Fund due to the timing difference between Mortgage Credit income received daily and until Bond interest payment and principal repayment on the next succeeding Payment Date.

(iv) As the case may be, the deposit amount posted by the Servicer or the credit facility taken out as provided for in section 3.7.2.1.2 of the Building Block mitigates the risk, in the event of insolvency of the Servicer, of the Fund not receiving Mortgage Credit amounts owing to it and paid to the Servicer.

3.4.2.2 Cash Reserves.

3.4.2.2.1 Interest Cash Reserve.

The Management Company shall set up on the Closing Date an interest cash reserve (the "**Interest Cash Reserve**") upon the Subordinated Loan principal being drawn down and shall subsequently, on each Payment Date, keep the Required Interest Cash Reserve amount provisioned in the Priority of Payments.

The characteristics of the Interest Cash Reserve shall be as follows:

Interest Cash Reserve amount.

1. The Interest Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR fifty-two million eight hundred thousand (52,800,000.00) (the "**Initial Interest Cash Reserve**").

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

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

   (i) EUR fifty-two million eight hundred thousand (52,800,000.00).

   (ii) The higher of:

a) 6.40% of the Outstanding Principal Balance of the Bond Issue.

b) EUR twenty-six million four hundred thousand (26,400,000.00).

3. Notwithstanding the above, the Required Interest Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Interest Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:

   i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Mortgage Credits is at least as high as 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.

   ii) That the Interest Cash Reserve was not provisioned up to the Required Interest Cash Reserve amount on the relevant Payment Date.

   iii) That the average margin added to the relevant benchmark index for determining the nominal interest rate of the Mortgage Credits, weighted by the outstanding principal of the Mortgage Credits, is equal to or less than 0.30%.

   iv) That three (3) years have not elapsed since the date of establishment of the Fund.

Yield.

The Interest 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 Interest 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.

3.4.2.2.2 Principal Cash Reserve.

The Management Company shall set up on the Closing Date a principal cash reserve (the "**Principal Cash Reserve**") upon the Subordinated Loan principal being drawn down and shall subsequently, on each Payment Date, keep the Required Principal Cash Reserve amount provisioned in the Priority of Payments.

The characteristics of the Principal Cash Reserve shall be as follows:

Principal Cash Reserve amount.

1. The Principal Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR seventy-nine million two hundred thousand (79,200,000.00) (the "**Initial Principal Cash Reserve**").

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

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

   (iii) EUR seventy-nine million two hundred thousand (79,200,000.00).

   (iv) The higher of:

   b) 9.60% of the Outstanding Principal Balance of the Bond Issue.

   b) EUR thirty-nine million six hundred thousand (39,600,000.00).

3. Notwithstanding the above, the Required Principal Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Principal Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:

   i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Mortgage Credits is at least as high as 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Credits.

   ii) That the Principal Cash Reserve was not provisioned up to the Required Principal Cash Reserve amount on the relevant Payment Date.

   iii) That the average margin added to the relevant benchmark index for determining the nominal interest rate of the Mortgage Credits, weighted by the outstanding principal of the Mortgage Credits, is equal to or less than 0.30%.

   iv) That three (3) years have not elapsed since the date of establishment of the Fund.

Yield.

The Principal 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 Principal 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 Subordinated Loan.

The Management Company shall, on the date of establishment of the Fund, for and on behalf of the Fund, enter with BANKINTER into an agreement whereby BANKINTER shall grant to the Fund a commercial loan (the "**Subordinated Loan**") amounting to EUR one hundred and thirty-two million (132,000,000.00) (the "**Subordinated Loan Agreement**"). The subordinated loan amount shall be delivered on the Closing Date and be allocated to setting up the Initial Interest Cash Reserve and the Initial Principal Cash Reserve on the terms for which provision is made in section 3.4.2.2 above of this Building Block, although granting of the Loan by no means guarantees performance of the securitised Mortgage Credits.

Subordinated Loan principal shall be repaid on each Payment Date in an amount equal to the positive difference existing between (i) the outstanding Subordinated Loan principal at the Determination Date preceding the relevant Payment Date and (ii) the sum of the Required both Interest and Principal Cash Reserve amount at the relevant Payment Date, and in the application priority established for that event in the application of Available Funds in the Priority of Payments.

In the event that the Fund should not have sufficient liquidity to proceed to the relevant Subordinated Loan repayment on a Payment Date, in the Priority of Payments, the portion of principal not repaid shall be repaid on the next succeeding Payment Date along with the amount, if any, that should be repaid on that same Payment Date, until fully repaid.

The Subordinated Loan shall at all events be finally due on the Final Maturity Date or, as the case may be, on the date on which the Management Company proceeds to Early Liquidation subject to the Liquidation Priority of Payments of the Fund.

Outstanding Subordinated Loan principal will accrue floating annual nominal interest, determined quarterly for each interest accrual period (which shall exactly match each Bond Interest Accrual Period), which shall be the result of adding: (i) the Reference Rate determined for each Bond Interest Accrual Period, and (ii) a 0.15% margin. Interest shall be settled and be payable upon expiry of each interest accrual period on each payment or settlement date, falling on the Bond Issue Payment Dates (on March 17, June 17, September 17 and December 17 or the following Business Day if any of those is not a Business Day), 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 September 17, 2010, and interest shall accrue until said day, exclusive, and be paid on the same date. Interest will be payable 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.

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

All Subordinated Loan amounts due and not paid by the Fund 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. Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Subordinated Loan on that Payment Date, honouring firstly overdue interest and secondly principal repayment, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments of the Fund.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as the final ratings by 2pm (CET) on July 13, 2010.

3.4.3.2 Start-Up Loan.

The Management Company shall, on the date of establishment of the Fund, for and on behalf of the Fund, enter with BANKINTER into an agreement whereby BANKINTER shall grant to the Fund a commercial loan amounting to EUR six hundred thousand (600,000.00) (the "**Start-Up Loan Agreement**"). The start-up loan (the "**Start-Up Loan**") amount shall be delivered on the Closing Date and be allocated to financing the Fund set-up and Bond issue and admission expenses and partly financing subscription for the Mortgage Certificates and Pass-Through Certificates at the difference between the total face capital of the subscription for and the total face amount of the Bond Issue.

Outstanding Start-Up Loan principal will accrue floating annual nominal interest, determined quarterly for each interest accrual period (which shall exactly match each Bond Interest Accrual Period), which shall be the result of adding: (i) the Reference Rate determined for each Bond Interest Accrual Period, and (ii) a 0.15% margin. Interest shall be settled and be payable upon expiry of each interest accrual period on each payment or settlement date, falling on the Bond Issue Payment Dates (on March 17, June 17, September 17 and December 17 or the following Business Day if any of those is not a Business Day), 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 September 17, 2010, and interest shall accrue until said day, exclusive, and be paid on the same date. Interest will be payable 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.

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

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

(i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue and admission expenses shall be repaid in twenty (20) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, September 17, 2010, and the following until the Payment Date falling on June 17, 2015, inclusive.

(ii) The portion of Start-Up Loan principal used to partly finance subscription for the Mortgage Certificates and Pass-Through Certificates and the portion not used, if any, shall be repaid on the first Payment Date, September 17, 2010.

All Start-Up Loan amounts due and not paid by the Fund 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. 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, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

The Start-Up Loan Agreement shall not be terminated in the event of the establishment of the Fund terminating as provided for in paragraph 4.4.4 (v) of the Prospectus Registration Document. In that event, the Start-Up Loan shall be used to pay the Fund set-up and Bond issue and admission expenses 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 principal repayment shall be deferred and subordinated to satisfaction of those obligations.

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

3.4.4.1 Treasury Account.

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

(i) cash amount received upon subscription for the Bond Issue being paid up;

(ii) Mortgage Credit principal repaid and interest collected;

(iii) drawdown of Subordinated Loan principal and the Interest Cash Reserve and the Principal Cash Reserve amounts from time to time;

(iv) any other Mortgage Credit amounts received owing to the Fund, and on the sale or utilisation of properties or assets awarded, given as payment in kind or in administration and interim possession in foreclosure proceedings;

(v) Start-Up Loan principal drawn down;

(vi) Financial Swap amounts paid to the Fund;

(vii) the amounts of the returns obtained on the Treasury Account balances;

(viii) as the case may be, the deposit amount posted by the Servicer or the amounts drawn on the credit facility taken out as provided for in section 3.7.2.1.2 of the Building Block; and

(ix) the amounts, if any, of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BANKINTER shall pay an annual nominal interest rate, floating quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account, equal to the Reference Rate determined for each Interest Accrual Period substantially matching each Treasury Account interest accrual period, translated to an interest rate based on calendar years (i.e. multiplied by 365, or 366 in leap years, and divided by 360). Interest shall be settled on the date of expiry of each interest accrual period on each Fund Determination Date (the fifth (5^{th}) Business Day preceding each Payment Date), and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-five (365-) day year or a three-hundred-and-sixty-six (366-) day year if it is a leap year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first Determination Date, September 10, 2010.

In the event that the rating of short-term unsecured and unsubordinated debt obligations of BANKINTER or of the institution in which the Treasury Account is opened (the "**Treasury Account Provider**") should, at any time during the life of the Bond Issue, be downgraded below P-1 or A-1, respectively by Moody's and S&P (in accordance with S&P's updated counterparty criteria dated May 8, 2007 *-Revised Framework For Applying Counterparty Supporting Party Criteria-)*, the Management Company shall within not more than thirty (30) calendar days from the time of the occurrence of any such circumstance do any of the things described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:

a) Obtaining from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1, respectively by Moody's and S&P, an unconditional, irrevocable and first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANKINTER of its obligation to repay the amounts credited to the Treasury Account, for such time as the Treasury Account Provider remains downgraded below P-1 or A-1.

b) Transferring the Treasury Account to an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1, respectively by Moody's and S&P, arranging the highest possible yield for its balances, which may differ from that arranged with the Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

In the event of b) above occurring and that BANKINTER's short-term unsecured and unsubordinated debt obligations should subsequently be upgraded back to P-1 and A-1, respectively by Moody's and S&P, the Management Company shall subsequently transfer the balances back to BANKINTER under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BANKINTER or, as the case may be, the substituted Treasury Account Provider.

The Treasury Account Provider shall agree, forthwith upon its credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of (a) or (b) above.

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

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

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

Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt obligations should be downgraded below P-1 or A-2 respectively by Moody's and S&P, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be paid to the Fund crediting the Treasury Account on the first 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 the event of the Servicer's long-term credit rating being downgraded below Baa3 by Moody's, BANKINTER will:

(i) make a cash deposit for the benefit of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or

(ii) arrange an unconditional irrevocable credit facility upon the Management Company's first demand with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's.

The deposit amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Mortgage Credit repayment and interest instalments during the month with the highest collection of repayment and interest instalments from the date of downgrade below Baa3 by Moody's, in the event that the Mortgage Credit delinquency rate should be 0.00% and the CPR should be 10.00%.

The Fund may only draw on that deposit or the liquidity facility the Mortgage Credit amounts it shall not receive, if any, owing to the Fund, received by the Servicer and not paid to the Fund.

In the event of a downgrade in the credit rating of the Servicer's short-term unsecured and unsubordinated debt obligations below A-2 by S&P, the Servicer shall do either of the following:

(i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as A-1 by S&P within not more than thirty (30) days starting from the time of the occurrence of that circumstance, a first demand guarantee, satisfying the S&P criteria in force from time to time; or

(ii) post cash collateral to the Fund, within not more than ten (10) days starting from the time of the occurrence of the aforesaid circumstance, with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as A-1 by S&P

The guarantee or collateral amount shall be equivalent to the aggregate estimated amount of the Mortgage Credit repayment and interest instalments that would become due during one month, from the date on which the A-2 rating by S&P is lost, and at a CPR based on the historical CPR of the Mortgage Credits assigned to the Fund.

The Fund may only call the guarantee or draw on the amount of such deposit to the extent of the Mortgage Credit amounts, if any, not received from the Servicer owing to the Fund and received by the Servicer and not paid to the Fund.

In the event that the Servicer's short-term unsecured and unsubordinated debt obligations should be upgraded back to P-1 and A-2 respectively by Moody's and S&P, the Mortgage Credit amounts due to the Fund received by the Servicer may be fully transferred back to the Fund and credited to the Treasury Account on the seventh day after the date on which they are received by the Servicer and (i) and (ii) above shall not apply, in relation to Moody's and S&P's rating.

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

All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by the Servicer.

The Servicer shall at no event pay any Mortgage Credit payment amount whatsoever to the Fund not previously received.

3.4.6 Order of priority of payments made by the Issuer.

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

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

1. **Source:** the Fund shall have the following funds:
   a) Bond subscription payment.
   b) Drawdown of Start-Up Loan principal
   c) Drawdown of Subordinated Loan principal.

2. **Application:** in turn, the Fund will apply the funds described above to the following payments:
   a) Payment of the part of the subscription price for the Mortgage Certificates and Pass-Through Certificates at their face value.
   b) Payment of the Fund set-up and Bond issue and admission expenses.
   c) Setting up the Initial Interest Cash Reserve and the Initial Principal 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 upon Early Liquidation of the Fund, the Management Company shall proceed to apply the Available Funds in the following order of priority of payments (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 identified as such by the Management Company (based on information received from the Servicer concerning the items applied):

a) Mortgage Credit principal repayment income received during the Determination Period preceding the relevant Payment Date.

b) Mortgage Credit ordinary and late-payment interest income received during the Determination Period preceding the relevant Payment Date.

c) The return received on amounts credited to the Treasury Account.

d) The Interest Cash Reserve and the Principal Cash Reserve amount on the Determination Date preceding the relevant Payment Date.

e) Net amounts, if any, received by the Fund under the Financial Swap Agreement and settlement payment amounts received by the Fund in the event of termination of that Agreement.

f) As the case may be, the deposit amount posted by the Servicer or the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block, at a sum equal to the Mortgage Credit amount the insolvent Servicer shall have received and not paid to the Fund during the Determination Period preceding the relevant Payment Date.

g) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of properties, assets, securities or rights awarded or given as payment in kind to the Fund. For first drawdowns under credit facility agreements, proportionally to the first drawdown assigned and for second or subsequent mortgages, subordinately to the preferred creditors.

h) Additionally, on the first Payment Date, the portion of Start-Up Loan Principal not used, if any.

Income under a), b) and g) above received by the Fund and credited to the Treasury Account from the Determination Date, exclusive, preceding the relevant Payment Date, inclusive, 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 order of priority, irrespective of the time of accrual, other than the application established in the 1st place, which may be made at any time as and when due:

1. Payment of the Fund's properly supported taxes and ordinary[(1)] and extraordinary[(2)] expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and Mortgage Credit amounts reimbursable to the Servicer, provided they are all properly supported, and the

servicing fee in the event that BANKINTER should be substituted as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of net amounts payable by the Fund under the Financial Swap Agreement and, only in the event of termination of that Agreement following a breach by the Fund or because the latter is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amounts payable by the Fund.

3. Payment of Bond interest due.

4. Withholding of an amount sufficient for the Required Interest Cash Reserve to be kept duly provisioned.

5. Bond principal amortisation in an amount ("**Principal Amortisation Due**") equivalent to the positive difference existing at the Determination Date preceding the relevant Payment Date between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Balance of Non-Doubtful Mortgage Credits.

6. Withholding of an amount sufficient for the Required Principal Cash Reserve to be kept duly provisioned.

7. Payment, as the case may be, of the settlement payment amounts payable by the Fund under the Financial Swap Agreement other than in the events provided for in 2nd place above.

8. As the case may be, payment of interest due on the deposit amount posted by the Servicer or the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block.

9. As the case may be, (i) repayment of the deposit posted by the Servicer and used by the Fund, or (ii) of the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block, at the amount the Servicer shall have paid to the Fund during the preceding Determination Period for Mortgage Credit amounts received and not paid to the Fund in the preceding Determination Periods.

10. Payment of Subordinated Loan interest due.

11. Repayment of Subordinated Loan principal in the amount repaid.

12. Payment of Start-Up Loan interest due.

13. Repayment of Start-Up Loan principal in the amount repaid.

14. Payment to the Servicer of the fee established under the Servicing Agreement.

    In the event that any other institution should replace BANKINTER as Mortgage Credit Servicer, 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.

15. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist on a given Payment Date in a same order of priority number 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 other than payment of the Fund set-up and Bond issue and admission expenses.

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 secondary markets and maintaining all of the foregoing.

d) Expenses of auditing the annual accounts.

e) Bond amortisation expenses.

f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

The Fund's ordinary expenses in its first year, including the management fee due to the Management Company and those derived from the Paying Agent Agreement, are estimated at EUR two hundred thousand (200,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and those balances shall fall throughout the life of the Fund, the Fund's ordinary expenses will also fall as time goes by.

(2) The following shall be considered extraordinary expenses of the Fund:

a) Expenses, if any, deriving from preparing and perfecting an amendment of the Deed of Constitution and of the agreements, and from entering into additional agreements.

b) Expenses required to foreclose Mortgage Credits and those deriving from any recovery actions required.

c) Expenses required to manage, administer, maintain and dispose of or operate real properties, assets, securities or rights awarded to or given as payment in kind on the Mortgage Credits.

d) Extraordinary expenses of audits and legal advice.

e) The remaining amount, if any, of the initial Fund set-up and Bond issue and admission expenses in excess of the Start-Up Loan principal.

f) In general, any other extraordinary expenses required or not determined among ordinary expenses borne by the Fund or by the Management Company for and on behalf of the Fund.

3.4.6.3 Liquidation Priority of Payments.

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or upon Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following available funds (the "**Liquidation Available Funds**"): (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Mortgage Certificates and Pass-Through Certificates and the remaining assets, and additionally, as the case may be, (iii) the credit facility or the loan, as provided for in section 4.4.3.3.(iii) of the Registration Document, which shall be fully allocated to early amortisation of the Bonds, 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 Mortgage Credit amounts reimbursable to the Servicer, provided they are all properly supported, and the servicing fee if BANKINTER shall have been replaced as Servicer shall be made to the Servicer under the Servicing Agreement in this priority.

3. Payment, as the case may be, of amounts due upon termination of the Financial Swap and, only in the event of termination of that Agreement following a breach by the Fund or because the Fund is the party affected by objective circumstances subsequently occurring, payment of the settlement payment amounts payable by the Fund.

4. Payment of Bond interest due.

5. Repayment of Bond principal.

6. In the event of the credit facility or the loan being arranged 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 or of the loan arranged.

7. Payment, as the case may be, of the settlement payment amounts payable by the Fund under the Financial Swap Agreement other than in the events provided for in 3rd place above.

8. As the case may be, payment of interest due on the deposit amount posted by the Servicer or the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block.

9. As the case may be, (i) repayment of the deposit posted by the Servicer and used by the Fund, or (ii) of the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block, at the amount the Servicer shall have paid to the Fund during the preceding Determination Period for Mortgage Credit amounts received and not paid to the Fund in the preceding Determination Periods.

10. Payment of Subordinated Loan interest due.

11. Repayment of Subordinated Loan principal

12. Payment of Start-Up Loan interest due.

13. Repayment of Start-Up Loan principal.

14. Payment to BANKINTER of the fee established under the Servicing Agreement.

    In the event that any other institution should replace BANKINTER as Mortgage Credit Servicer, 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.

15. Payment of the Financial Intermediation Margin.

Where payables for different items exist in a same priority order number on the Final Maturity Date or if upon Early Liquidation 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 (the "**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 assignment to the Fund of the Mortgage Credit receivables and the rating assigned to the Bonds.

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and shall accrue upon expiry of every quarterly accrual period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund, including losses, if any, brought forward from previous years, with reference to its accounts and before the close of the months of February, May, August and November, which are the last calendar month in each quarterly period. Exceptionally, the first period shall be comprised between the date on which the Fund is established and August 31, 2010, inclusive, this being the last day of the calendar month preceding the first Payment Date, September 17, 2010.

The Financial Intermediation Margin accrued at the close of the months of February, May, August and November 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.

If the Fund should not have sufficient liquidity on a Payment Date in the Priority of Payments to pay the Financial Intermediation Margin in full, the accrued amount not paid shall accumulate without any penalty whatsoever on the Financial Intermediation Margin, if any, accrued 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. 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 the Bonds as final by 2pm (CET) on July 13, 2010.

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

3.4.7.1 Financial Swap.

The Management Company shall, for and on behalf of the Fund, enter with BANKINTER into a financial swap agreement (the "**Financial Swap Agreement**" or the "**Financial Swap**") based on the standard 1992 ISDA Master Agreement (ISDA Master Agreement - Multicurrency - Cross Border) and the year 2006 definitions (ISDA 2006 Definitions), comprising the Confirmation, the Schedule to the Master Agreement and the Credit Support Annex, the most relevant characteristics of which are described below.

Under the Financial Swap Agreement, the Fund will make payments to BANKINTER calculated on the Mortgage Credit interest rate benchmark index, and in consideration BANKINTER will make payments to the Fund calculated on the Bond Reference Rate, all as described hereinafter.

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

Party B: BANKINTER.

1. Payment dates.

The payment dates shall fall on the Bond Payment Dates, i.e. on March 17, June 17, September 17 and December 17 in every year, or the next succeeding Business Day if any of these dates is not a Business Day. The first Payment Date shall be September 17, 2010.

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

2. Calculation dates.

Calculation dates shall fall on the Determination Dates, i.e. the dates falling on the fifth (5^{th}) Business Day preceding each Payment Date.

2.1 Calculation periods.

Party A:

The Party A calculation periods shall be the exact number of days elapsed between two consecutive Determination Dates, not including the first but including the last date. Exceptionally, a) the length of the first Party A calculation period shall be equivalent to the exact number of days elapsed between the date of establishment of the Fund, inclusive, and September 10, 2010, the first Determination Date, inclusive, and b) the length of the last Party A settlement period shall be equivalent to the exact number of days elapsed between the Determination Date preceding the date on which the Financial Swap Agreement terminates, exclusive, and the date on which termination occurs, inclusive.

Party B:

The Party B calculation periods shall be the exact number of days elapsed between two consecutive payment dates, including the first but not including the last date. Exceptionally, a) the length of the first Party B calculation period shall be equivalent to the exact number of days elapsed between the Bond Issue Closing Date, inclusive, and September 17, 2010, exclusive, and b) the length of the last Party B settlement period shall be equivalent to the exact number of days elapsed between the Payment Date preceding the date on which the Financial Swap Agreement terminates, inclusive, and the date on which termination occurs, exclusive.

3. Notional amount for Party A and for Party B.

This shall be for each calculation period the daily average during the Party A calculation period of the Outstanding Balance of Non-Doubtful Mortgage Credits.

4. Variable amount payable by Party A.

This shall be on each payment date and for each Party A calculation period the amount resulting from applying the Party A Interest Rate to the Notional Amount according to the number of days in the Party A calculation period and based on a three-hundred-and-sixty- (360-) day year.

4.1 Party A Interest Rate.

This shall be for each Party A calculation period the annual interest rate resulting from dividing (i) the sum of the total interest amount at the benchmark indices of ordinary interest due not deferred on the Mortgage Credits, whether or not they were paid by the Obligors, during the Party A calculation period, excluding Doubtful Mortgage Credits at the relevant calculation date, by (ii) the Notional Amount, multiplied by the result of dividing 360 by the number of days in the Party A calculation period.

In this connection:

(i) Ordinary interest due will be reduced in the interest accrued payable by the Fund for subscribing for the Mortgage Certificates and Pass-Through Certificates.

(ii) As the case may be, ordinary interest due will also be deemed to comprise the accrued interest received by the Fund both on the sale of Mortgage Certificates and Pass-Through Certificates and on their early amortisation by the Originator in accordance with the rules laid down for substituting the Mortgage Certificates and Pass-Through Certificates.

(iii) The Mortgage Credit ordinary interest due dates shall be deemed to be the collection dates on which they are due to be paid into the Fund under the Servicing Agreement.

(iv) For renegotiated Mortgage Credits novated to a fixed rate, the Mortgage Credit reference rate shall be deemed to be the EURIBOR BASIS fixed rate on Reuters' ISDAFIX2 screen, or any other replacement screen, at 11:00AM CET on the effective date of that novation and for the term of the average life of the Mortgage Credit based on its new repayment schedule. The fixed reference rate shall be adjusted by a straight-line interpolation between the EURIBOR BASIS fixed rates on Reuters' ISDAFIX2 screen for the term above and below the average life of the Mortgage Credit.

5. Variable amount payable by Party B.

This shall be on each payment date and for each Party B calculation period the amount resulting from applying the Party B Interest Rate to the Notional Amount according to the number of days in the Party B calculation period and based on a three-hundred-and-sixty- (360-) day year.

5.1 Party B Interest Rate.

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

6. Maturity Date.

This is shall be the earlier of the dates on which any of the circumstances listed in (i) to (iv) occur for termination of the Fund pursuant to section 4.4.4 of the Registration Document.

7. Events of default specific to the Financial Swap Agreement.

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 Early Termination of the Financial Swap Agreement. In this event, the Fund (Party A) shall accept the obligation to pay the settlement amount payable established to which it is bound on the terms of the Financial Swap Agreement, the foregoing in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. Should the settlement amount payable under the Financial 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 payable provided for in the Financial Swap Agreement.

It shall also be determined that if on a Payment Date Party B should not pay the full net amount payable to the Fund (Party A), the Management Company, for and on behalf of the Fund, may choose Early Termination of the Financial Swap Agreement. In that event, Party B shall accept the obligation to pay the settlement amount payable established in the Financial Swap Agreement. Should the settlement amount under the Financial Swap Agreement be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments or, as the case may be, in the Liquidation 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 financial swap agreement on terms substantially identical with the Financial Swap Agreement.

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

8.1 Moody's Criteria

Party B shall irrevocably agree as follows under the Financial Swap Agreement:

(i) 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 post collateral in the form of cash or securities in favour of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's, on the terms of the Credit Support Annex, within thirty (30) Business Days of the occurrence of that circumstance.

Posting collateral in the form of cash or securities in favour of the Fund may be avoided if one of the following is done:

a) Obtaining a replacement with at least the Second Required Rating Threshold ("Eligible Replacement").

b) Obtaining a Credit Support Provider with the First Required Rating Threshold.

(ii) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has at least 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, or (B) obtain an Eligible Replacement, (or an Eligible Replacement with a Credit Support Provider with the Second Required Rating Threshold).

While none of the actions specified above have been taken, Party B shall, within thirty (30) Business Days of the occurrence of the Second Rating Default, post collateral in the form of cash or securities in favour of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least P-1 by Moody's, on the terms of the Financial Swap Agreement.

Party B's obligations under (i) and (ii) above, and the Early Termination events deriving therefrom, shall only apply during such time as the events respectively prompting the First Required Rating Default or the Second Required Rating Default are in place. The collateral transferred by Party B pursuant to (i) and (ii) above will be retransferred to Party B upon cessation of the causes resulting in the First Rating Default or the Second Rating Default, respectively.

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

In the above connection, "Credit Support Provider" shall mean an institution providing an Eligible Guarantee with respect to present and future obligations of Party B under the Financial Swap Agreement. "Eligible Guarantee" shall mean an unconditional and irrevocable guarantee given by a Credit Support Provider jointly and severally (as principal obligor) that may be directly called by Party A, with respect to which (i) it is established that if the guaranteed obligation cannot be carried out without certain actions being taken by Party B, the Credit Support Provider shall use its best efforts to have Party B carry out those actions, (ii) (A) a law firm provides a legal opinion confirming that none of the payments made by the Credit Support Provider to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax, and that opinion has been notified to Moody's, or (B) the Guarantee determines that, if any such payment results in any requirement for deduction or withholding for or on account of any tax, that Credit Support Provider shall be bound to pay such additional amount in order for the net payment ultimately received by Party A to be equal to the total amount that Party A would have received had there been no such deduction or withholding, or (C) in the event that any payment (the "Principal Payment") under the aforesaid Guarantee is made net of deductions or withholdings for or on account of any tax, then Party B shall, under the Financial Swap Agreement, make an additional payment (the "Additional Payment") in order for the net amount received by Party A from the Credit Support Provider (clear of taxes), i.e. the sum of the Principal Payment and the Additional Payment, to be equal to the total amount that Party A would have received had there been no such deduction or withholding (assuming that the Credit Support Provider may be required to make such Additional Payment under the Guarantee); y (iii) the Credit Support Provider expressly and irrevocably waives any right to compensation under that Guarantee; and "Eligible Replacement" shall mean an institution that is legally able to satisfy the obligations due to Party A under the Financial Swap Agreement or its replacement (as the case may be) (A) with the Second Required Rating Level Threshold, or (B) whose present and future obligations due to Party A under the Financial Swap Agreement (or its replacement, as the case may be) are guaranteed under an Eligible Guarantee provided by a credit support provider having the Second Required Rating Level Threshold.

An entity shall have the "First Required Rating Threshold" (A) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are rated P-1 by Moody's and its long-term unsecured and unsubordinated debt obligations are rated at least as high as A2 by Moody's, or (B) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term unsecured and unsubordinated debt 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 the short-term unsecured and unsubordinated debt obligations of that entity are rated at least as high as P-2 by Moody's and its long-term unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's, or (B) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's.

8.2 S&P Criteria

In accordance with S&P's current criteria, subject to change or review in the future as published by S&P and sent to the Management Company:

In the event that the short-term unsecured and unsubordinated debt obligations of Party B (or its successor) should at any time during the life of the Bonds be downgraded below A-1, then it shall, within 60 calendar days, at its own cost, do either of the following:

(A) transfer all of its rights and obligations with respect to the Financial Swap Agreement to a replacement financial institution with short-term unsecured and unsubordinated debt obligations rated at least as high as A-1 by S&P; or

(B) procure a financial institution suitable for S&P and with short-term unsecured and unsubordinated debt obligations rated at least as high as A-1 by S&P to become co-obligor in respect of the obligations of Party B under the Financial Swap Agreement.

While either of the above is put in place, Party B (or its successor) will, within not more than 10 Business Days, at its own cost, post cash or securities as collateral to Party A, at an amount covering 125% of the mark-to-market value of the Financial Swap, in accordance with the criteria then in force published by S&P.

All costs, expenses and taxes incurred in connection with fulfilment of the preceding obligations shall be payable by Party B (or its successor) downgraded by S&P and having to implement either (A) or (B) above.

9. Other characteristics of the Financial Swap Agreement.

9.1 In the event of Early Termination, in the events set out and defined in the Financial Swap Agreement, Party B shall accept the obligation to pay the settlement amount provided for in the Financial Swap Agreement. Should the settlement amount payable under the Financial Swap Agreement be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

9.2 Party B may only assign all its rights and obligations under the Financial Swap Agreement, subject to Party A's written consent, subject to notice to the Rating Agencies.

9.3 The Financial Swap Agreement shall be submitted to Spanish laws.

9.4 The occurrence, as the case may be, of Early Termination of the Financial Swap Agreement will not in itself be an Early Amortisation event of the Bond Issue and an Early Liquidation event of the Fund referred to in sections 4.9.4 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.

The Financial Swap Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 2pm (CET) on July 13, 2010.

3.4.7.2 Bond Issue Paying Agent.

The Management Company shall, for and on behalf of the Fund, enter with BANKINTER into a paying agent agreement to service the Bond Issue (the "**Paying Agent Agreement**").

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

(i) On each Bond Payment Date, paying Bond interest and, as the case may be, repaying Bond principal through Iberclear, after deducting, as the case may be, the total amount of the interim tax withholding for return on investments to be made by the Management Company, on the Fund's behalf, in accordance with applicable tax laws.

(ii) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis for the Management Company to calculate the Nominal Interest Rate applicable to the Bonds.

In the event that the rating of the Paying Agent's short-term unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 or A-1, respectively by Moody's and S&P, the Management Company shall, within not more than thirty (30) days, from the time of the occurrence of any such circumstance, after notifying the Rating Agencies, do either of the following: (i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1, respectively by Moody's and S&P, an unconditional, irrevocable and first demand guarantee securing to the Fund, merely upon the Management Company so requesting, the commitments made by the Paying Agent, for such time as the Paying Agent remains downgraded below P-1 or A-1, or (ii) revoke the Paying Agent's designation as Paying Agent and thereupon designate another institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 and A-1, respectively by Moody's and S&P to take its place before terminating the Paying Agent Agreement. Should BANKINTER be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BANKINTER under the Paying Agent Agreement. All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by the substituted institution.

The Paying Agent shall agree, forthwith upon its credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of (i) or (ii) above.

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 the agreement, a fee of EUR 1,502.53, inclusive of taxes as the case may be. This fee shall be paid on the same Payment Date provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

In the event that, in the Priority of Payments, 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, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 2pm (CET) on July 13, 2010.

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

The Originator and assignor of the securitised Mortgage Credit receivables is BANKINTER S.A.

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

Significant economic activities of BANKINTER.

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

The following is a comparison of the relevant consolidated information for BANKINTER at March 31, 2010 and for the financial years closed and audited at December 31, 2009 and December 31, 2008. That information was prepared in accordance with International Financial Reporting Standards applicable to it under Regulation EC 1606/2002 and Bank of Spain Circular 4/2004, and including the changes made thereto by Circular 6/2008.

	31.03.2010	31.12.2009 (A)	31.12.2008 (B)	Year-on-year change ?% ((A)-(B))/(B)
BALANCE SHEET (EUR thousand)				
Total assets	56,263,839	54,467,584	53,469,628	1.87
Total average assets	54,411,287	55,246,218	51,609,727	7.05
Customer credit	40,224,514	39,883,583	40,427,675	-1.35
Customer credit (exsecuritisation)	41,879,093	41,597,865	42,430,062	-1.96
Customer resources	39,638,751	40,033,323	37,352,902	7.18
Off-balance-sheet resources managed	7,814,700	8,031,397	8,112,898	-1.00
PROFIT & LOSS ACCOUNT (EUR thousand)				
Intermediation margin	160,961	792,579	673,367	17.70
Ordinary margin	302,065	1,245,182	1,053,599	18.18
Operating margin	93,839	362,764	336,473	7.81
Pre-tax profit	91,496	345,940	336,970	2.66
Net profit attributed to the Group	65,840	254,404	252,289	0.84
RATIOS (%)				
Delinquency rate	2.56%	2.46%	1.34%	83.58
Mortgage delinquency rate	2.08%	1.95%	0.91%	114.29
Delinquency coverage rate	72.84%	74.43%	120.25%	-38.10
Efficiency ratio	48.89%	46.49%	47.25%	-1.61
ROE	10.14%	11.29%	14.08%	-19.82
ROA	0.49%	0.46%	0.49%	-6.12
Capital ratio	10.22%	10.41%	10.18%	2.26
Tier 1	7.49%	7.37%	7.39%	-0.27
BANKINTER SHARES				
Number of shares	473,447,732	473,447,732	405,893,880	16.64
Latest price	6.16	7.15	6.31	13.31
BPA	0.14	0.57	0.63	-9.52
DPA	0.05	0.30	0.30	0.00
BRANCHES & CENTRES				
Branches	368	369	372	-0.81
Commercial management centres				
Corporate	47	47	51	-7.84
SMEs	97	102	145	-29.66
Private Banking	61	62	51	21.57
Virtual branches	400	399	407	-1.97
Number of Agents	615	683	920	-25.76
Telephone and Internet branches	3	3	3	0.00
STAFF				
Employees (full-time)	4,564	4,509	4,483	0.58

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, shall be responsible for managing and being the authorised representative of the Fund, on the terms set in Royal Decree 926/1998, Act 19/1992, and other laws applicable from time to time, and on the terms of the Deed of Constitution and this Prospectus.

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

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 be the authorised representative of 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 liquidation of the Fund, including the decision to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of the Deed of Constitution and this Prospectus. Moreover, making all appropriate decisions in the event of the establishment of the Fund terminating.

(iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.

(iv) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts.

(v) Providing Bondholders, the CNMV and the Rating Agencies with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Prospectus.

(vi) Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and 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, or substitute, as the case may be, each of the Fund service providers on the terms provided for in each agreement, and indeed, if necessary, enter into additional agreements, including a credit facility or loan agreement in the event of Early Liquidation of the Fund. In any event, those actions shall require that the Management Company notify or first secure the 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. In addition, the Management Company may amend the Deed of Constitution, on the terms laid down in article 7 of Act 19/1992, set out in section 4.4.1 of the Registration Document. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.

(viii) Exercising the rights attaching to the ownership of the Mortgage Certificates and the Pass-Through Certificates acquired by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and being the authorised representative of the Fund.

(ix) Checking that the Mortgage Credit income amounts actually received by the Fund matches the amounts that must be received by the Fund, on the Mortgage Certificates and the Pass-Through Certificate issue terms and on the terms of their respective agreements communicated by the Originator, and that those amounts are paid by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.

(x) Determining on each Interest Rate Fixing Date and for each Interest Accrual Period thereafter, the Nominal Interest Rate to be applied to the Bonds and calculating and settling the accrued interest amounts payable on each Payment Date.

(xi) Calculating and determining on each Determination Date the principal to be amortised and repaid on the Bonds on the relevant Payment Date.

(xii) Determining the interest rate applicable to each of the relevant borrowing, lending and hedge transactions and calculating and settling the interest and fee amounts receivable and payable by the Fund under the same, and the fees payable for the various financial services arranged for.

(xiii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund counterparties in the financial and service provision agreements listed in section 3.2 of this Building Block.

(xiv) Watching that the amounts credited to the Treasury Account return the yield set in the Agreement.

(xv) Calculating the 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.

(xvi) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds.

3.7.1.3 Resignation and substitution of the Management Company.

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

Resignation.

(i) The Management Company may resign its management and authorised representative duties 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 or have its licence to operate as a securitisation fund management company revoked by the CNMV, 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 Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of sections 4.4.3 and 4.4.4 of this Prospectus Registration Document and of the Deed of Constitution.

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

3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to solvent and reputable third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to the Bonds by the Rating Agencies being downgraded, and (iv) shall be notified to, and, where statutorily required, will 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 be legally 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 which shall accrue upon the Fund being established and be payable on the Closing Date.

(ii) A periodic fee on the Outstanding Principal Balance of the Bond Issue, which shall accrue daily from the establishment of the Fund 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 amount on each Payment Date may not be respectively higher or lower than the maximum and minimum amounts determined. The minimum amount shall be cumulatively reset in the same proportion, from the year 2011, inclusive, and be effective from January 1 of each year.

If on a Payment Date, in the Priority of Payments, the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue interest equal to the Bond Reference Rate for the relevant Interest Accrual Period. The unpaid amount and interest due shall build up for payment on the fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

3.7.2 Servicing and custody of the securitised assets.

BANKINTER, Originator of the Mortgage Credit receivables by issuing the Mortgage Certificates and Pass-Through Certificates to be subscribed for by the Fund, as established in article 2.2.b) of Royal Decree 926/1998 and article 26.3 of Royal Decree 716/2009, shall continue as attorney for the Management Company to be responsible for Mortgage Credit servicing, management and custody, and relations between BANKINTER and the Fund, represented by the Management Company, shall be governed by the Mortgage Credit servicing and Mortgage Certificate and Pass-Through Certificate custody agreement (the "**Servicing Agreement**") in relation to custody and servicing of the Mortgage Credits and custody of the Mortgage Certificate and Pass-Through Certificate supporting documents.

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

(i) To be custodian, manager and servicer of the Mortgage Credits subject to the system terms and ordinary servicing and custody procedures established in the Servicing Agreement.

(ii) To continue servicing the Mortgage Credits, devoting the same time and efforts to them as it would devote and use to service its own mortgage loans and credits and in any event on the terms for which provision is made in the Servicing Agreement.

(iii) That the procedures it applies and will apply for servicing and management of the Mortgage Credits are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.

(iv) To full faithfully observe the instructions issued by the Management Company.

(v) To pay the Fund damages and losses resulting from a breach of the obligations undertaken, although the Servicer shall not be liable for actions put in place on the Management Company's instructions.

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund and as Mortgage Credit servicer, 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 managing the Mortgage Credits.

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

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

The Servicer shall at all times allow the Management Company or the Fund auditors or other advisers duly authorised thereby reasonable access to the aforesaid deeds, documents, records and policies. Furthermore, whenever 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 such deeds, policies and documents.

2. Collection management.

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

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

Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt obligations should be downgraded below P-1 or A-2 respectively by Moody's and S&P, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be paid to the Fund crediting the Treasury Account on the first 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 the event of the Servicer's long-term credit rating being downgraded below Baa3 by Moody's, BANKINTER will:

(i) make a cash deposit for the benefit of the Fund with an institution with short-term debt obligations rated at least as high as P-1 by Moody's, or

(ii) arrange an unconditional irrevocable credit facility upon the Management Company's first demand with an institution with short-term debt obligations rated at least as high as P-1 by Moody's.

The deposit amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Mortgage Credit repayment and interest instalments during the month with the highest collection of repayment and interest instalments from the date of downgrade below Baa3 by Moody's, in the event that the Mortgage Credit delinquency rate should be 0.00% and the CPR should be 10.00%.

The Fund may only draw on that deposit or the liquidity facility the Mortgage Credit amounts it shall not receive, if any, owing to the Fund, received by the Servicer and not paid to the Fund.

In the event of a downgrade in the credit rating of the Servicer's short-term unsecured and unsubordinated debt obligations below A-2 by S&P, the Servicer shall do either of the following:

(i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as A-1 by S&P within not more than thirty (30) days starting from the time of the occurrence of that circumstance, a first demand guarantee, satisfying the S&P criteria in force from time to time, at such an amount as to allow the ratings given to the Bonds by S&P to be maintained; or

(ii) post cash collateral to the Fund, within not more than ten (10) days starting from the time of the occurrence of the aforesaid circumstance, with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as A-1 by S&P.

The guarantee or collateral amount shall be equivalent to the aggregate estimated amount of the Mortgage Credit repayment and interest instalments that would become due during one month, from the date on which the A-2 rating by S&P is lost, and at a CPR based on the historical CPR of the Mortgage Credits assigned to the Fund.

The Fund may only call the guarantee or draw on the amount of such deposit to the extent of the Mortgage Credit amounts, if any, not received from the Servicer owing to the Fund and received by the Servicer and not paid to the Fund.

In the event that the Servicer's short-term unsecured and unsubordinated debt obligations should be upgraded back to P-1 and A-2 respectively by Moody's and S&P, the Mortgage Credit amounts due to the Fund received by the Servicer may be fully transferred back to the Fund and credited to the Treasury Account on the seventh day after the date on which they are received by the Servicer and (i) and (ii) above shall not apply, in relation to Moody's and S&P's rating.

The Management Company may issue the same instructions set out in this section in the event that the Servicer's short-term unsecured and unsubordinated debt obligations should not be rated by Moody's or S&P.

All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by the Servicer.

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

3. Fixing the interest rate.

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

4. Extended mortgage.

If the Servicer should actually become aware at any time that for any reason the value of a mortgaged property securing a Mortgage Credit shall have fallen in excess of the percentages permitted by law, it shall, in accordance with the provisions of article 9 of Royal Decree 716/2009, request the Obligor at issue to:

i) extend the mortgage to other assets sufficient to cover the required ratio of the value of the asset to the Mortgage Credit secured thereby, or

ii) repay all or such portion of the Mortgage Credit as may be in excess of the amount resulting from applying to the current appraisal the percentage used to initially determine its amount.

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

5. Information.

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

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

6. Mortgage Credit subrogation.

The Servicer shall be authorised to permit substitutions in the Obligor's position under the Mortgage Credit agreements, exclusively where the characteristics of the new obligor are of no less credit rating than those of the former Obligor and those characteristics observe the policies for granting mortgage loans and credits 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 limit this authority of the Servicer in full or in part or set conditions therefor, in the event that those substitutions might adversely affect the ratings accorded to the Bonds by the Rating Agencies.

The Obligor may apply to the Servicer for Mortgage Credit subrogation pursuant to Mortgage Loan Subrogation and Amendment Act 2/1994, March 30, as currently worded ("**Act 2/1994**"). Subrogation of a new creditor under the Mortgage Credit and the ensuing payment of the amount due shall result in prepayment of the Mortgage Credit and early amortisation of the respective Mortgage Certificate or Pass-Through Certificate.

7. Authorities and actions in relation to Mortgage Credit renegotiation procedures.

The Servicer may not voluntarily cancel the Mortgage Credits or their mortgages and securities for any reason other than payment of the Mortgage Credit, relinquish or settle in regard thereto, forgive the Mortgage Credits in full or in part or extend the same, or in general do anything that may diminish the ranking of the mortgage, legal effectiveness or economic value of the Mortgage Credits or of the mortgages, although it may heed Obligors' requests using the same efforts and procedure as if they were own mortgage loans and credits.

Notwithstanding the above, the Management Company, as manager of third-party portfolios and having regard to Obligors' requests to the Servicer directly or under Act 2/1994, may instruct or previously authorise the Servicer to agree with the Obligor, subject to the terms and conditions for which provision is made in this section, for a novation changing the relevant Mortgage Credit, either by interest rate renegotiation or by extension of the maturity period or due to principal repayment exclusion, provided that those novations are not detrimental to the ranking of the mortgage.

Subject to the provisions hereinafter, any Mortgage Credit renegotiation by the Servicer shall be exclusively undertaken 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 renegotiation. The Management Company may nevertheless initially authorise the Servicer to entertain and accept Mortgage Credit interest rate, extended term and principal repayment exclusion renegotiations, requested by the Obligors, without requiring the Management Company's prior consent, subject to the following general enabling requirements:

a) Renegotiating the interest rate.

Mortgage Credit interest rate may be renegotiated subject to the following rules and limitations:

1. The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Mortgage Credit. The Servicer shall, without encouraging interest rate renegotiation, act in relation to such renegotiation bearing in mind the Fund's interests at all times.

   Subject to the provisions of paragraphs 2 and 3 below, the Servicer may renegotiate the Mortgage Credit interest rate clause on terms that are deemed to be at arm's length and that do not differ from those applied by the actual Servicer in renegotiating or granting its floating- and fixed-rate mortgage loans and credits (first drawdowns). In this connection, arm's length interest rate shall be deemed to be the rate offered by the Servicer in the Spanish market for mortgage loans or credits granted to individuals with senior or junior-ranked real estate mortgage security in properties (homes, parking spaces and/or lumber rooms, business premises and offices, or rustic and urban land) located in Spanish territory in an amount and on terms substantially similar to the renegotiated Mortgage Credit.

2. The margin applicable to a Mortgage Credit (including the margin if any resulting from a fixed-rate renegotiation as provided for in section 3 below) shall under no circumstances be decreased in being renegotiated where the average margin weighted by the outstanding Mortgage Credit principal is less than 0.30%. For the purposes prescribed in this section, the provisions of section 3 below shall govern in the case of renegotiated fixed-rate Mortgage Credits for homogenisation in regard to margin over a benchmark index.

3. For the purposes of paragraph 2 above the novated fixed-rate Mortgage Credit margin shall be deemed to be the difference between the fixed rate applicable to the Mortgage Credit and the EURIBOR BASIS fixed rate on Reuters' ISDAFIX2 screen, or any other replacement screen, at 11:00AM CET on the effective date of the new fixed rate for the term of the average life of the Mortgage Credit based on its new repayment schedule. In the absence of a EURIBOR BASIS fixed rate, the latter shall be calculated by a straight-line interpolation between the EURIBOR BASIS fixed rates for the lower and higher terms closest to the average life of the Mortgage Credit.

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

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

Where:

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

P = Principal to be repaid on each settlement date under the applicable repayment system.

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

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

4. The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel, suspend or change the Servicer's power to renegotiate the interest rate.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Mortgage Credits may be extended or deferred ("**extending the term**") subject to the following rules and limitations:

(i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Mortgage Credit which may result in an extension thereof. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind at all times the Fund's interests.

(ii) The amount of the sum of the capital or principal assigned to the Fund of the Mortgage Credits in respect of which the maturity term is extended may not exceed 10.00% of the Mortgage Credit capital or principal assigned to the Fund. In this connection, extension of the term of the Mortgage Credits shall not be considered on the terms laid down in the public deeds originating the Mortgage Credits to extend the maturity date if the Obligor or borrower is in good standing in respect of all payments due and is not in breach of any obligations established in the public deed, a summary of which terms is given in section 2.2.4.1 of this Building Block.

(iii) The term of a specific Mortgage Credit may be extended provided that the following requirements are satisfied:

a) That the Mortgage Credit capital or principal repayment instalment frequency is at all events maintained or increased, albeit maintaining the same repayment system.

b) That the new final maturity or final amortisation date does not extend beyond March 24, 2050.

(iv) The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's power to extend the term of the Mortgage Credits.

c) Mortgage Credit principal repayment exclusion.

Mortgage Credit principal repayment may be stopped (the "**principal repayment exclusion**") subject to the following rules and limitations:

(i) The Servicer may under no circumstance entertain on its own account, i.e. without being so requested by the Obligor, a temporary stoppage of Mortgage Credit principal repayment which may result in a Mortgage Credit principal repayment exclusion. The Servicer shall, without encouraging principal repayment exclusion, act in relation thereto bearing in mind the Fund's interests at all times.

(ii) The aggregate Mortgage Credit capital or principal amount assigned to the Fund to which the principal repayment exclusion applies may not exceed 1.00% of the Mortgage Credit principal or capital assigned to the Fund. Mortgage Credits with principal repayment exclusion at the date of establishment of the Fund shall not be counted in this connection, provided that the expiry of such exclusion is not extended, nor shall mortgage credit facility Mortgage Credits which provide, for the First Drawdown, the establishment of repayment and interest exclusion periods.

(iii) The maximum Mortgage Credit principal repayment exclusion period established shall be twelve (12) months.

(iv) Mortgage Credit interest instalment frequency shall at all events be maintained or increased.

(v) The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's power to establish Mortgage Credit principal repayment exclusions.

If there should be any Mortgage Credit interest rate or due date or principal repayment renegotiation, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be given using the software or data file provided for the terms of the Mortgage Credits to be updated.

In the event of the Mortgage Credit interest rate or due dates being renegotiated or principal exclusion periods being established, with the consent of the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.

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

8. Action against Obligors in the event of default on the Mortgage Credits and powers of the holder of the Mortgage Certificates and the Pass-Through Certificates.

Actions in the event of late payment.

The Servicer shall use the same efforts and procedure for claiming overdue Mortgage Credit amounts as it uses with the rest of its portfolio mortgage credits and loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall do the things described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its own portfolio mortgage loans and credits and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. Needless to say, these actions include all such legal and other actions as the Servicer may deem necessary to claim and collect amounts due by the Obligors.

Legal actions.

The Servicer shall, using its fiduciary title to the Mortgage Credits or using the power referred to in the following paragraph, take all relevant actions against Obligors failing to meet their Mortgage Credit payment obligations and against guarantors, if any. Such action shall be brought using the appropriate court enforcement procedures prescribed in articles 517 et seq. of the Civil Procedure Act.

In the above connection and for the purposes prescribed in articles 581.2 and 686.2 of the Civil Procedure Act, and if this should be necessary, the Management Company shall confer in the Deed of Constitution as full and extensive a power of attorney as may be required at Law on BANKINTER in order that the latter may, acting through any of its attorneys properly empowered for those purposes, on the Management Company's instructions, for and on behalf of the latter, or in its own name but for the Management Company as the Fund's authorised representative, demand by any judicial or other means any Mortgage Credit Obligor 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 by means of a deed if necessary or advisable.

The Servicer shall as a general rule apply for foreclosure, advancing all necessary expenses to do so, if for a period of six (6) months a Mortgage Credit Obligor who failed to honour his payment obligations should not resume payments to the Servicer or the Servicer, with the Management Company's consent, should not obtain a payment commitment with the Obligor satisfactory to the Fund's interests. The Servicer shall in any event forthwith proceed to apply for such foreclosure if the Management Company, acting for the Fund, and after analysing the specific circumstances of the case, should deem this necessary.

In the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies provided for mortgage participation certificates in article 31 of Royal Decree 716/2009 and which also apply to Mortgage Certificates and Pass-Through Certificates in accordance with the provisions of article 18 of Act 44/2002:

(i) To demand the Servicer to apply for foreclosure.

(ii) To take part on an equal standing with the Originator, as issuer of the Mortgage Certificates and Pass-Through Certificates, in the foreclosure the latter shall have instituted against the Obligor, intervening to that end in any foreclosure proceedings commenced by the former, and to share in the proceeds of the knock-down pro rata to its respective percentage in the foreclosed mortgage credit.

(iii) If the Servicer should fail to take that action within sixty (60) calendar days of a notice served through a Notary demanding payment of the debt, the Management Company shall, for and on behalf of the Fund, be secondarily entitled to bring the foreclosure action on the Mortgage Credit in the amount of its percentage share for both principal and interest.

    In this event, the part of the mortgage credit not participated in and shares not foreclosed shall remain as subsequent preferred encumbrances, the understanding being that the successful bidder accepts them and shall remain subrogated in respect of the liability therein, and the knock-down price shall not be used for paying and extinguishing the same.

(iv) In the event that the proceedings instituted by the Servicer should come to a standstill, the Fund, duly represented by the Management Company, may be subrogated in the position of the former and continue the foreclosure proceedings.

In (iii) and (iv) above, the Management Company may, for and on behalf of the Fund, apply to the Judge or Notary with jurisdiction to commence or continue with the respective foreclosure proceedings, attaching to the application the original Mortgage Certificate or Pass-Through Certificate, the notice served though a Notary Public provided for in section (iii) above and an office certificate as to the registration and subsistence of the mortgage. The Servicer shall be bound to issue a certification of the balance outstanding on the Mortgage Credit.

If this should be required by law, and for the purposes of the provisions of the Civil Procedure Act, BANKINTER shall confer in the Deed of Constitution an irrevocable and as extensive and sufficient a power of attorney as may be required by Law in order for the Management Company, acting for and on behalf of BANKINTER, to demand through a Notary Public payment by any Mortgage Credit Obligor and guarantors, if any, of the outstanding debt.

The Management Company may also, for and on behalf of the Fund as holder of the Mortgage Certificates and Pass-Through Certificates, take part with equal rights with BANKINTER in the foreclosure proceedings and may in this sense, on the terms for which provision is made in the Civil Procedure Act, request the award of the mortgaged property as payment of the Mortgage Credit. The Management Company shall proceed, directly or through the Servicer, to sell the property awarded within the shortest possible space of time and at arm's length.

The Servicer agrees to promptly advise of payment demands, legal actions and any and all other circumstances affecting collection of overdue Mortgage Credit amounts. Furthermore, the Servicer will provide the Management Company with all such documents as the latter may request in relation to said

Mortgage Credits and in particular the documents required for the Management Company to take legal actions, as the case may be.

9. Insurance for mortgaged properties or as security for the Mortgage Credits.

The Servicer shall not take or fail to take any action resulting in cancellation of any Mortgage Credit mortgaged property damage insurance policy or reducing the amount payable in any claim thereunder. The Servicer shall use all reasonable efforts and in any event use the rights conferred under the insurance policies or the Mortgage Credits in order to keep those policies in full force and effect relative to each Mortgage Credit and the respective mortgaged property.

Whenever the Servicer learns that any Obligor has failed to pay the policy premiums, the Servicer may demand the Obligor to pay the same and indeed take out damage insurance on the Obligor's behalf where it is able to do so under the Mortgage Credit deed, advancing payment of the premiums, without prejudice to its right to be ultimately reimbursed by the Obligor for amounts paid.

In the event of a claim, the Servicer shall coordinate actions for collecting compensations under the mortgage property damage insurance policies on the terms and conditions of the Mortgage Credits and the actual policies, paying the amounts received to the Fund.

In the event of insolvency, 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 any time and at its cost, and for the purposes of the provisions of the second paragraph of article 40 of Insurance Contract Act 50/1980, October 8, as currently worded, to notify the relevant insurers of the assignment of the Mortgage Credit receivables, and that the indemnity payments under the relevant damage insurance policies 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 insurers 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 the insurers directly or, as the case may be, through a new Servicer it shall have designated, observing insolvency rules, as the case may be.

10. Set-off.

In the exceptional event that any Mortgage Credit Obligor should have a liquid credit right, due and payable vis-à-vis the Servicer, and because the assignment is made without the Obligor being aware, any of the Mortgage Credits should be fully or partially set-off against that credit right, the Servicer shall remedy that circumstance or, if it cannot be remedied, the Servicer shall proceed to pay to the Fund the amount set off plus accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Mortgage Credit.

11. Subcontracting.

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the rating assigned to the Bonds by the Rating Agencies being downgraded. 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.

12. Auction of real property.

The Servicer agrees to notify the Management Company of the places, dates, terms and valuation of the properties mortgaged as security for the Mortgage Credits and of the other assets as a result of the legal proceedings commenced against the Obligors, auctions scheduled, and proposed action and bid, in suitable advance in order that the Management Company may do such things as it shall see fit and submit instructions on the subject to the Servicer in suitable time.

The Servicer agrees to attend auctions of real property or other assets, but shall thereat abide at all times by the instructions it shall have received from the Management Company, and shall therefore only tender a bid or apply for the award of the real property or of the asset to the Fund, fulfilling the instructions received from the Management Company.

In the event of real estate or other assets being awarded to the Fund, the Management Company shall proceed, directly or through the Servicer, to sell the same within the shortest possible space of time and at arm's length and the Servicer shall actively assist in expediting their disposal.

3.7.2.2 Term and substitution.

The services shall be provided by the Servicer until all obligations undertaken by the Servicer as Originator of the Mortgage Credits terminate, once all the Mortgage Credits have been repaid, or when 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 insolvency of the Servicer, administration by the Bank of Spain, breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement or of the Servicer's credit rating being downgraded or lost or its financial circumstances changing to an extent detrimental to or placing the financial structure of the Fund or Bondholders' rights and interests at risk, the Management Company may, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, where this is legally possible, inter alia and after notifying the Rating Agencies, do any of the following in order for there to be no detriment to the rating assigned to the Bonds by the Rating Agencies: (i) demand the Servicer to subcontract or subdelegate to another institution performance of the obligations and undertakings made in the Servicing Agreement; (ii) have another institution with a sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) post collateral in the form of cash or securities in favour of the Fund in an amount sufficient to secure all or part of the Servicer's obligations, and (iv) terminate the Servicing Agreement, in which case the Management Company shall first designate a new Servicer having a sufficient credit quality that is not detrimental to the rating given to the Bonds by the Rating Agencies and accepting the obligations contained in the Servicing Agreement or, as the case may be, under a new servicing agreement. In the event of insolvency of the Servicer, only (iii) above will be possible. 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.

Notwithstanding the above provisions, in the event of the rating of a Servicer's long-term unsecured and unsubordinated debt obligations being downgraded below Baa3 by Moody's, the Servicer agrees within not more than 60 calendar days of the aforesaid downgrade to enter into a replacement undertaking with another institution in order for the latter to discharge the responsibilities for which provision is made in the Servicing Agreement with respect to the Mortgage Credits serviced by the Servicer, merely upon request by the Management Company if required to do so and provided that such action is not detrimental to the Rating Agencies' rating assigned to the Bonds.

Furthermore, in the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the Servicer or because the Management Company deems this reasonably justified, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors and mortgaged property insurers, if any) of the transfer to the Fund of the outstanding Mortgage Credit receivables, and that payments thereunder 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 (and third-party guarantors and insurers providing Mortgage Credit mortgaged property damage insurance, if any) 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 third-party guarantors and mortgaged property insurers, if any) directly or, as the case may be, through a new Servicer it shall have designated observing, as the case may be, insolvency rules.

Upon 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 the Bonds as final ratings by 2pm (CET) on July 13, 2010.

3.7.2.3 Liability of the Servicer and indemnity.

The Servicer shall at no time have any liability whatsoever in relation to the Management Company's obligations as manager of the Fund and manager of Bondholders' interests, nor in relation to Obligors' Mortgage Credit obligations, notwithstanding the liabilities accepted thereby in the Deed of Constitution as Originator of the Mortgage Credit receivables assigned to the Fund by subscribing for the Mortgage Certificates and Pass-Through Certificates.

The Servicer takes on the obligation to indemnify the Fund or its Management Company for any damage, loss or expense arising for the same out of any breach by the Servicer of its obligations to custody, service, manage and report on the Mortgage Credits and custody the Mortgage Certificate and Pass-Through Certificate supporting documents, established under the Servicing Agreement or in the event of breach of the provisions of paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, be entitled to take executive action against the Servicer where the breach of the obligation to pay to the Fund any and all principal repayment and interest and other amounts paid by the Obligors under the Mortgage Credits owing to the Fund does not result from the Obligors' default and is attributable to the Servicer.

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

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

3.7.2.4 Servicer's remuneration.

In consideration of the custody, servicing and management of the Mortgage Credits and custody of the Mortgage Certificate and Pass-Through Certificate supporting documents, 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 Mortgage Credits serviced during that Determination Period. If BANKINTER should be replaced in that servicing task, the Management Company will be entitled to change the above percentage fee for the new Servicer, which may be in excess of that agreed with BANKINTER under the Servicing Agreement. The servicing fee will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should fail, through its Management Company, due to a shortfall of liquidity in the Fund Priority of Payments, to pay on a Payment Date the full fee due to the Servicer, overdue amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until fully paid.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Mortgage Credit servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, mortgage foreclosure, or managing and overseeing the sale of properties or assets, if any, awarded to the Fund, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

BANKINTER is the Fund's counterparty under the transactions listed below. The details relating to BANKINTER and its activities are given in section 5.2 of the Registration Document and 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) Subordinated Loan:

Subordinated Loan Agreement

Description in section 3.4.3.1 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 Swap:

Financial Swap Agreement

Description in section 3.4.7.1 of this Building Block.

4. POST-ISSUANCE REPORTING

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

As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

4.1.1 Ordinary information.

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Notices to Bondholders referred to each Payment Date.

1. Within the period comprised between the Interest Rate Fixing Date and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rate resulting for the Bonds, 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, along with the amortisation of the Bonds.

   ii) Furthermore, and if appropriate, interest and amortisation amounts accrued by the Bonds and not settled due to a shortfall of Available Funds, in accordance with the rules of the Priority of Payments.

   iii) The Outstanding Principal Balances of the Bonds, after the amortisation to be settled on each Payment Date, and the ratios of such Outstanding Principal Balances to the initial face amount of each Bond.

iv) The Obligors' Mortgage Credit principal prepayment rate during the three calendar months preceding the Payment Date.

v) The average residual life of the Bonds estimated assuming that Mortgage Credit principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be given in accordance with the provisions of section 4.1.3 below and will also be notified to the CNMV, the Paying Agent, AIAF, Iberclear and the Rating Agencies, at least one (1) Business Day in advance of each Payment Date.

b) Information referred to each Payment Date:

In relation to the Mortgage Credits at the Determination Date preceding the Payment Date:

1. Outstanding Balance.
2. Interest and principal amount of instalments in arrears.
3. Interest rate and, if the interest floats, benchmark indices of the Mortgage Credits.
4. Mortgage Credit maturity years.
5. Outstanding Balance of Doubtful Mortgage Credits and cumulative Outstanding Balance of Doubtful Mortgage Credits from the date of establishment of the Fund.

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

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

The above information shall be posted at the Management Company's website.

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

Annual accounts and audit report within the period provided for by law to do so or, as the case may be, within three (3) months of the close of each financial 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 Nominal Interest Rate determined for the Bonds for the first Interest Accrual Period.

2. Other:

Any material event occurring in relation to the Mortgage Credits, the Bonds, the Fund and the Management Company proper, which, being exceptional, may materially influence trading of the Bonds and, in general, any material 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 Early Liquidation of the Fund and 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.

The amendment of the Deed of Constitution shall be notified by the Management Company to the Rating Agencies and be disclosed by the Management Company through the Fund's periodic public information, and be posted at the Management Company's website.

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 to Bondholders shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by 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 using dissemination channels and systems typical of financial markets, such as Reuters, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

   Unless otherwise provided in the Deed of Constitution and in the Prospectus, extraordinary notices shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or 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 Day or calendar day (as established in this Prospectus) being valid for such notices.

   Exceptionally, the Nominal Interest Rate determined for the Bonds for the first Interest Accrual Period shall be notified in writing by the Management Company by 2pm (CET) on July 13, 2010 to the Subscriber. 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 ordinary and extraordinary 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.

This information shall be submitted to the CNMV using the forms contained in CNMV Circular 2/2009, March 25, on Securitisation Fund accounting rules, annual accounts, public financial statements and non-public statistical information statements, and so will 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 status of the Fund and the performance of the Mortgage Credits in order that they may monitor the Bond rating, and with 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, as General Manager for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN signs this Prospectus at Madrid, on July 6, 2010.

GLOSSARY OF DEFINITIONS

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

"Act 2/1981" shall mean Mortgage Market Regulation Act 2/1981, March 25, as currently worded.

"Act 2/1994" shall mean Mortgage Loan Subrogation and Amendment Act 2/1994, March 30, as currently worded.

"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, as currently worded.

"**Act 41/2007**" shall mean Act 41/2007, December 8, amending Mortgage Market Regulation Act 2/1981, March 25, and other mortgage and financial system rules, regulating reverse mortgages and dependency insurance and establishing a certain taxation rule.

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

"Available Funds" shall mean 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.

"BANKINTER" shall mean BANKINTER, S.A.

"Bankruptcy Act" shall mean Bankruptcy Act 22/2003, July 9, as currently worded.

"Bond Issue" shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR one billion six hundred and fifty million (1,650,000,000.00), consisting of sixteen thousand five hundred (16,500) Bonds having a unit face value of EUR one hundred thousand (100,000).

"Bond Paying Agent Agreement" shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER, as Paying Agent.

"Bonds" or "Asset-Backed Bonds" shall mean the 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 2 calendar (or future replacement calendar).

"CET" shall mean "Central European Time".

"Civil Procedure Act" shall mean Civil Procedure Act 1/2000, January 7, as currently worded.

"Closing Date" shall mean July 14, 2010, the date on which the cash amount of the subscription for the Bonds shall be paid up and the face value of the Mortgage Certificates and Pass-Through Certificates subscribed for by the Fund shall be paid.

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

"CPR" shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

"Deed of Constitution" shall mean the public deed recording the establishment of the Fund, issue by BANKINTER of and subscription by the Fund for the Mortgage Certificates and Pass-Through Certificates, and issue by the Fund of the Asset-Backed Bonds.

"Delinquent Mortgage Credits" shall mean Mortgage Credits with a period of arrears of three (3) months in payment of overdue amounts, excluding Doubtful Mortgage Credits. The possible deferment of payment of instalments referred to in section 2.2 (ii) of the Building Block shall not be considered arrears in payment of Mortgage Credit amounts due.

"Determination Dates" or **"Determination Date"** shall mean the dates falling on the fifth (5th) 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 but 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, September 10, 2010, 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 Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, on which the Mortgage Credits and the assets remaining in the Fund have been liquidated and all 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), both inclusive.

"Doubtful Mortgage Credits" shall mean Mortgage Credits with a period of arrears at a date equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment. The possible deferment of payment of instalments referred to in section 2.2 (ii) of the Building Block shall not be considered arrears in payment of Mortgage Credit amounts due.

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

"Early Liquidation Events" shall mean the events set out in section 4.4.3 of the Registration Document in which the Management Company, following notice duly served on the CNMV, is entitled to proceed to Early Liquidation of the Fund on a Payment Date.

"Early Liquidation of the Fund" shall mean liquidation of the Fund and thereby early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

"Euribor" shall mean the Euro Interbank Offered Rate which is the term interbank deposit offered rate in Euros calculated as the daily average of the quotations supplied for fifteen maturity terms by a panel consisting of 43 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), accurate to three decimal places.

"EUROPEA DE TITULIZACIÓN" shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

"Final Maturity Date" shall mean the final Bond amortisation date, i.e. December 17, 2053 or the following Business Day if that is not a Business Day.

"Financial Intermediation Agreement" shall mean the financial intermediation agreement entered into between the Management Company, for and on behalf of the Fund, and BANKINTER.

"Financial Intermediation Margin" shall mean, with respect to the Financial Intermediation Agreement, the Originator's right to receive from the Fund a variable subordinated remuneration which shall be determined and shall accrue upon expiry 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 accrued by the Fund, including losses, if any, brought forward from previous years, with reference to its accounts and before the close of the months of February, May, August and November, which are the last calendar month in each quarterly period.

"Financial Swap Agreement" or **"Financial Swap"** shall mean the floating interest swap agreement to be entered into based on the standard 1992 ISDA Master Agreement (ISDA Master Agreement - Multicurrency - Cross Border) and the year 2006 definitions (ISDA 2006 Definitions) entered into between the Management Company, for and on behalf of the Fund, and BANKINTER.

"First Drawdown" shall mean the first drawdown under the mortgage credits.

"Fund" shall mean BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS.

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

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

"Initial Interest Cash Reserve" shall mean the Interest Cash Reserve set up on the Closing Date upon the Subordinated Loan being drawn down at a sum of EUR fifty-two million eight hundred thousand (52,800,000.00).

"Initial Principal Cash Reserve" shall mean the Principal Cash Reserve set up on the Closing Date upon the Subordinated Loan being drawn down at a sum of EUR seventy-nine million two hundred thousand (79,200,000.00).

"Interest Accrual Period" shall mean the exact number of 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 Cash Reserve" shall mean the Initial Interest Cash Reserve set up on the Closing Date and subsequently provisioned on each Payment Date up to the Required Interest Cash Reserve amount.

"Interest Rate Fixing Date" shall mean the second Business Day preceding each Payment Date.

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

"Issuer" shall mean BANKINTER 20 FONDO DE TITULIZACIÓN DE ACTIVOS.

"Lead Manager" shall mean BANKINTER.

"Liquidation Available Funds" shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or upon liquidation of the Fund, the amounts to be allocated to meeting the Fund's payment or withholding obligations, as follows: (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Mortgage Certificates and Pass-Through Certificates and of the assets remaining and, if any, (iii) the amount drawn under the credit facility or the loan arranged and exclusively used for Bond amortisation, in accordance with the provisions of section 4.4.3.3.(iii) of the Registration Document.

"Liquidation Priority of Payments" shall mean the order of priority of the Fund's payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or upon Early Liquidation of the Fund.

"Management and Subscription Agreement" shall mean the Bond Issue management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, and BANKINTER, as Lead Manager and Subscriber.

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

"Moody's" shall mean both Moody's Investors Service España, S.A. and Moody's Investors Service Limited, the holding company to which Moody's Investors Service España, S.A. is affiliated.

"Mortgage Certificates" shall mean the Mortgage Credit participation certificates issued by BANKINTER and subscribed for by the Fund.

"Mortgage Credits" shall mean the first drawdowns under credit facilities and loans granted by BANKINTER to individuals, for buying or renovating homes or other purposes, with real estate mortgage security ranking as a first, second or junior mortgage on properties (homes, parking spaces and/or lumber rooms, business premises and offices, or rustic and urban land) located in Spain, assigned by BANKINTER to the Fund upon BANKINTER issuing and the Fund subscribing for Mortgage Certificates and Pass-Through Certificates.

"Nominal Interest Rate" shall mean the annual nominal interest rate, floating quarterly and payable quarterly, applicable to the Bonds and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin as detailed in section 4.8.1.2 of the Securities Note.

"Non-Delinquent Mortgage Credits" shall mean Mortgage Credits that at a date are not deemed to be either Delinquent Mortgage Credits or Doubtful Mortgage Credits.

"Non-Doubtful Mortgage Credits" shall mean Mortgage Credits that at a date are not deemed to be Doubtful Mortgage Credits.

"Obligors" shall mean the Mortgage Credit borrowers (individuals).

"Originator" shall mean BANKINTER, as originator of the Mortgage Credit receivables by issuing the Mortgage Certificates and Pass-Through Certificates.

"Outstanding Balance of the Mortgage Credits" shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every Mortgage Credit.

"Outstanding Balance" shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund on a Mortgage Credit.

"Outstanding Principal Balance of the Bond Issue" shall mean the outstanding principal Balance of the Bond Issue.

"Pass-Through Certificates" shall mean the Mortgage Credit pass-through certificates issued by BANKINTER and subscribed for by the Fund.

"Paying Agent" shall mean the institution servicing the Bonds. The Paying Agent shall be BANKINTER or any replacement institution.

"Payment Date" shall mean March 17, June 17, September 17 and December 17 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be September 17, 2010.

"Principal Cash Reserve" shall mean the Initial Principal Cash Reserve set up on the Closing Date and subsequently provisioned on each Payment Date up to the Required Principal Cash Reserve amount.

"Priority of Payments" shall mean the order of priority for applying the Fund's payment or withholding obligations for applying the Available Funds from the first Payment Date until the last Payment Date or Fund liquidation date, exclusive.

"RAMÓN Y CAJAL" shall mean RAMÓN Y CAJAL ABOGADOS S.L.

"Rating Agencies" shall mean Moody's and S&P.

"Reference Rate" shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET) 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 two- (2-) month Euribor fixed at 11am (CET) on the 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.

"Regulation 809/2004" shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded.

"Required Interest Cash Reserve" shall mean, on each Payment Date, the lower of: (i) EUR fifty-two million eight hundred thousand (52,800,000.00) and (ii) the higher of a) 6.40% of the Outstanding Principal Balance of the Bond Issue, and b) a sum of EUR twenty-six million four hundred thousand (26,400,000.00). Notwithstanding the above, the Required Interest Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Interest Cash Reserve amount on the preceding Payment Date upon the occurrence on the Payment Date of any of the circumstances provided for in section 3.4.2.2.1 of the Building Block.

"Required Principal Cash Reserve" shall mean, on each Payment Date, the lower of: (i) EUR seventy-nine million two hundred thousand (79,200,000.00) and (ii) the higher of a) 9.60% of the Outstanding Principal Balance of the Bond Issue, and b) a sum of EUR thirty-nine million six hundred thousand (39,600,000.00). Notwithstanding the above, the Required Principal Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Principal Cash Reserve amount on the preceding Payment Date upon the occurrence on the Payment Date of any of the circumstances provided for in section 3.4.2.2.2 of the Building Block.

"Royal Decree 116/1992" shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14, as currently worded.

"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 716/2009" shall mean Royal Decree 716/2009, April 24, implementing certain aspects of Mortgage Market Regulation Act 2/1981, March 25, and other mortgage and financial system rules.

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

"S&P" shall mean both Standard & Poor's España, S.A. and Standard & Poor's Rating Services, the holding company to which Standard & Poor's España, S.A. is affiliated.

"Securities Market Act" shall mean Securities Market Act 24/1988, July 28, as currently worded.

"Servicer" shall mean the institution in charge of Mortgage Credit custody and servicing and Mortgage Certificate and Pass-Through Certificate supporting document custody under the Servicing Agreement, i.e. BANKINTER (or any other institution taking its stead as Servicer).

"Servicing Agreement" shall mean the Mortgage Credit custody and servicing and Mortgage Certificate and Pass-Through Certificate supporting document custody agreement entered into between the Management Company, acting for and on behalf of the Fund, and BANKINTER, as Servicer.

"Start-Up Loan Agreement" shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER, totalling EUR six hundred thousand (600,000.00).

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

"Subordinated Loan Agreement" shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANKINTER, totalling EUR one hundred and thirty-two million (132,000,000.00).

"Subordinated Loan" shall mean the loan granted by BANKINTER to the Fund, in accordance with the provisions of the Subordinated Loan Agreement.

"Subscriber" shall mean BANKINTER.

"Treasury Account" shall mean the financial account in Euros opened at BANKINTER in the Fund's name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive payments.