

# GC FTPYME PASTOR 2 ASSET SECURITISATION FUND

## SECURITISATION NOTES

€800,000,000

Series A	€530,000,000	Aaa/AAA	Euribor 3M + 0.10% to 0.14%
Series BG*	€164,600,000	Aaa/AA	Euribor 3M + 0.00% to 0.02%
Series BS	€42,000,000	Aa1/AA	Euribor 3M + 0.20% to 0.33%
Series C**	€40,400,000	Aaa/AAA	Euribor 3M + 0.08% to 0.13%
Series D	€23,000,000	Baa3	Euribor 3M + 1.25% to 2.00%

\* Series "BG" Notes secured by State Warrantee

\*\* Series C Notes secured by the European Investment Fund Warrantee

Backed by loans extended and administered by

**BANCO PASTOR, S. A.**

Managing Entities



Underwriting and Placement Entities:

**BANCO PASTOR, S. A.**  
**BNP Paribas, Spanish branch**  
**Dresdner Bank AG London Branch**

**Payment Agent**

**CAIXA D'ESTALVIS I PENSIONS DE BARCELONA**

*Fund incorporated, represented and administered by*  
**GESTICAIXA. S.G.F.T, S.A.**

Prospectus registered in the Registers of the National Securities Market Commission

On 26 October 2004

**BANK**

**“GC FTPYME PASTOR 2, ASSET SECURITISATION FUND”  
SUMMARY OF THE INFORMATIVE PROSPECTUS**

The terms of this Prospectus which begin in upper-case letters and which are defined expressly herein shall have the meaning thereby attributed.

The terms of this Prospectus which start in upper-case letters and are not defined expressly herein shall have the meaning attributed to them in Annexe 9 (hereinafter, “**List of Definitions**”) to this Prospectus.

**1. Name of the Fund**

The name of the Fund is "GC FTPYME PASTOR 2, Asset Securitisation Fund", (hereinafter, the “**Fund**”).

**2. Fund Manager**

"GC FTPYME PASTOR 2, Asset Securitisation Funds" is formed by "GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A." as Fund Manager empowered for said purposes and, as a consequence, to exercise the administration and legal representation of the GC FTPYME PASTOR 2 Fund, protected under the provisions set forth in Royal Decree 926/1998, dated 14 May, which regulates asset securitisation funds and the Fund Managers of securitisation funds.

**3. Securities issued: securitisation notes**

*Amount of the issue and number of notes:* Eight hundred million (800,000,000) euros face value, comprising eight thousand (8,000) Notes divided into 4 Classes and 5 Series in the following manner:

Class A made up of the 5,300 Series A Notes with a face value of 530,000,000 euros  
Class B, divided into 1,646 Series BG Notes with a face value of 164,600,000 euros and 420 Series BS Notes with a face value of 42,000,000 euros  
Class C is made up of the 404 Series C Notes with a face value of 40,400,000 euros  
Class D is made up of 230 Series D Notes with a face value of 23,000,000 euros

- *Face value:* 100,000 euros each Note.
- *Price of the Issue:* 100,000 euros per Note, free of taxes and expenses for the subscriber.
- *Redemption price:* 100,000 euros per Note, free of taxes and expenses for the holder.
- *Quarterly variable interest rate:* Euribor at three (3) months plus a margin of between 0.10% and 0.14% for the A Series Notes, between 0% and 0.02% for the BG Series Notes, between 0.20% and 0.33% for the BS Series Notes, between 0.08% and 0.13% for the C Series Notes and between 1.25% and 2.00% for the D Series Notes.
- *Payment frequency of interest and principal:* quarterly on 20 January, 20 April, 20 July and 20 October of each year, or the next Business Day.
- *Final Maturity Date:* shall coincide with the last maturity date (ordinary or early) of the Assets (31 October 2033).
- *Statutory Maturity Date:* will be the date falling forty eight (48) months from the Final Maturity Date and, in any event, 31 October 2037, or the following Business Day, without prejudice to the option for early amortisation of the Notes Issue by the Fund Manager established in section II.11. of this Prospectus.

*Credit risk rating:*

Assigned, on a tentative basis, by the Rating Agencies Moody's Investors Service España, S.A. (“**Moody's**”) and Standard & Poor's España, S.L. (“**S & P**”) (hereinafter referred to jointly as Moody's

and S&P, the "Rating Agencies") for each of the Series of Notes issued against the Fund, as follows:

<b>Series of notes</b>	<b>Rating by Moody's</b>	<b>Rating by S &amp; P</b>
<b>Series A</b>	Aaa	AAA
<b>Series BG</b>	Aaa	AA
<b>Series BS</b>	Aa1	AA
<b>Series C</b>	Aaa	AAA
<b>Series D</b>	Baa3	

The failure to confirm the above ratings by Moody's ("Moody's") and Standard & Poor's España, S.L. ("S & P") before the start of the Subscription Period will constitute a termination event for the Loans, formation of the Fund and the Notes Issue.

*Credit Enhancements:*

For the purpose of consolidating the financial structure of the Fund; increasing the security or regularity in the payment of the Notes; covering temporary lags between the calendar of the flow of principal and interest of the Loans and the Notes; neutralizing the differences of interest rates between the Loans and the Notes and other liabilities, or, in general, transforming the financial characteristics of the Notes issued, as well as complementing the administration of the Fund, the Fund Manager, in representation of the Fund, will proceed to grant the Deed of Formation, to formalise the contracts and operations that are summarised below, in conformity with applicable law.

- State Warrantee for the Series BG Notes. The Warrantee will secure, waiving the benefit of excusion established in article 1830 of the Civil Code, the payment of the principal and the interest of the BG Notes.
- The European Investment Fund (hereinafter "EIF") for the Series C Notes shall secure the payment of principal and interests of the Series C Notes. The EIF is an international financial institution which forms part of the European Investment Bank which in turn specialises in the concession of guarantees and other instruments of support to SMEs. A description of the institution and its activities is given in Annexe 8.
- Subordination. The subordination in the payment of interest and the reimbursement of the principal of some Note Series over others grants greater protection to the holders of the Notes of the less subordinate Series.
- Accounts with a guaranteed rate. The accounts opened in the name of the Fund by the Fund Manager (Amortisation Account and Treasury Account opened with the Caixa d'Estalvis i Pensions de Barcelona ) are remunerated at rates agreed to in such a way that a minimum return on the balances of each of them is guaranteed.
- Financial margin of the portfolio. The Assets pooled into the Fund generate rates of interest that are higher than the rates that the securities issued against the Fund accrue.
- Participative Loan. The Participative Loan is used for the endowment of the Reserve Fund.
- Liquidity Line of the State Warrantee. The aim of the Liquidity Line of the State Warrantee is to allow the Fund to meet the payment of the interest of the Series BG Notes, until the State pays said amounts against the State Warrantee.
- Interest Rate Financial Swap. The Interest Rate Financial Swap attempts to cover the interest rate risk of the Fund which occurs because the Loans are subject to adjustable interest with different reference indexes and revision periods than those established for the Notes. In addition, the financial swap attempts to cover the implied risk caused by the loans being the object of renegotiations that reduce the agreed interest rate.

The Fund Manager may extend or modify the contracts signed in the name of the Fund and replace each one of the service lenders to the fund by virtue of said contracts. Furthermore, additional contracts may be signed, including credit line contracts, providing that they are in accordance with existing legal provisions at that specific time and there are no circumstances that prevent the

foregoing. In any case, such actions shall require the Fund Manager to give prior notice to the CNMV or to obtain prior authorization, if necessary, from the CNMV or competent administrative body. Notification must also be given to the Ratings Agencies and said actions must not jeopardise the rating awarded to the Notes by said Agencies.

*Official Secondary Market where admission to trading shall be requested: AIAF*

*Accounting Register of the Notes: Iberclear is the entity in charge of the accounting ledger of the Notes. Said entity shall balance and settle the transactions carried out on the Notes.*

#### **4. Asset Portfolio**

*Assignor: Banco Pastor, S.A. (hereinafter, “**Banco Pastor**”).*

*Composition of the Portfolio: credit rights against all kinds of non-financial companies domiciled in Spain, 98% of which are small and medium enterprises, as defined by the Recommendation of the European Commission 96/280/CE, of April 3, 1996, governing the definition of small and medium enterprises (“**SMEs**”) (hereinafter, the “**Assigned Debtors**”) or the norm that replaces same, derived from loans with an initial amortisation term no shorter than one year.*

*Value of the Assets: the Fund will pool together Assets for a minimum amount of 800,000,000 euros.*

*Classification of the Loans: the Loans maybe classified by their accessory guarantees in:*

1. Mortgage-guaranteed loans, formalised in public deeds (hereafter the “**Mortgage Loans**”).
2. Loans without guarantees or with third-party guarantees (security), formalised in public deeds, which may be duly executed (article 517 of the Civil Procedure) (hereinafter, the “**Non-Mortgage Loans**”) and together with the Mortgage Loans, (the “**Loans**” or “**Assigned Assets**”).

The assignment of the Loans will be total and unconditional and for the entire period of time remaining until the maturity of each Loan.

By means of the Deed of Formation, the Fund Manager, in representation of the Fund and Banco Pastor, as Assignor, will formalise the deal of the assignment of the Loans to the Fund in the manner described below:

1. The assignment of the Mortgage Loans shall be carried out through the issue by Banco Pastor and the subscription by the Fund, represented by the Fund Manager, of Mortgage Transfer Certificates, under the protection of the provisions set forth in article 18 of the Financing Act.
2. The granting of the Non-Mortgage Loans, directly and without the issue of any security, constituting thereby a contractual document that accredits the trade in accordance with Royal Decree 926/1998 (hereinafter, jointly the Mortgage Transfer Certificates and the Non-Mortgage Loans, the “**Assets**”).

The terms and conditions of the assignment of the Loans are detailed in the remaining chapters of the present Prospectus.

The assignor, in accordance with article 348 of the Commercial Code, will answer to the Fund for the existence and legitimacy of the Loans, as well as for the status with which it effects the assignment, but will not answer for the solvency of the Debtor.

The most significant characteristics of the 3,499 loans selected on 1 October 2004 are:

Age	Weighted Average: 24-08-2003 Minimum: 30-06-2004 Maximum: 20-01-2000
Interest rate class	Variable Interest: 91.13% Fixed interest: 8.87%
Nominal Interest Rate	Weighted Average: 3.69% Minimum: 1.85% Maximum: 9.50%
Final Maturity Date	Weighted Average: 24-07-2011 Minimum: 31-10-2004 Maximum: 31-10-2033
Mortgage/Non-Mortgage:	Mortgage: 64.33% Non-Mortgage 35.67%
Geographical distribution:	Madrid: 22.13% Galicia: 18.95% Catalonia: 12.49%
Sectorial Distribution:	Real Estate Activity: 36.21% Construction: 7.68% Hostelry: 6.06%

## 5. Risks inherent to the Notes.

### *Risk of non-payment of the Loans.*

The Holders of the Notes run the risk of non-payment of the Loans pooled into the Fund.

Banco Pastor, as Assignor, will not assume any responsibility for the non-payment by the Assigned Debtors, whether of the principal or of the interest or any other amount that they may be obliged to pay by virtue of the Loans. Neither shall the Assignor assume the efficacy of the accessory guarantees to the same. Neither shall it assume in any other manner, responsibility for directly or indirectly guaranteeing the correct outcome of the assignment, nor grant guarantees or securities in buyback agreements of the Loans, except the commitments set forth in section IV.1.6 of this Prospectus regarding the replacement of the Loans or of the Mortgage Transfer Certificates that do not comply with the declarations contained in section IV.1.4 of this Prospectus or to the specific characteristics of the loans notified by Banco Pastor to the Fund Manager.

The Notes issued by the Fund do not represent or constitute any obligation on the part of Banco Pastor or of the Fund Manager. With the exception of the State Warrantee and the EIF Warrantee, there are no other guarantees granted by any private or public entities, including Banco Pastor, the Fund Manager, or any company affiliated with or held by any of the foregoing.

### *Limited protection.*

The Fund, acting through the Fund Manager, shall carry out other financial operations, up to a limit, to cover the risk of insufficiency of resources of the Fund to attend the financial service of the Notes in each Series service and that have been considered sufficient by the rating agencies in order to assign to each of the series of Notes the rating indicated in section II.3 of the present prospectus. In addition, said non-payment risk is covered for the holders of the Series BG and the Series C Notes through the State Warrantee and the EIF Warrantee, respectively. These are described in sections V.3.6 and V.3.8 of this Prospectus. All of the foregoing is in accordance with current applicable regulations.

Likewise, the degree of subordination in the payment of interests and redemption of the principal of the Class D Notes, with regard to the Class A Notes, the Class B Notes and the Class C Notes, of the Class C, with regard to the Class A Notes and the Class B Notes and of these later with regard to the

Class A Notes that derives from the place they occupy in the Payment Priority Order of the Fund, constitutes a credit enhancement for each one of the series respectively.

*Risk of early amortisation of the Loans.*

The Loans grouped into the Fund will be amortised in advance when the Assigned Debtors prepay the outstanding balance of the principal thereof, in the terms provided in each of the deeds and contracts of the said assets.

The risk that early amortisation would entail will be transferred quarterly, on each Payment Date, to the holders of the Notes, by means of the partial amortisation of the same, in accordance with the provisions of section III.9.1 of this Prospectus.

*Limited Liquidity.*

There is no guarantee of any a minimum trading frequency or volume for the Notes in the market.

There is no agreement that any entity will intervene in the secondary contracting, giving liquidity to the Notes through the offer of consideration.

In addition, under no circumstances can the Fund repurchase the Notes from the Holders. However, they may be amortised early in their entirety in the event of Early Liquidation of the Fund, under the terms set forth in section III.9.1 of the Prospectus, as well as in the event of early amortisation of the Series C Notes, at the request of the EIF, under the terms set forth in section II.15.2.2 of the Prospectus.

*Yield*

The calculation of the internal rate of return, the average life and the duration of the Notes of each series is subject, among other things, to the hypothesis of early amortisation of the Loans that may not prove true, and to the future interest rates of the market, given the variable nature of the nominal interest rate.

All information in this Prospectus regarding the payment of interest, amortisation of principal, average life, returns and financial flow charts are for merely illustrative purposes.

*Default interest*

In no case shall the existence of delays in the payment of interest or the reimbursement of the principal to the holders of the Notes give rise to the accrual of default interest in their favour.

*Actions.*

The holders of the Notes and the rest of the creditors of the Fund cannot take any action whatsoever against the Assigned Debtors of the Loans that may have defaulted in their payment obligations. The Fund Manager, as representative of the Fund, is the body entitled to exercise such action.

Neither the holders of the Notes nor the rest of the creditors of the Fund shall have the right to any action against the Fund Manager other than the action derived from the non-fulfilment of its obligations and, therefore, never as a consequence of the existence of default in payments or prepayment of the Loans, of the default of the counterparts in the operations contracted in the name and for the account of the Fund, or for the insufficiency of the protective financial operations to attend to the financial service of the Notes of each Series.

## **6. Priority payment order**

Irrespective of the moment of their accrual, the available funds shall be applied to the satisfaction of payment or retention obligations on each Payment Date in the following manner:

- (i) Taxes and Fund Expense, including the Fund Manager's Commission, the Commission and the Interest, if applicable, of the Liquidity Line and extraordinary expenses, among others

and for merely illustrative purposes.

- (ii) Payment of the accrued amount of the Interest Swap Contract, and only in the event of the termination of said Contract due to a breach by the Fund, the payment of the amount to be paid by the Fund corresponding to the settlement payment.
- (iii) Payment of the interest of the Series A Notes
- (iv) Payment of the interest of the Notes of the BG and BS Series due and unpaid on previous Payment Dates and repayment to the State of the amounts that the latter has paid to the Fund in execution of the Warrantee for the payment of interests of the BG Notes not redeemed on previous Payment Dates (pro rata) (save downgrading described in the Other Payment Priority Order against the Fund and in section V.4.1.1 of this Prospectus).
- (v) Payment of interest of the Notes of Series BG and BS, pro rata (save downgrading as described in Other Payment Priority Order against the Fund and in section V.4.1.1. of this Prospectus).
- (vi) Payment of interest of the Notes of Series C (save downgrading as described in Other Payment Priority Order against the Fund and in section V.4.1.1. of this Prospectus).
- (vii) Reimbursement payment to the EIF of (a) the amounts that this party had paid to the Fund in execution of the Warrantee for the interest payment of C Notes not redeemed on previous Payment Dates together with the accrued interest of said amounts during said period and (b) the commissions through the EIF Warrantee due and unpaid on previous Payment Dates together with the accrued interest of said commissions during this period. (save downgrading as described in Other Payment Priority Order against the Fund and in section V.4.1.1. of this Prospectus).
- (viii) Payment to the EIF of the commission for the EIF Warrantee (save downgrading as described in Other Payment Priority Order against the Fund and in section V.4.1.1. of this Prospectus).
- (ix) Payment of interest of the Notes of Series D (save downgrading as described in Other Payment Priority Order against the Fund and in section V.4.1.1. of this Prospectus).
- (x) Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the Series A
- (xi) Interest payment of the Series BG and BS Notes, due and unpaid on previous Payment Dates and reimbursement to the State of the amounts that the State had paid to the Fund in execution of the Warrantee for the interest payment of BG Notes not repaid on previous Payment Dates (pro-rata) when downgrading occurs.
- (xii) Payment of interest of the Notes of the BG and BS Series when downgrading occurs.
- (xiii) Payment of the Accrued Amount of the Notes of the BG and BS Series due and unpaid on previous Payment Dates and repayment to the State of the amounts that the latter has paid to the Fund in execution of the Warrantee for the payment of principal of the BG Notes not refunded on previous Payment Dates (pro rata).
- (xiv) Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the BG and BS Series (pro rata).
- (xv) Payment of interest of the Notes of the C Series when downgrading occurs.
- (xvi) Reimbursement payment to the EIF of (a) the amounts that this party had paid to the Fund in

execution of the EIF Warrantee for the interest payment of C Notes not redeemed on previous Payment Dates together with the accrued interest of said amounts during said period and (b) the commissions for the EIF Warrantee due and unpaid on previous Payment Dates together with the accrued interest of said commissions during this period, when down-ranking occurs.

- (xvii) Payment to the EIF of the Commission for the EIF Warrantee when downgrading occurs.
- (xviii) Payment of the Accrued Amount of Principal for Amortisation of the Series C Notes or, if applicable, repayment to the EIF of the amounts that this body had paid to the Fund upon exercising the Early Payment Option.
- (xix) Payment of interest of the Notes of the D Series when downgrading occurs.
- (xx) Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the D Series.
- (xxi) Endowment of the Reserve Fund up to its Minimum Level, if appropriate.
- (xxii) In the event of termination of the Financial Swap Contract, payment of the amount payable, by the Fund, if said termination is attributable to the counterpart.
- (xxiii) Payment of the interest accrued through the Subordinate Loan.
- (xxiv) Payment of the fixed remuneration of the Participative Loan.
- (xxv) Amortisation of the Principal of the Subordinate Loan.
- (xxvi) Amortisation of the Principal of the Participative Loan.
- (xxvii) Payment of the Administration Commission to the Administrator as set forth in the Administration Contract.
- (xxviii) Payment of the variable remuneration of the Participative Loan.

The principal drawn from Liquidity Line of the State Warrantee will be repaid to Caixa d'Estalvis i Pensions de Barcelona when the Ministry of Economy makes the payment of the warranted amounts without waiting for the following Payment Date.

*Other Payment Priority Orders of the Fund .*

- a) The amounts received at the charge of the State Warrantee will be used only to cover the deficiencies in the payments of principal and interests of the BG Notes. In no case will they be subject to the priority order established in the previous section
- b) The amounts received from the EIF will be used only to cover the deficiencies in the payments of principal and interests of the C Notes. They shall not, under any circumstances, be subject to the priority rules set forth in the previous section.
- c) In the event that the Available Funds are not sufficient on a Payment Date to cover any of the amounts mentioned in the preceding paragraphs, the following rules will apply:
  - (i) The Available Funds of the Fund will be applied to the different concepts mentioned in the previous section, in accordance with the priority order established and pro rata of the amount due among those entitled to receive the payment.



- (ii) The amounts that remain unpaid will be placed, on the following Payment Date, in a priority position immediately before that of the concerned concept itself.
  - (iii) The amounts due by the Fund and not paid on their respective Payment Dates shall not accrue additional interest, except with regard to the amortisation of the principal of the Notes, which shall accrue the interest that the Notes accrue in accordance with section II.10, and with regard to the payment to the EIF of the commissions and the amounts that the EIF had paid in execution of the EIF Warrantee, which shall accrue the interest that the Series C Notes accrue in accordance with the provisions set forth in section II.10.
- d) In the event that Banco Pastor needs to be substituted as Administrator of the portfolio, the remuneration of the new Administrator will be added to the ordinary expenses of the Fund, included in the first paragraph of the Payment Priority Order.
  - e) Should an Amortisation Deficit occur on a Payment Date for an amount that is equal to or greater than 100% of the Outstanding Balance of the Series D Notes, the heading (ix) "Payment of Interest of the Series D Notes" shall be downgraded solely on that same Payment Date to the heading immediately after the "Repayment to the EIF of the amounts that the EIF has paid to the Fund in execution of the EIF Warrantee for the payment of principal of the C Notes not redeemed on previous Payment Dates together with the accrued interest of said amounts during said period" heading.
  - f) If on a Payment Date, the sum of the Defaulted Amounts is equal to or greater than 9.3% of the Total Amount of the Note Issue, the headings (vi) "Payment of Interests of the Series C Notes" and (vii) "Repayment to the EIF" and (viii) "Payment to the EIF of the Commission for the EIF Warrantee" shall be downgraded in the same order to the heading immediately after the "Payment of the Accrued Amount of Principal for amortisation of the BG and BS Series Notes (pro rata). This downgrading shall be maintained until the total amortisation of the A, BG and BS Notes.
  - g) In the event that on a Payment Date the sum of the Defaulted Amounts is equal to or greater than 18% of the Total Amount of the Note Issue, the headings (iv) "Payment of the interest of the BG and BS Series Notes due and unpaid on previous Payment Dates and repayment to the State" and (v) "Payment of the interest of the BG and BS Series Notes" shall be downgraded in the same order to the heading immediately after the "Payment of the Accrued Amount of Principal for amortisation of the Series A Notes". This downgrading shall be maintained until the total amortisation of the Series A Notes.

*Execution of the State Warrantee:* In the event that on a Payment Date, and regardless of the mechanisms established for the protection of the rights of the Noteholders, the Available Funds are not sufficient to cover the payment of the interest or the principal of the BG Notes, the Fund Manager will require the General Directorate for the Treasury and Financial Policy (Dirección General del Tesoro y Política Financiera) to pay in the Treasury Account of the Fund against the Warrantee referred to in section II.15.2.1 of this Prospectus, an amount equal to that not paid as interest or principal of the Series BG Notes.

Taking into account that the amount to be received against the State Warrantee may not be available in the Treasury Account of the Fund on the Payment Date for which the said Warrantee is called for, payment of the interest of the BG Notes will be made by means of a withdrawal from the Liquidity Line constituted for that purpose.

As soon as the Fund receives the amount that corresponds to the requested State Warrantee, it shall proceed to repay the amount withdrawn from the Liquidity Line which was used to meet interest payments of the BG Notes and the part corresponding to the principal shall be used for the

amortisation of the BG Series Notes due and unpaid on previous Payment Dates but not subject to the Payment Priority Order, and prior to paying the items that exist in the Payment Priority Order.

*Execution of the EIF Warrantee:* In the event that on a Payment Date, and regardless of the mechanisms established for the protection of the rights of the Noteholders, the Available Funds are not sufficient to cover the payment of the interest or the principal of the C Notes once the payments according to the Payment Priority Order have been made, the Fund Manager will require the European Investment Fund to pay into the Treasury Account of the Fund against the Warrantee referred to in section II.15.2.2 of this Prospectus, an amount equal to that not paid as interest of the Series C Notes. The EIF shall immediately pay the Fund on the Payment Date on which notification of said non-payment is made.

With regard to the principal of the Series C Notes, should the Available Funds be insufficient on the Determination Date prior to the Statutory Expiry Date or, if appropriate, to the Early Settlement Date of the Fund, the Fund Manager may request payment of said amount from the European Investment Fund. The EIF, for its part, shall have the option to exercise early cancellation of the Series C Notes in the cases set forth in section II.15.2.2 of this Prospectus.

## **7. Actions**

### *Remedies against the debtors of the Loans*

Through the Fund Manager, the Fund shall have the right to executive action against the Assigned or Obligated Debtors that breach their Loan payment obligations, from the Assignment Date. Said action shall only be exercised in the event that the Administrator fails to carry out its duties in the correct and accepted manner. In any event, and for the case of the Mortgage Transfer Certificates, the Fund will be entitled, in the name of the Fund, to the exercise of all of the powers provided for in Article 66 of Royal Decree 685/1982, of March 17, by which certain aspects of Law 2/1981, of March 25 on regulation of the financial market, are further developed.

Through the Fund Manager, the Fund, as holder of the Loans, will have the right to executive action against the Assignor, providing that the breach of its obligations is not a consequence of the default in payment by the debtor in whose Loan the Fund participates. Through the Fund Manager, the Fund will have the right to declarative action against the Assignor for breach of its obligations established in this Prospectus and in the operation Contracts. Once the loans are extinguished, the Fund, through the Fund Manager, will retain the action against the Assignor until the total fulfilment of its obligations.

Neither the Fund nor the holders of the Notes nor the rest of creditors will have any more remedies against the Assignor or against the Fund Manager respectively, other than the action derived from the breach of their respective functions and, therefore, never as a consequence of the existence of default in payments or early amortisation.

### *Responsibility of the Fund Manager*

The Fund Manager will be held responsible to the holders of the Notes and the rest of creditors for all damages caused by the default in its obligations, as well as being subject to the supervision, inspection and, as the case may be, sanction regime by the National Securities Markets Commission.

In particular, the holders of the Notes will have an action against the Fund Manager in the event of default in its obligations, which will need to be exercised by means of a declaratory action (juicio declarativo) that is applicable by reason of the amount of the claim.

### *Remedies in the event of default in the payment of the Notes issued against the Fund*

The holders of the Notes will not have the right to direct action against the Assigned Debtors who

may have defaulted in their payment obligations. The Fund Manager, as the representative of the Fund that holds the Loans, is the body entitled to exercise such actions.

The holders of the Notes will not have any action against the Fund or against the Fund Manager in the event of default in the payment of the Notes caused by the default in payment of a Loan by the corresponding Assigned Debtor.

The holders of the Notes will not have any other remedies against the Fund Manager than the one action derived from the default in its obligations, and therefore, never as a consequence of the existence of default in the payments or anticipated amortisation of the Loans.

## **8. Liquidation and extinction of the Fund.**

Early settlement of the Fund.

Following notification to the CNMV, the Fund Manager shall be empowered to proceed with the Early Settlement of the Fund and with this the Early Amortisation, on a Payment Date, of the totality of the Note Issue, (i) when the amount of the Outstanding Balance of the Assets is less than 10 per cent of the initial capital of the Loans on the date of the Fund Incorporation, in accordance with the qualification set forth in article 5.3 of Law 19/1992, and providing that the payment obligations derived from the Notes of each series can be met and cancelled in their totality in accordance with the Payment Priority Order, (ii) in the other cases of Early Settlement contained in section III.9.1 of the Prospectus, and with the requirements and procedures set forth in said section..

Extinction of the Fund.

The Fund shall be extinguished under the following circumstances:

- (i) Through the total redemption of the Loans that form part thereof.
- (ii) For the total amortisation of the Notes issued.
- (iii) For the finalisation of the process of Early Liquidation that is considered in section III.9.1.
- (iv) Under all circumstance, through the definitive liquidation of the Fund on the Statutory Date of Expiry.
- (v) The Fund shall likewise be cancelled if the Rating Agencies do not confirm the ratings tentatively assigned before the start of the Subscription Period, or in the event of the termination of the Management, Underwriting and Placement Agreement for the Note Issue.

## **9. Nature of this information**

This information is of the nature of Complete Informative Prospectus (hereinafter, the “**Prospectus**” or “**Informative Prospectus**”) for the purposes pursuant to Royal Decree 926/1998, dated 14 May and Royal Decree 291/1992, modified by Royal Decree 2590/1998 and other regulations that apply and has been registered in the Official Registers of the CNMV since 26 October 2004.

The Fund Manager, GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. which shall set up and administer the Fund, is responsible for the contents of the Prospectus (without prejudice to the responsibility assumed by the remaining participating entities, in accordance with the provisions set forth in the applicable regulations).

Registration of the Prospectus by the CNMV does not imply a recommendation for the subscription of the securities, or any pronouncement in any sense about the solvency of the Fund or the profitability of the issue.

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## I. CHAPTER I

### PERSONS RESPONSIBLE FOR THE CONTENTS OF THE PROSPECTUS AND SUPERVISING BODIES OF SAME

#### I.1. Persons responsible for the contents of the Prospectus

##### I.1.1. Identification of physical persons who assume responsibility for the contents of the prospectus in representation of the issuers

Mr Xavier Jaumandreu Patxot, Director General of GESTICAIXA, SGFT, S.A., by virtue of the agreement adopted by the Board of Directors of the Fund Manager on 13 October 2004, assumes responsibility for the contents of the Prospectus in the name and on behalf of the company and declares that the details and information included in this Prospectus are truthful and that no relevant data is omitted.

GESTICAIXA, SGFT, S.A. has its registered office in Barcelona, Avenida Diagonal, 621-629, and is holder of Corporate Tax Code (CIF): A-58481227. The company is registered in the Register of Fund Managers of Securitisation Funds belonging to the CNMV with the number 7.

#### I.2. Supervising Bodies

##### I.2.1. Mention on the registration of the issue in the Official Registers of the CNMV.

This Prospectus has been registered in the Official Register of the National Securities Market Commission on 26 October 2004.

The incorporation into the CNMV Registers of the audit reports and the informative prospectuses only implies recognition that they contain all the information required by the rules governing their contents. The CNMV accepts no liability whatsoever for any lack of veracity in the information contained therein.

The registration of the prospectus by the CNMV shall not imply recommendation of subscription or purchase of the notes referred to therein, or to a pronouncement in any sense whatsoever on the solvency of the Assignor or the profitability of the issue.

#### I.3. Reports on the assets that make up the Fund's assets

The Audit Report on the Loans for pooling into the Asset Securitisation Fund GC FTPYME PASTOR 2 carried out by Deloitte & Touche España, S. L. on behalf of Banco Pastor, S.A., for the purposes of satisfying the provisions set forth in article 5 of Royal Decree 926/1998 is attached as Annexe 4.

The aforementioned Report has been prepared using sampling techniques, which constitute a generally accepted method for the verification of the items that an entity maintains in relation with a group of entries ("population"), and allows the extraction of a conclusion about said population by means of the analysis of a number of entries ("sample") smaller than the total group. The reliability level indicates the probability that the real number of entries with deviations from a rule existing in a population does not exceed a previously determined limit ("precision"). The size of the sample and the reliability level chosen determine that to the inexistence of errors in the sample corresponds a maximum of errors inferred for the population, always different from zero, which in the case of the sampling here referred to is of 1%.

The eventual detection of new errors, the existence of which has been inferred but not detected by the auditors for the rest of the population not forming part of the sample, will be treated by means of the substitution of the affected Loans, in accordance with the provisions of section IV.1.

The Fund Manager declares that all Loans pooled into the FTPYME 2 Asset Securitisation Fund, the characteristics of which are stated in section IV.4 of this Prospectus, form part of the portfolio, the audit report of which is mentioned in this section.

In accordance with article 2, 2. a) of Royal Decree 926/1998, of May 14, the Assignor has supplied the necessary accreditation documents for registration by the CNMV.

## II. CHAPTER II

### INFORMATION ON THE SECURITIES ISSUED

#### II.1. Information on preliminary requirements and agreements that are necessary

##### II.1.1. Agreements of the Board of Directors, Granting of the Public Document, and whatsoever others as required in accordance with current legislation.

###### a) Company Resolutions

###### Loans Assignment Agreement

The Board of Directors of Banco Pastor, S.A. at their meeting on 9 September 2004, agreed to authorise the assignment to the Fund of loans belonging to Banco Pastor, S.A. (hereinafter, the “**Assignor**” or “**Banco Pastor**” with regard to the assignment of the Loans to the Fund) that derive from bilateral loans extended to all kinds of non-financial companies domiciled in Spain with at least 98% of the outstanding balance of same being targeted at financing SMEs. The definition of SMEs is taken as the one given by the European Commission (Recommendation dated 3 April 1996 or the norm that replaces this).

Likewise, the aforementioned agreement of Banco Pastor, S.A. provides for:

- The formation of the Fund under the protection of the Ministerial Order dated 28 December 2001, amended through Order ECO/1064/2003 dated 29 April, governing agreements on the Promotion of Asset Securitisation to favour business financing (the “**Order dated 28 December 2001**”).
- That the assignment of the loans shall be carried out fully and unconditionally between the assignment date and the date of maturity of each loan.
- That the assignment of personal loans shall be formalised in a private document or in a public instrument.
- That the assignment of the mortgage-guaranteed loans can be carried out through the issue of the instruments considered in Law 2/1981, dated 25 March, governing regulation of the Mortgage Market and/or in the Financial Act.

Enclosed as Annexe 1 to this Prospectus is a photocopy of the Certification of the Minutes of the Board of Directors of Banco Pastor. S.A.

###### *Formation of the fund agreement:*

The Board of Directors of the Fund Manager, at its meeting held on 13 October 2004, agreed:

- i) the formation of GC FTPYME PASTOR 2, Asset Securitisation Fund, protected under the Ministerial Order of December 28, 2001, and in accordance with the legal regime established by Royal Decree 926/1998, through Law 19/1992 wherever Royal Decree 926/1998 does not provide, and whatever other current legal dispositions and regulations may be applicable from time to time.
- ii) The pooling of the credit rights assigned by Banco Pastor into the Fund which derive from the Mortgage Loans and the Non-Mortgage Loans.
- (iii) The issue of the Notes against the fund.

Enclosed as Annexe 2 is a photocopy of the Certificate of the Minutes of the Board of Directors of the Management Company.



**b) Agreements related to the granting of the warrantee**

In accordance with the provisions of the Second section of the Order of December 28, 2001, on 21 October 2004, the Fund Manager signed a Standard Collaboration Agreement with the Ministry of Industry, Tourism and Trade.

Also, in accordance with the provisions of the third article of the aforementioned Order, on 29 September 2003 Banco Pastor signed the Framework Collaboration Agreement with the Ministry of Economy for the purpose of determining the loans subject to assignment to the Fund.

**c) Granting of the EIF warrantee**

In accordance with the provisions established in the warrantee that must be granted on or before the Issue Date (the “EIF warrantee”), the European Investment Fund (EIF) shall irrevocably and unconditionally undertake to pay the Fund Manager, acting on behalf of the holders of Series C Notes as their representative (the “**Representative of the Holders of the Series C Notes**”), only in favour of the holders of the Series C Notes, certain amounts of interest and principal not covered by the Available Funds, as described in section II.15.2.2 of the Prospectus.

**d) Registration by the CNMV**

The formation of the Fund and the issue of the Notes must be previously registered with the CNMV. The present Informative Prospectus of formation of the Fund and issue of the Notes has been filed with the official registries of the CNMV on 26 October 2004.

**e) Granting of the public deed of formation of the Fund**

Once the CNMV has registered this Prospectus and before the Note Subscription Period, the Fund Manager, together with Banco Pastor, shall proceed to grant the public deed of formation of GC FTPYME PASTOR 2, Asset Securitisation Fund, assignment of the loans and issue of the Securitisation Notes (hereinafter, “**Deeds of Formation**” or “**Deed of Fund Formation**”), in the terms set forth in Royal Decree 926/1998.

Said deed of formation shall be submitted to the CNMV for its incorporation to the public registries, prior to the start of the Subscription Period for the Notes.

**II.1.2. Information about the preliminary requirements and agreements for the admission to trading on the stock market or on the organized secondary market.**

The Notes issued against the Fund shall be represented exclusively by book entries and the Deed of Formation of the Fund shall have the effects provided for in article 6 of the Securities Market Act. The Fund Manager will apply, in representation and for account of the Fund, immediately upon the granting of the Deed of Formation, for the inclusion of the Notes in Iberclear, and once the disbursement of the Notes has been made, for the inclusion of the present Notes issue in AIAF, which is recognised as a secondary securities market of official character by virtue of the Transitory Provision 6 of Law 37/1998, in such a way that trading, compensation and liquidation of the Notes is done in accordance with the operating rules established to that effect or that may be approved in the future by Iberclear and AIAF or any other entity that may substitute them. It is expected that definitive admission of the Notes to AIAF shall take place no later than one month from the Disbursement Date. Under all circumstance this must be carried out before the first payment date of 20 January 2005.

The Fund manager expressly states that it is aware of the requirements and conditions demanded for the admission, permanence and exclusion of the securities in AIAF, according with the current

legislation and the requirements of its directing organisms, and the Fund, through its Fund manager accepts to comply with them.

In the event that, once the indicated term has elapsed, the Notes are not admitted for trading by the AIAF, the Fund Manager will proceed to bring this fact to the immediate attention of the holders of the Notes, as well as the causes that may have provoked the failure, by means of the extraordinary notification procedure provided for in section III.6 of the Prospectus. All this is without prejudice to the eventual contractual liability of the Fund Manager, if any.

## **II.2. Administrative authorisation prior to the issue.**

No administrative authorisation prior to the issue of the Notes is required other than the prior registration of the Prospectus by the CNMV.

The CNMV has not formulated any warning or recommendation as regards the formation of the fund and the issue of the Notes.

Registration of the Prospectus by the CNMV does not imply a recommendation for the subscription of the securities, nor any pronouncement in any sense about the solvency of the issuing entity or the profitability of the issue.

## **II.3. Evaluation of the risk inherent to the Notes**

The Fund Manager and the Assignor have entrusted the rating agencies Moody's and S&P (hereafter, jointly, the "**Rating Agencies**") to evaluate the credit risk of the Notes. These rating agencies are recognised by the CNMV, for the purposes of the provisions of article 2.3.b) Royal Decree 926/1998.

On 22 October 2004, Moody's assigned the provisional ratings to each note series. These ratings are given below and it is expected that the same ratings shall be made final before the commencement of the Note Subscription Period.

<b>Series of notes</b>	<b>Rating by Moody's</b>
Series A	Aaa
Series BG	Aaa
Series BS	Aa1
Series C	Aaa
Series D	Baa3

On 22 October 2004, S & P assigned the provisional ratings to each Note series. These ratings are given below and it is expected that the same ratings shall be made final before the commencement of the Note Subscription Period.

<b>Series of notes</b>	<b>Rating by S &amp; P</b>
Series A	AAA
Series BG	AA
Series BS	AA
Series C	AAA
Series D	

In the event that the rating agencies do not confirm as final the provisional rating granted before the start of the subscription period, such circumstance would be immediately communicated to the CNMV and would be made public in the manner established in section III.6. Also, this circumstance would entail the termination of the Fund formation, of the Notes issue and of the assignment of the Loans.

A copy of the letters of communication of the provisional ratings granted by Moody's and by S & P is enclosed in Annexe 3 of this Prospectus.

**Ratings granted by Moody's.**

The rating scales used by Moody's for long term and short term debt issues are the following:

	Long term		Short term
Investment Degree	Aaa		
	Aa1		➔ Prime-1(P-1)
	Aa2		
	Aa3		
	A1		
	A2		➔ Prime-2(P-2)
	A3		
	Baa1		➔ Prime-3(P-3)
	Baa2		
	Baa3		
Speculative Degree	Ba1		
	Ba2		
	Ba3		
	B1		➔ Not Prime (NP)
	B2		
	B3		
	Caa1		
	Caa2		
	Caa3		
	Ca		
C			

The following is a description of the meaning attributed by Moody's to the ratings for long term and short term used in the present Informative Prospectus.

Long term

**Aaa** Notes rated as “Aaa” are considered as having the best possible quality. They entail the lowest investment risk and are generally denominated as “maximum guarantee”. Payment of the interest is guaranteed by a margin that is either wide or exceptionally stable and the principal is safe.

**Aa** Notes rated “Aa” are considered high quality under all criteria. Together with the Aaa group they make up what is generally referred to as “high grade” notes. Their prompt payment capacity is very strong, but they are rated below the best Notes because their margins of protection are not as great as the Aaa securities, or the variability of the protective elements may be wider or there may exist other elements that make the long-term risk higher than for Aaa securities.

**Baa** Notes rated as “Baa” are considered as “medium degree” Notes. The security regarding the payment of interest and principal is adequate at present but certain protection elements may be missing or may not be very reliable at very long term. This type of Notes lacks outstanding investment attributes and, in fact, they also have speculative characteristics.

Moody’s applies the numeric modifiers 1, 2 and 3 to each long term rating category ranking from Aa to Caa, both inclusive. Modifier 1 indicates values in the higher range of the rating category, modifier 2 indicates medium range and modifier 3 indicates values in the lower range.

Short term

**P-1** Excellent capacity to face the payment of short term obligations.

*Ratings granted by S & P.*

The rating scales used by S & P for long term and short term debt issues are the following:

	Long term	Short term
Investment Degree	AAA	
	AA+	
	AA	
	AA-	
	A+	
	A	
	A-	
	BBB+	
	BBB	
	BBB-	
Speculative Degree	BB+	
	BB	B
	BB-	
	B+	
	B	
	B-	C
	CCC+	
	Customer Account Code	
	CCC-	
	CC	
C	D	
D		

The following is a description of the meaning attributed by S & P to the ratings for long term and short term used in this prospectus.

### **Long term**

**AAA** AAA A debtor rated "AAA" has an extremely strong capacity to satisfy its financial obligations. "AAA" is the highest rating awarded by S&P.

**AA** AA A debtor rated "AA" has a strong capacity to satisfy its financial obligations. A small degree separates these debtors from the maximum rating debtors.

**BB** A debtor rated "BB" has significant speculative characteristics. While they can possess a certain quality and characteristics of protection, these can be exceeded by great uncertainty or serious exposure to adverse conditions.

Ratings between "AA" and "CCC" may be modified by adding (+) or (-) to show their relative position within each one of the main categories.

### **Short term**

**A-1:** A debtor rated "A-1" has a strong capacity to satisfy its financial obligations. This is qualified in the highest category of S&P. Within this category certain debtors are qualified with a plus symbol (+). This means that the debtor has an extremely strong capacity to satisfy its financial obligations.

**A-2:** A debtor rated "A-2" has a strong capacity to satisfy its financial obligations. The degree of security is lower than for "A-1" rated issues.

### ***Considerations about the ratings.***

Moody's ratings for this operation measure anticipated loss before the Statutory Maturity Date of the Fund. The structure allows for prompt payment of interest and payment of the principal throughout the life of the operation, and in any case before the Final Maturity of the Operation.

The S&P rating awarded to the Series of Notes measures the capacity of the Fund to make the payment of interests, promptly on each Payment Date, and the redemption of principal during the life of the operation, and until the Statutory Maturity Date of the Fund.

The rating takes into account the structure of the Notes issue, the legal aspects of the same and those of the issuing Fund, the characteristics of the loans selected for their assignment to the Fund and the regularity and continuity of the flows of the operation.

The ratings by the Rating Agencies do not constitute an evaluation of the probability that the debtors should make advanced principal reimbursements, or with regard to the extent such advanced reimbursements may differ from that originally anticipated. The ratings do not constitute, in any way, an evaluation as to the actuarial performance.

The ratings assigned, as well as any revision or suspension of the same:

- i) are formulated by the Rating Agencies based on the information provided to them, whose accuracy or completeness they do not guarantee, and therefore the Rating Agencies can in no way be held responsible for the same; and,
- ii) they do not constitute and therefore may never be interpreted as an invitation, recommendation or provocation directed to investors so that they proceed to carry out any

operations on the Notes and, in particular, to acquire, keep, encumber or sell said Notes.

The final rating granted can be revised, suspended or retired at any time by the rating agencies, by reason of any information that comes to their knowledge. Such situations, which will not constitute events of Early Liquidation of the Fund, will be immediately brought to the attention of both the CNMV and the holders of the Notes, in accordance with the provisions of section III.6.

In order to carry out the rating and follow up procedure, the rating agencies trust in the exactitude and complete nature of the information provided by Banco Pastor, the Fund Manager, the auditors, the lawyers and other experts.

***Undertakings by the Fund Manager.***

The Fund Manager, in representation of the Fund, undertakes to provide the Rating Agencies with periodical information about the situation of the Fund and the behaviour of the mortgage loans. It shall likewise provide said information whenever reasonably requested to do so and in any case, whenever there is a modification to the conditions of the Fund or to the contracts approved through the Fund Manager or a change to the interested parties.

**II.4. Nature and denomination of the Notes issued**

The total value of the Note issue is eight hundred million (800,000,000) euros, and comprises four (4) Classes of Notes: Class A, made up of Series A, Class B, divided into BG and BS Series, Class C, made up of the C Series, and Class D, made up of the D Series, in accordance with the breakdown shown in section II.6.

	No. Notes	Face Value	Moody's/S & P	Warrantee
<b>Series A</b>	5,300	530,000,000	Aaa/AAA	No
<b>Series BG</b>	1,646	164,600,000	Aaa/AA	Yes
<b>Series BS</b>	420	42,000,000	Aa1/AA	No
<b>Series C</b>	404	40,400,000	Aaa/AAA	Yes
<b>Series D</b>	230	23,000,000	Baa3	No
<b>Total</b>	<b>8,000</b>	<b>800,000,000</b>		

Notes of the BG & BS Series rank behind the Notes of the A Series for the reimbursement of principal and interest in accordance with the provisions of the Payment Priority Order established in section V.4. of the present Prospectus.

Notes of the C Series rank behind the Notes of the A, BG and BS Series for the reimbursement of principal and interest in accordance with the provisions of the Payment Priority Order established in section V.4. of the present Prospectus.

The Notes of the D series rank behind the remaining Series for the reimbursement of principal and interest.

The subscription or possession of Notes of one of the Series does not imply subscription or possession of Notes of other Series.

The Notes have the juridical nature of negotiable fixed-income securities with explicit return, being subject therefore, to the regime established by the Securities Market Law and applicable regulations.

As provided for in section II.5 of this chapter, the Notes shall be represented by book entries. Holders of the Notes shall be identified as such according to the accounting registry kept by Iberclear. The corresponding participating entity shall be entitled to issue the legitimacy certificates upon request of the holders of the Notes and at their cost. For these purposes, the provisions set forth in the Securities Market Act shall apply, as shall those set forth in the fourth section of chapter I, heading I, of Royal Decree 116/1992, dated 14 February, governing representation of securities through book entries and compensation and settlement of stock market operations ("**Royal Decree 116/1992**")

The Notes may be freely transferred through any manner lawfully permitted and in accordance with the norms of the market where they are quoted. Title over each Note will be transmitted by accounting transfer. Inscription of the transfer in favour of the purchaser in the accounting registry will have the same effects as the handing over of the titles, and, as from the moment of the transmission onwards, will be exceptionable against third parties. In this sense, the third party purchaser of the Notes represented through book entries in the name of a person that, according to the records of the accounting registry, is entitled to transfer them, will not be subject to replevy, except in the case where such third party may have acted in bad faith or committed a serious infringement in accordance with article 12 of Royal Decree 116/1992.

For the purposes of covering the temporary lags between the calendar of flows of principal and interest of the Loans and the calendar of the Notes of each Series, the Fund Manager, in representation and on behalf of the Fund, shall sign; (i) a Deposit Account at Guaranteed Fixed-Rate Contract (Treasury Account) with Caixa d'Estalvis i Pensions de Barcelona through which it shall invest, among others, the amounts received through the Fund which come from the Amortisation Account; (ii) a Deposit Account at Guaranteed Fixed-Rate Contract (Amortisation Accounts) with Banco Pastor through which the amount collected by the Administrator, with regard to the Loans it administers during the previous calendar month, shall be paid by the Administrator every month on each Payment Date, as well as the amount of the Reserve Fund, and (iii) a Deposit Account Contract (Treasury Surplus Account) in the cases considered in section V.3.5.2 of this Prospectus.

#### **II.4.1. Different periodicity between the flow of income and payments of the Fund.**

The financial service of the Note is performed with the flow of income of the Loans integrated into the Fund. The Fund receives its income monthly (with the value date being the day upon which said income is received) paid into the Amortisation Account and every quarter the income is transferred to the Treasury Account as set forth in section V.3.5 of this Prospectus. The Fund has global protection that covers, up to a limit, the risk of insufficiency of the fund's resources. Said protection has been taken into account by the Ratings Agencies in assigning the ratings referred to in section II.3 of this Prospectus and which refer to the Note issue.

#### **II.4.2. Payment priority.**

With regard to the payment of interest and principal of the Notes, the holders of the Notes are subject to the Payment Priority Order of the Fund described in section V.4 of this Prospectus, (hereinafter, "**Payment Priority Order**").

#### **II.4.3. Other considerations about the risk.**

##### **II.4.3.1. Risk of non-payment of the Loans.**

The holders of the Notes issued against the Fund shall incur the risk of non-payment of the Loans pooled into same. The Deed of Formation of Fund includes some undertakings that act as protection and the way they work is explained in section V.3 of this Prospectus.

Pursuant to article 348 of the Code of Commerce, the Assignor is exclusively answerable to the fund for the existence and legitimacy of the Loans under the terms and conditions declared in the Deed of Formation of the Fund, as well as personality with which it effects the assignment but does not assume any liability whatsoever for non-payment by the Debtors. The Assignor shall assume no responsibility for guaranteeing the outcome of the operation directly or indirectly nor extend guarantees or securities in any other manner.

#### **II.4.3.2. Risk of early amortisation of the Loans.**

The Loans pooled into the Fund are susceptible to early amortisation when the debtors redeem the part of the capital pending amortisation of said right.

The risk that is supposed by said early amortisation will be passed, in certain circumstances, quarterly, on each Payment Date, to the holders of the Notes, in accordance with the provisions set forth in section II.11. of this prospectus.

#### **II.4.3.3. Other considerations**

**Limited protection:** Investment in the Notes may be affected by, among other things, a deterioration of the general economic conditions that has a negative effect on the payments of Loans that support the issue of the Fund. Should defaults reach high levels, the limited protection against losses of the mortgage loans portfolio, which the Notes have as a result of the existence of improved credit operations described in section V.3 of this prospectus, could be reduced or even removed. Notwithstanding the foregoing considerations, the holders of the BG Series and the C Series have their risk mitigated by the existence of the State Warrantee and the EIF Warrantee, respectively.

**Limited Liability:** The Notes issued by the Fund do not represent or constitute any obligation for the Fund Manager or the Assignor. The flow of resources used to meet the obligations that the Notes give rise to is secured or guaranteed only in the specific circumstances and up to the limits set forth in this Prospectus. With the exception of these guarantees, there are no others granted by any private or public entities, including the Assignor, the Fund Manager, or any company affiliated with or held by any of the foregoing. The Loans pooled into the Fund and the rights that these bring with them constitute the only source of revenue of the Fund and, therefore, of payments to the holders of its liabilities.

**Limited Liquidity:** There is no guarantee of any minimum trading frequency or volume for the Notes in the market. Also, in no case will the Fund be entitled to buy-back the Notes from the holders thereof, although they may be redeemed in full in the event of early liquidation of the Fund in the cases and according to the terms established in section II.9 of this Prospectus.

**Yield:** The early amortisation fee of the Loans may be influenced by a variety of geographic, economic and social factors such as the seasonal variation, the market interest rates, the sectorial distribution of the portfolio and in general, the level of economic activity. Calculation of the internal rate of return, the average life and the duration of the notes is subject to the hypothesis of early amortisation rates that may not occur.

**Default interest:** In no case shall the existence of delays in the payment of interest or the reimbursement of the principal to the holders of the Notes give rise to the accrual of default interest in their favour.



## **II.5. Form of representation, denomination and domicile of the entity in charge of the accounting registry.**

The Notes that are issued against the Fund shall be represented exclusively by account entries and shall be constituted as such by virtue of their registration in Iberclear as the entity responsible for their accounting entry pursuant to article 11 of Royal Decree 116/1992. The Deed of Formation shall have the desired effects as set forth in article 6 of the Securities Market Act.

Iberclear shall be the designated entity in charge of the accounting registry of the Notes in the Deed of Formation so that compensation and settlement of Notes is done in accordance with the operating rules that, with regard to securities admitted to trading in AIAF and represented by book entries, are established or may be approved in the future by Iberclear or any other entity that may substitute it. Such designation will be registered in the official registries of the CNMV.

The holders of the Notes will be identified as such as a result of the accounting registry kept by the entities participating in Iberclear.

Iberclear has its registered office in Madrid, calle Pedro Texeira, 8.

## **II.6. Value of the issue, nominal in euros, number of Notes and value of each one of them.**

The total value of the Securitisation Notes issue ("**Total value of the Note Issue**") shall be eight hundred million (800,000,000) euros represented through account entries. The notes shall be issued in four Classes.

- a) Class A, made up of 5,300 Series A Notes, with a face value of 100,000 euros for a total of 530,000,000 euros.
- b) Class B, made up of two Note Series:
  - 1,646 BG Notes, with a face value of 100,000 euros each for a total of 164,600,000 euros.
  - 420 BS Notes, with a face value of 100,000 euros each for a total of 42,000,000 euros.
- c) Class C, made up of 404 Series C Notes with a face value of 100,000 euros each for a total of 40,400,000 euros.
- d) Class D, made up of 230 Series D Notes with a face value of 100,000 euros each for a total of 23,000,000 euros.

Ownership or subscription of one of the Classes or Series does not imply ownership or subscription of Notes of the other Classes or Series.

## **II.7. Face and effective value of each security.**

The issue price of each Note shall be one hundred thousand (100,000) euros, i.e. 100% of their face value.

The redemption price of each Note shall be one hundred thousand (100.000) euros, equivalent to their face value.

The Notes of all the Series are denominated in euros. The taxes and expenses inherent to the note issue shall be borne by the fund.

**II.8. Commissions and related expenses of all kinds that must be borne by the investors upon subscription of the securities issued against the Fund.**

The issue price of the Notes previously indicated shall be free of taxes and subscription expenses for the subscriber. The investor shall not be liable for any Note subscription expenses from the Fund as issuer of the Notes.

**II.9. Commissions payable by holders of the Notes.**

The expenses of inclusion and exclusion of the Note Issue in the accounting registry of Iberclear, shall be borne by the Fund, and shall not be passed on to the holders of the Notes. Iberclear has no fees established with regard to maintenance of balances.

However, the entities participating in Iberclear may establish, in accordance with current legislation, the commissions and expenses chargeable to the holder of the Notes for the administration of securities, which they may freely determine, providing they notify the Bank of Spain (Banco de España) and/or the CNMV as supervisory body.

**II.10. Interest clause.**

**II.10.1. Nominal Interest Rate**

All Series of the Notes will accrue a yearly nominal interest rate, varying quarterly and payable each quarter, that will be the rate resulting from the application of the criteria established below.

Said resulting annual interest rate (hereinafter the “**Nominal Interest Rate**”) will be paid quarterly on each Payment Date, on the Outstanding Balance of the Principal of the Notes of each Series on the previous Determination Date, provided that the Fund has sufficient liquidity in accordance with the Payment Priority Order laid down in section V.4. of this Prospectus.

Tax retentions, payments on account and current taxes or those that may be established in the future on the principal, the interest or the return of the Notes, will be borne exclusively by the holders of the Notes and the amount thereof will be deducted, if applicable, by the Fund Manager, in the name and for the account of the Fund, in the legally established manner.

**a) Interest accrual**

The duration of the present issue will be divided in successive periods of time (jointly as “**Interest Accrual Periods**”, and individually as “Interest Accrual Period”) comprising the effective dates elapsed between each Payment Date, including in each Interest Accrual Period the initial Payment Date and excluding the final Payment Date.

In exceptional cases, the first Interest Accrual Period shall have a duration that differs from a quarter, and shall be equivalent to the duration between the Redemption Date, i.e. 4 November 2004 (included) and the first Payment Date, i.e., 20 January 2005 (excluded) and shall be based on a 360-day year.

**b) Nominal Interest Rate**

The Nominal Rate of Interest set for each Interest Accrual Period shall result from the adding together of:

- (i) The Euribor reference rate of interest at three (3) months or, if necessary, its replacement

described in section c) that follows, and

(i) the following margins for each of the Series:

- of between 0.10% and 0.14% for the Notes of Series A
- of between 0.00% and 0.02% for the Notes of Series BG
- of between 0.20% and 0.33% for the Notes of Series BS
- of between 0.08% and 0.13% for the Notes of Series C
- of between 1.25% and 2.00% for the Notes of Series D

The margin applicable to the Notes of each one of the Series shall be made public before the Redemption Date through an announcement as set forth in section III.6.3 of this Prospectus

The resulting Nominal Interest Rate will be expressed to four (4) decimal positions.

**c) Setting of the Euribor reference rate of interest**

(i) The reference rate of interest for the setting of the interest rate applicable to the Notes shall be the Euribor rate, "Euro InterBank Offered Rate", calculated and distributed by the financial information system BRIDGE under the instructions of FBE ("Federation Bancaire de l'Union Européenne") at three (3), months of maturity, set at 11:00 hours in the morning (CET) of the interest rate fixing date, described below, currently published in the electronic pages EURIBOR01, supplied by Reuters and 248, supplied by Dow Jones Markets (Bridge Telerate) or any other page that may substitute them in these services.

The Euribor rate is currently the offered rate for inter bank term deposits denominated in euro calculated as the daily average of the quotations provided by a panel of 57 banks, among the most active in the euro zone. The rate is quoted based on the calculation of the calendar days to maturity and a 360-day year and is fixed at 11:00 hours in the morning (CET), being expressed to three (3) decimal positions.

For these purposes, CET ("Central European Time") shall be understood to be the Central European Time that corresponds to the official time zone of the city of Brussels.

(ii) Should it not be possible to obtain the rate set forth in the foregoing section (i), the rate of reference interest that replaces same shall be the rate that is reached by carrying out the average simple arithmetic of the interbank offer rates of interest for non-transferable deposit operations, in euros, at three months maturity on the Interest Rate Setting Date, which the banks indicated below declare (hereinafter, the "Reference Entities"), following simultaneous request by the Fund Manager, through the Paying Agent, to each one of them.

The Reference Entities shall be:

- Banco Bilbao Vizcaya Argentaria, S.A.
- Banco Santander Central Hispano, S.A.
- Confederación Española de Cajas de Ahorros
- Deutsche Bank, S. A .E.

The stock market of reference shall be Madrid.

In the event that the substitute Reference Interest Rate above cannot be applied, by reason of any of the said Reference Entities not supplying quotation declarations, the interest rate resulting from calculating the simple arithmetic average of the rates

declared by at least two of the remaining Reference Entities will be applied.

- (iii) In the absence or impossibility of obtaining the rates established in sections (i) and (ii) above, the last reference interest rate applied for the last Interest Accrual Period will be applied, and so on for successive Interest Accrual Periods for as long as said situation continues.

The Fund Manager shall keep the list of the EURIBOR01 screen content of Reuters and 248 of Telerate or, if appropriate, of the quotation declarations of the Reference Entities, as supporting documents of the reference rate of interest set.

**d) Interest Rate Fixing Date**

The Nominal Interest Rate applicable to the Notes of all Series for each Interest Accrual Period will be determined by the Management Company, in representation and for the account of the Fund, at 11:00 hours (CET) of the second (2nd) Business Day prior to each Payment Date according to the TARGET (“Trans European Automated Real-Time Gross Settlement Express Transfer System”) calendar, except for those days that, being business days in accordance with the TARGET calendar, were not Business Days according to the definition indicated below, in which case shall be the next Business Day (hereinafter “Interest Rate Fixing Date”) and will apply for the next Interest Accrual Period.

For the purposes of the Notes issue, and for the whole duration thereof, it will be deemed to be “Business Days” all those that are not:

- Saturday;
- Sunday;
- non-working days in the TARGET calendar;

For the purposes of the Determination Date, the days previously mentioned and public holidays in Barcelona are not considered “Business Days”.

The Nominal Interest Rate of the Notes of all Series for the first Interest Accrual Period will be determined in the manner provided for in section c) above, based on the Reference Interest Rate indicated in said section that exists at 11:00 hours (CET) of the second (2nd) Business Day prior to the Disbursement Date and shall be made public before the Disbursement Date by means of the announcement as provided for in section III.6.3 of the Prospectus.

The Nominal Interest Rates determined for each Series of Notes for the successive Interest Accrual Periods will be communicated to the holders of the Notes in the time and manner provided for in section III.6.3.

**e) Informative table on the evolution of the reference interest rate to be used**

For merely illustrative purposes, data are given hereunder on the Euribor rates at three (3) months on the dates shown, set in accordance with the provisions established in section b) above, used to calculate the Nominal Rate of Interest for the first Interest Accrual Period (source: Bloomberg).

Fixing Date	Euribor at three months:
10/04/2001	4.554%
12/07/2001	4.487%
10/10/2001	3.624%
11/01/2002	3.345%
11/04/2002	3.414%
11/07/2002	3.414%
11/10/2002	3.259%
13/01/2003	2.829%
11/04/2003	2.522%
11/07/2003	2.129%
10/10/2003	2.135%
10/01/2004	2.100%
13/04/2004	2.036%
12/07/2004	2.127%
13/10/2004	2.148%

**II.10.2. Simple referral to the order number that the payments of interest of the securities issued against the Fund have on the priority payment rules of the Fund, and precise indication of the section and pages of this Prospectus where the priority rules established on the payments of the Fund are described, and specifically those affecting the payments of interest of the said securities**

The payment of interest accrued by the Series A Notes occupies ranking (iii) in the Payment Priority Order set forth in section V.4 of the Prospectus or, if appropriate, ranking (iii) in the Settlement Payment Priority Order set forth in section III.9 of this Prospectus.

Payment of interest accrued by the Notes of the BG and BS Series occupy (iv) and (v) place in the Payment Priority Order set forth in section V.4 of this Prospectus, unless the situation provided for therein for the down ranking of said series arises, in which case they shall occupy (xi) and (xii) place in the Payment Priority Order. In the event of Early Liquidation of the Fund, payment of the interest accrued by the Series BG and BS Notes occupies ranking (vi) of the Liquidation Payment Priority Order set forth in section III.9 of this Prospectus.

Payment of interest accrued by the Notes of the C Series occupies (vi) place in the Payment Priority Order set forth in section V.4 of this Prospectus, unless the situation provided for therein for the down ranking of said series arises, in which case it shall occupy (xv) place in the Payment Priority Order. In the event of Early Liquidation of the Fund, payment of the interest accrued by the Series C Notes occupies ranking (ix) of the Liquidation Payment Priority Order set forth in section III.9 of this Prospectus.

Payment of interest accrued by the Notes of the D Series occupies (ix) place in the Payment Priority Order set forth in section V.4 of this Prospectus, unless the situation provided for therein for the down ranking of said series arises, in which case it shall occupy (xx) place in the Payment Priority Order. In the event of Early Liquidation of the Fund, payment of the interest accrued by the Series D Notes occupies ranking (xii) of the Liquidation Payment Priority Order set forth in section III.9 of this Prospectus.

### II.10.3. Dates, place, entities and procedure for the payment of the interest

The interest of the Notes of all Series will be paid, for completed quarters, on dates January 20, April 20, July 20 and October 20, of each year, until the full redemption thereof (each of these dates being a “Date of Payment”) according to the conditions fixed in section II.10.1. of the present Prospectus.

On the Determination date, five business days prior to the Payment Date, the Fund Manager shall notify the holders of the Notes of the amount to be paid as principal and interest on the corresponding Payment Date.

In the event that any of the dates established in the above paragraph is not a Business Day, the Business Day immediately following shall be the Payment Date, the interest corresponding to the concerned Interest Accrual Period described in section II.10.1 a) of this Prospectus until said first Business Day, not inclusive.

Should a Payment Date coincide with a non-business day and it becomes necessary to make payment on the Business Day that immediately follows, the following Interest Accrual Period shall go from the day on which the corresponding payment is made (included) up to the following Payment Date (i.e. 20 January, 20 April, 20 July and 20 October), not inclusive. In this way, the fact that a Payment Date coincide with a non-business day shall not cause an alteration to the anticipated Payment Date calendar.

The first interest Payment Date for the Notes of all Series will be March 20, 2005, the interest being accrued at the corresponding Nominal Interest Rate from the Disbursement Date, inclusive, up to January 20, 2005, not inclusive.

The calculation of the interest settlement that must be paid on each Payment Date for each Interest Accrual Period shall be carried out in accordance with the following formula:

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

#### Whereby:

- I = Interest to be paid on a given Payment Date.
- P = Outstanding Balance of Principal of the Notes on the Determination Date corresponding to said Payment Date.
- R = Nominal Rate of Interest expressed as an annual percentage.
- d = Effective number of days corresponding to each Interest Accrual Period.

Both the interest payable to the holders of the Notes of each Series, calculated as set forth previously, and the amount of the interest accrued and not paid, will be communicated to them in the manner described in section III.6.3 of the present Prospectus at least one (1) Business Day before each Payment Date.

The payment of the interest accrued by the Notes will take place on each Payment Date provided that the Fund has sufficient liquidity, in accordance with the Payment Priority Order set forth in section V.4. of this Prospectus.

Should total or partial payment of the interest accrued by the Notes of any of the Series, in accordance with the Payment Priority Order set forth in section V.4. of this prospectus not be possible, the amounts that the holders of the Notes have not received (without taking into account the amounts available from the State Warrantee and the EIF guarantee to cover the payment of the interest of the Notes of the secured Series) shall be paid on the following Payment Date. The delayed interest amounts shall not accrue any interest whatsoever in favour of the holders of the Notes.

The Fund, through its Fund Manager, shall not be entitled to defer the interest payments of the Notes after 31 October 2037, the Statutory Maturity Date of the Notes or, should it not be a Business Day, the following Business Day.

The financial service of the Note issue shall be carried out through Caixa d'Estalvis i Pensions de Barcelona (hereinafter, with regard to this service, the "**Payment Agent**"), which shall sign the Payment Agency Contract with the Fund Manager, in representation and for the account of the Fund.

## **II.11. Amortisation of the Notes.**

### **II.11.1. Redemption price:**

The amortisation price shall be one hundred thousand (100,000) euros per note, equivalent to their face value, free of expenses and taxes for the holder of the note, payable progressively on each Payment Date of principal, as set forth in the sections below.

Each and every one of the Notes of a particular series shall be amortised in equal measure by means of the reduction of the face value of each of them.

### **II.11.2. Common features of the Maturity and Amortisation of the Notes of all Classes**

The maturity of the Notes shall occur on the date on which they are completely amortised or on the Legal Maturity Date.

The amortisation of the Notes shall take place on each Payment Date; i.e. 20 January, 20 April, 20 July and 20 October of each year (or, if these are not Business Days, the following Business Day), in accordance with the provisions set forth herein.

The amortisation of each one of the Classes of Notes shall be carried out in the following sequential manner: the amortisation of the Class A shall commence on the first Payment Date in accordance with the provisions set forth further on; the amortisation of the Class B shall commence once the complete amortisation of the Class A has taken place; the amortisation of the Class C shall commence once the complete amortisation of the Class B has taken place; and the amortisation of the Class D shall commence once the complete amortisation of the Class C has taken place.

The amortisation of the Notes shall be carried out in accordance with the provisions set forth in this section.

The "**Amount Accrued for Amortisation**" is equal to the positive difference between the Awaiting Payment Balance of Principal of the Notes and the Outstanding Balance of the Assets.

The Outstanding Balance of the Notes ("**Outstanding balance of the Notes**") is the amount of principal of the Notes at any given time and the Outstanding Balance of the Assets ("**Outstanding Balance of the Assets**") the sum of the Amount of the Assets awaiting maturity and of the maturity and of the Amount of the Assets matured and not collected, without including Defaulted Amounts. Defaulted Amounts refers to unpaid amounts of principal, viz. amounts due but not paid upon maturity, including the principal awaiting maturity, of those assets that satisfy one of the following conditions:

- (i) The corresponding Assigned Debtor has been declared insolvent
- (ii) The Fund Manager considers, according to the information provided by the Administrator, that there are no reasonable expectations of recovering same; or, in any event, when
- (iii) Non-payment lasts for an uninterrupted period of eighteen (18) months.

Should a positive difference exist on a Payment Date between (i) the positive difference between the Outstanding Principal Balance of the Note Issue and the Outstanding Balance of the Loans at the Determination Date before the Payment Date in question and (ii) the effective amount applied in the distribution of the Available Funds according to the Payment Priority Order, depending on the liquidity of the Fund on the said Payment Date, a Fund Amortisation Deficit would result.

If on a payment date, and in spite of the mechanisms in place for the protection of Noteholders' rights, the Available Funds of the Fund were insufficient for the purposes of meeting the Fund's obligations in accordance with the provisions set forth in section V.4 (Amortisation Deficit), the amount available for the payment of interests or principal shall be distributed in accordance with the Payment Priority Order set forth in said section and in the event that the amount available was only sufficient to meet partial obligations of the fund, again in accordance with the Payment Priority Order, the available amount shall be distributed proportionally among the Notes affected, proportionally to the Outstanding Balance of Principal of same, and the amounts that the holders of the Notes had not received shall be paid on the following Payment Date possible, without accruing additional interest. All of the foregoing is without prejudice to the Warrantees extended by the State and the EIF to cover the insufficiencies in the payment of principal and interests of the BG and C Notes, respectively, in accordance with the provisions set forth in section V.3.7 of this Prospectus.

The outstanding payments to holders of the Notes shall be settled on the following Payment Date (if there are Available Funds) immediately prior to the payments to the holders of the Notes of the same Series corresponding to said period. The payment priority is set forth in section V.4 of this Issue Prospectus.

The last regular amortisation date of the Loans pooled into the secured portfolio is 31 October 2033.

### **II.11.3. Specific characteristics for the Amortisation of each of the Classes or Series of the Notes**

#### **II.11.3.1. Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the Series A**

The Accrued Amount of Principal for the Amortisation of the Notes of the Series A will be the lesser of the following amounts: (a) the Accrued Amount for Amortisation or (b) the Outstanding Balance of Principal of the Notes of Series A.

The Payment of the Accrued Amount of Principal for Amortisation of the Series A Notes shall be carried out on each Payment Date, pro rata between the Notes of this Series, through the reduction of the nominal amount, until said nominal amount is completed for an amount equal to 100%.

#### **II.11.3.2. Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the BG and BS Series.**

The Accrued Amount of Principal for the Amortisation of the Notes of the Series BG and BS (pro rate between both) will be the lesser of the following amounts: (a) the Amount Accrued for Amortisation less the Accrued Amount of Principal for Amortisation of the Notes of the Series A less the Accrued Amount of Principal for Amortisation of the Notes of the BS Series Due and Unpaid on previous Payment Dates or (b) the Outstanding Balance of Principal of the Notes of the BG and BS Series. The "Accrued Amount of Principal for Amortisation of the Notes of the BS Series Due and Unpaid on previous Payment Dates" shall be equal to the Accrued Amount of Principal of the Notes of the BS Series that cannot be paid on the previous Payment Date in accordance with the distribution rules of the Available Funds.



The Payment of the Accrued Amount of Principal for Amortisation of the Notes of the BG and BS Series shall not commence until the Series A Notes have been totally amortised.

The Payment of the Accrued Amount of Principal for Amortisation of the Series BG and BS Notes shall be carried out on each Payment Date, pro rata between the Notes of this Class, through the reduction of the nominal amount, until said nominal amount is completed for an amount equal to 100%.

#### **II.11.3.3. Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the C Series.**

The Accrued Amount of Principal for the Amortisation of the Notes of the Series C will be the lesser of the following amounts: (a) the Accrued Amount for Amortisation less the sum of: (i) the Accrued Amount of principal for Amortisation of the Series A Notes, (ii) the Accrued Amount of Principal for Amortisation of the BS and BG Series Notes, and (iii) the Accrued Amount of Principal for Amortisation of the BS Series Notes due and unpaid on previous Payment Dates or (b) the Outstanding Balance of Principal of the Series C Notes.

Payment of the Accrued Amount of Principal for Amortisation of the Notes of the Series C shall not commence until the Notes of the Series B have been totally amortised.

The Payment of the Accrued Amount of Principal for Amortisation of the Series C Notes shall be carried out on each Payment Date, pro rata between the Notes of this Series, through the reduction of the nominal amount, until said nominal amount is completed for an amount equal to 100%.

The Fund, if requested to do so by the EIF, and following written notification to the Fund Manager at least thirty (30) days beforehand, shall be obliged to proceed to the early amortisation, on a Payment Date, of the totality of the Series C, in the following cases:

- (i) The EIF has paid an amount to the Fund in execution of the Guarantee on any Payment date prior to the Payment Date on which the early amortisation of the Notes of the Series C takes place.
- (ii) Upon verification of any Early Liquidation of the Fund, with or without the Fund Manager exercising its power to proceed to the early liquidation of the Fund and with this the early amortisation of the totality of the Note issue in accordance with section III.9.
- (iii) If the Fund Manager, as Representative of the Holders of the Notes of the Series C, has not executed the EIF Guarantee within the three months following the date on which the obligations of the EIF have accrued under the protection of the Guarantee.

In the event of early amortisation of the totality of the Series C Notes, described previously, the EIF must pay the holders of the Series C Notes, the total of the Outstanding Balance of Principal plus interest matured and not paid of the Series C Notes.

#### **II.11.3.4. Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the D Series.**

The Accrued Amount of Principal for the Amortisation of the Notes of the Series D will be the lesser of the following amounts: (a) the Accrued Amount for Amortisation less the sum of: (i) the Accrued Amount of Principal for Amortisation of the Series A Notes, (ii) the Accrued Amount of Principal for

Amortisation of the BS and BG Series Notes, and (iii) the Accrued Amount of Principal for Amortisation of the BS Series Notes due and unpaid on previous Payment Dates and (iv) the Accrued Amount of Principal for Amortisation of the Series C Notes or (b) the Outstanding Balance of Principal of the Series D Notes.

Payment of the Accrued Amount of Principal for Amortisation of the Notes of the Series D shall not commence until the Notes of the Series B have been totally amortised.

The Payment of the Accrued Amount of Principal for Amortisation of the Series D Notes shall be carried out on each Payment Date, pro rata between the Notes of this Series, through the reduction of the nominal amount, until said nominal amount is completed for an amount equal to 100%.

The Fund Manager shall notify the holders of the Notes, in the manner provided for in section III.6.3 of this Prospectus, of the amount of the amortisation that is in their favour and the Outstanding Balance of Principal of the Notes of each one of the Series.

#### **II.11.3.5. Early Amortisation of the Note Issue.**

Notwithstanding the obligation of the Fund, through its Fund Manager, to proceed to the final redemption of the Notes on the Statutory Maturity Date or of the amortisation of each Series prior that date, the Management Company, with prior notification to the CNMV, shall be entitled to proceed to the Advanced Liquidation of the Fund and with that to the advanced redemption of the Notes and the extinction of the Fund, in the Events of Advanced Liquidation detailed in section III.9 of the present Prospectus. The EIF is likewise empowered to demand that the Fund Manager proceeds to the early amortisation, on a Payment Date, of the totality of the Series C Notes in the circumstances detailed in section II.15.2.2 of this Prospectus.

#### **II.11.3.6. Statutory Maturity Date**

The Statutory Maturity Date and, consequently, the definitive amortisation of the Notes, is 31 October 2037, or should this not be a Business Day, the following Business Day, without prejudice to the Fund Manager, acting in representation and for the account of the Fund, and in accordance with the provisions of sections II.11.3.1 and following of this Prospectus, proceeding to redeem the Issue of Notes prior to the Statutory Maturity Date.

### **II.12. Financial Service of the Fund**

The Financial Service of the Note issue will be conducted through la Caixa d'Estalvis I Pensions de Barcelona, entity designated as Paying Agent in accordance with The Paying Agency Contract signed by la Caixa d'Estalvis I Pensions de Barcelona, and for the account of the Fund, by the Fund Manager, by virtue of which all payments to be made by the Fund to the holders of the Notes will be made through the Paying Agent. Payment of both interest and principal shall be notified to the holders of the Notes in the cases and with the respective periods of notice set forth in section III.6.3 of this Prospectus.

#### **a) Practical case for the fixing of the Nominal Interest Rate**

In compliance with the provisions set forth in section II.10.1 of this Prospectus and in order to facilitate the comprehension by the subscriber of the system for the fixing of the Nominal Interest Rate and of the amount of the interest payable for each Note on each Payment Date, the following reflects the calculation manner of the same. The calculation has been made taking, as an example, the following values: (i) a Euribor rate for three months of 2.148% (which coincides with the Euribor rate for three months fixed and published on 13 October 2004), (ii) the margin applicable to the Notes in

accordance with section II.10.1 b) of this Prospectus (i.e., 0.14%, 0.02%,0.33%,0.13% and 2.00% respectively) and (iii) an Interest Accrual Period of 90 days.

(i) Interest payable to each Note of the Series A

- Euribor for 3 months rate: 2.148%
- Margin: 0.14%
- Amount of interest per Note:

Period of interest per Note: 90 days

Outstanding Balance of Principal of the Note: 100,000 euros

Calculation of the interest accrued per Note:

$$100,000 \times (2.288/100) \times (90/360) = 572.00 \text{ euros}$$

The amount of the interest payable for each Note of the Series A would be 572.00 euros over an Outstanding Balance of Principal of the Note of 100,000 euros.

(ii) Interest payable to each Note of the Series BG

- Euribor for 3 months rate: 2.148%
- Margin; 0.02%
- Amount of interest per Note:

Period of interest per Note: 90 days

Outstanding Balance of Principal of the Note: 100,000 euros

Calculation of the interest accrued per Note:

$$100,000 \times (2.168/100) \times (90/360) = 542.00 \text{ euros}$$

The amount of the interest payable for each Note of the Series BG would be 542.00 euros over an Outstanding Balance of Principal of the Note of 100,000 euros.

(iii) Interest payable to each Note of the Series BS

- Euribor for 3 months rate: 2.148%
- Margin: 0.33%
- Amount of interest per Note:

Period of interest per Note: 90 days

Outstanding Balance of Principal of the Note: 100,000 euros

Calculation of the interest accrued per Note:

$$100,000 \times (2.478/100) \times (90/360) = 619.50 \text{ euros}$$

The amount of the interest payable for each Note of the Series BS would be 619.50 euros over an Outstanding Balance of Principal of the Note of 100,000 euros.

(iv) Interest payable to each Note of the Series C

- Euribor for 3 months rate: 2.148%
- Margin: 0.13%
- Amount of interest per Note:

Period of interest per Note: 90 days

Outstanding Balance of Principal of the Note: 100,000 euros

Calculation of the interest accrued per Note:

$$100,000 \times (2.278/100) \times (90/360) = 569.50 \text{ euros}$$

The amount of the interest payable per each Note of the Series C would be 569.50 euros over an Outstanding Balance of Principal of the Note of 100,000 euro.

(iv) Interest payable to each Note of the Series D

- Euribor for 3 months rate: 2.148%
- Margin: 2.00%
- Amount of interest per Note:

Period of interest per Note: 90 days

Outstanding Balance of Principal of the Note: 100,000 euros

Calculation of the interest accrued per Note:

$$100,000 \times (4.148/100) \times (90/360) = 1,037.00 \text{ euros}$$

The amount of the interest payable per each Note of the Series C would be 1,037.00 euros over an Outstanding Balance of Principal of the Note of 100,000 euro.

**b) Financial service of the loan capital tables**

The main characteristic of the asset securitisation Notes lies in their periodic amortisation, through which their average life and duration depend fundamentally of the speed with which the Assigned Creditors decide to amortise their respective Loans.

The early amortizations that the Assigned Debtors may make, subject to continuous changes and estimated in the Prospectus by using the effective annual constant rate for early amortisation or future prepayment, will directly affect the amortisation speed of the Loans and the average life and duration of the Notes.

There are other variables affecting the average life and duration of the Notes. These variables and their hypothetical values assumed in all the tables included in this section, are:

- (i) that the early amortisation rate of the Assets remains constant within the scenarios of 0%, 2.5%, and 5%, range which the Fund Manager, in the name of the Fund, has estimated to cover the maximum and minimum probable prepayment limits;
- (ii) that no Assigned Debtor will default during the life of the Fund in its payment obligations under its corresponding Loan.
- (iii) that the Fund Manager exercises its early amortisation option established in section II.11.3.5.
- (iv) that the Disbursement Date falls on 4 November 2004 and that the Payment Dates fall on the January 20, April 20, July 20, and October 20 of each year (assuming that all of them are Business Days).

The actual adjusted duration of the Notes will also depend on their variable interest rate, and in all the tables included in this section they are assumed to remain constant at 0.14% for Notes of the Series A, at 0.02% for the Notes of the Series BG, at 0.33% for the Notes of the Series BS, at 0.13% for the Notes of the Series C, and 2.00% for the Notes of the Series D (rates calculated based on Euribor at three (3) months published on 13 October 2004: 2.148% plus a margin).

Assuming the foregoing values and hypothesis, the average life, duration and maturity of the Notes in each contemplated prepayment rate scenario would be the following:

	Annual Constant Prepayment Rate		
	0%	2,5%	5%
<b>Series A</b>			
Duration	1,795	1,598	1,456
Average Life	1,895	1,649	1,498
Maturity	20/01/2009	20/07/2008	20/01/2008
Gross I.I.R.	2.340%	2.340%	2.340%
<b>Series BG</b>			
Duration	6,068	4,935	4,252
Average Life	6,582	5,270	4,499
Maturity	20/04/2014	20/01/2012	20/01/2011
Gross I.I.R.	2.216%	2.216%	2.216%
<b>Series BS</b>			
Duration	5,988	4,881	4,210
Average Life	6,582	5,270	4,499
Maturity	20/04/2014	20/01/2012	20/01/2011
Gross I.I.R.	2.536%	2.536%	2.536%
<b>Series C</b>			
Duration	8,472	6,633	5,784
Average Life	9,504	7,255	6,255
Maturity	20/04/2014	20/01/2012	20/01/2011
Gross I.I.R.	2.330%	2.330%	2.330%
<b>Series D</b>			
Duration	7,670	6,119	5,381
Average Life	9,504	7,255	6,255
Maturity	20/04/2014	20/01/2012	20/01/2011
Gross I.I.R.	4.272%	4.272%	4.272%

In the above table,

- “Maturity”** indicates the date on which the final maturity of the issue would occur in each of the prepayment scenarios considered; and
- “Years”** indicates the period of time, expressed in periods of 365 days, that elapses between the Date of Disbursement until the Maturity of the Notes.
- “Average life of the Notes”** indicates the average time for the repayment of the principal of the same in full, calculated in accordance with the following formula:

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

Whereby:

V = Average life of the issued Notes expressed in years.

P = Principal of the Notes to be amortised on each Payment Date.

d = Number of days elapsed between the Disbursement Date and the Payment Date in question.

T = Total face value of the Notes in euros

- d) “**Duration of the Notes**”, is defined as the adjusted average of time periods in which a security generates any kind of revenue stream, the adjustment being the current value of each stream divided by the price of the security, calculated in accordance with the following formula (adjusted Macaulay formula):

$$D = \frac{\sum (a \times VA)}{PE} \times \frac{1}{(1+i)}$$

Whereby:

D = Duration of the Notes expressed in years.

a = Time elapsed (in years) between the Disbursement Date and each of the Payment Dates in question.

VA = Current value of each of the amounts, comprehensive of principal and gross interest to be paid on each of the Payment dates, discounted at the effective interest rate (I.R.R.).

PE = Price of the issue of Notes, 100,000 euros.

i = Gross effective interest rate I.R.R., as a proportion of one.

- e) “**Gross I.R.R.**” Internal Rate of Return for the subscriber, calculated in accordance with the following formula:

$$100,000 = \sum_{i=1}^N Ai (1+r)^{-(nd/365)}$$

Whereby:

r = IIR expressed as an annual rate, in a proportion of one.

Ai = Total amounts of amortisation and interest the investors will receive. (A<sub>1</sub>.....A<sub>N</sub>)

nd = Number of days elapsed between the Disbursement Date of the issue December 4, 2003, and days 20 of March, June, September and December of each year, not inclusive.

Finally, the Fund Manager declares, in representation and for the account of the Fund, that the financial service of the debt tables indicated here are merely theoretical and illustrative, and do not represent any payment obligation, reminding that:

- The prepayment rates of the Assets are assumed to remain constant on 0%, 2.5% and 5% respectively, throughout the life of the debt, whereas the actual prepayment rates change constantly.
- The Outstanding Balance of Principal of the Notes on each Payment Date and the interest payable on each of them will depend on the actual prepayment rate existing in the Assets portfolio.

- The margin used for the calculation of the interest rates of the Notes is 0.14%,0.02%, 0.33%, 0.13% and 2.00% respectively.
- The rates of interest of the Note are assumed to remain constant at 2.288% for Notes of the Series A, at 2.168% for the Notes of the Series BG, at 2.478% for the Notes of the Series BS, at 2.278% for the Notes of the Series C, and 4.148% for the Notes of the Series D, which are equivalent to the Euribor at three months published on 13 October 2004: 2.148% plus the margin and the rate of interest of all the Series is variable.
- The hypothetical values mentioned at the beginning of this section are assumed in all cases.
- It is assumed that the Fund Manager, in representation and for the account of the Fund, will exercise the early redemption option established in the first paragraph of section II.11.3.5 of this Prospectus.

For the purposes of the following Financial Service Tables,

- (i) Average Rate is defined as the average interest rate of the Loans, weighted by the Outstanding Balance of each of them;
- (i) Average Life is defined as the average duration of the Loans, weighted by the Outstanding Balance of each of them expressed in years.

#### IMPORTANT NOTE FOR THE INVESTOR

Information presented in the following tables appear only for illustrative purposes, the amounts not representing any specific payment obligation to third parties by the Fund on the corresponding dates or periods to which they refer. The data have been prepared under hypotheses of default rates and amortisation of the loans and interest rates, which are subject to continuous change. As a consequence, all investors interested in knowing the intended payment calendar of the Fund on each specific date must request the relevant information from those institutions authorised to distribute it: the Fund Manager, AIAF Market and the CNMV. Notwithstanding, the said information can also be requested through the Underwriting Entities and others active in the secondary market. As indicated in section V.2 of this Prospectus, the Fund Manager undertakes to publish the respective information.

CASH FLOWS PER NOTE WITH CONSTANT ANNUAL PREPAYMENT RATE OF 0%

(Formation Date [28 october of 2004] – Disbursement Date [ 4 November of 2004] – Euribor at three months: [ 2.148 ]%)

Payment Date	Series A			Series BG			Series BS			Series C			Series D		
	Amort, Ppal,	Gross Int,	Total Cash Flow	Amort, Ppal,	Gross Int,	Total Cash Flow	Amort, Ppal,	Gross Int,	Total Cash Flow	Amort, Ppal,	Gross Int,	Total Cash Flow	Amort, Ppal,	Gross Int,	Total Cash Flow
20/01/05	6,238	585	6,822	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/05	6,033	536	6,569	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/05	9,038	507	9,546	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/05	6,907	460	7,367	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/06	11,610	420	12,030	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/06	6,688	344	7,033	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/06	11,237	309	11,547	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/06	6,242	247	6,489	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/07	4,338	211	4,549	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/07	6,808	181	6,989	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/07	5,617	144	5,760	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/07	3,424	113	3,536	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/08	3,741	93	3,834	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/08	3,300	70	3,370	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/07/08	3,512	51	3,563	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/08	3,095	31	3,126	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/09	2,172	13	2,184	3,236	554	3,790	3,236	633	3,869	0	582	582	0	1,060	1,060
20/04/09	0	0	0	7,140	524	7,664	7,140	599	7,739	0	570	570	0	1,037	1,037
20/07/09	0	0	0	7,064	491	7,555	7,064	561	7,625	0	576	576	0	1,049	1,049
20/10/09	0	0	0	6,123	457	6,580	6,123	523	6,646	0	582	582	0	1,060	1,060
20/01/10	0	0	0	6,262	423	6,686	6,262	484	6,746	0	582	582	0	1,060	1,060
20/04/10	0	0	0	5,459	380	5,840	5,459	435	5,894	0	570	570	0	1,037	1,037
20/07/10	0	0	0	5,611	355	5,966	5,611	405	6,017	0	576	576	0	1,049	1,049
20/10/10	0	0	0	5,021	327	5,348	5,021	374	5,395	0	582	582	0	1,060	1,060
20/01/11	0	0	0	5,029	300	5,328	5,029	342	5,371	0	582	582	0	1,060	1,060
20/04/11	0	0	0	4,312	266	4,578	4,312	304	4,616	0	570	570	0	1,037	1,037
20/07/11	0	0	0	4,375	245	4,620	4,375	280	4,655	0	576	576	0	1,049	1,049
20/10/11	0	0	0	4,089	224	4,312	4,089	256	4,344	0	582	582	0	1,060	1,060
20/01/12	0	0	0	3,963	201	4,164	3,963	230	4,193	0	582	582	0	1,060	1,060
20/04/12	0	0	0	3,561	177	3,738	3,561	202	3,763	0	576	576	0	1,049	1,049
20/07/12	0	0	0	3,500	158	3,657	3,500	180	3,680	0	576	576	0	1,049	1,049
20/10/12	0	0	0	3,471	140	3,611	3,471	160	3,631	0	582	582	0	1,060	1,060
20/01/13	0	0	0	3,405	121	3,525	3,405	138	3,543	0	582	582	0	1,060	1,060
20/04/13	0	0	0	3,159	100	3,259	3,159	114	3,273	0	570	570	0	1,037	1,037
20/07/13	0	0	0	3,360	83	3,443	3,360	95	3,455	0	576	576	0	1,049	1,049
20/10/13	0	0	0	3,213	66	3,279	3,213	75	3,288	0	582	582	0	1,060	1,060
20/01/14	0	0	0	3,181	48	3,229	3,181	55	3,236	0	582	582	0	1,060	1,060
20/04/14	0	0	0	5,465	30	5,495	5,465	34	5,499	100,000	570	100,570	100,000	39,971	101,037
<b>Total</b>	<b>100,000</b>	<b>4,313</b>	<b>104,313</b>	<b>100,000</b>	<b>14,468</b>	<b>114,468</b>	<b>100,000</b>	<b>16,537</b>	<b>116,537</b>	<b>100,000</b>	<b>21,951</b>	<b>121,951</b>	<b>100,000</b>	<b>39,971</b>	<b>139,971</b>



CASH FLOWS PER NOTE WITH CONSTANT ANNUAL PREPAYMENT RATE OF 5%

(Formation Date [28 october of 2004] – Disbursement Date [ 4 November of 2004] – Euribor at three months: [ 2.148 ]%)

Payment Date	Series A			Series BG			Series BS			Series C			Series D		
	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow
20/01/05	7,202	585	7,787	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/05	6,932	531	7,462	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/05	9,903	497	10,399	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/05	7,718	444	8,162	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/06	12,372	399	12,771	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/06	7,356	320	7,676	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/06	11,866	281	12,147	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/06	6,801	214	7,016	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/07	4,854	175	5,029	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/07	7,282	143	7,425	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/07	6,050	102	6,153	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/07	3,824	68	3,892	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/08	4,117	46	4,163	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/08	3,645	22	3,667	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/07/08	78	0	78	9,637	548	10,185	9,637	626	10,263	0	576	576	0	1,049	1,049
20/10/08	0	0	0	8,714	501	9,215	8,714	572	9,287	0	582	582	0	1,060	1,060
20/01/09	0	0	0	9,525	452	9,977	9,525	517	10,042	0	582	582	0	1,060	1,060
20/04/09	0	0	0	7,783	391	8,174	7,783	447	8,229	0	570	570	0	1,037	1,037
20/07/09	0	0	0	7,665	353	8,017	7,665	403	8,068	0	576	576	0	1,049	1,049
20/10/09	0	0	0	6,681	314	6,995	6,681	359	7,040	0	582	582	0	1,060	1,060
20/01/10	0	0	0	6,778	277	7,055	6,778	317	7,094	0	582	582	0	1,060	1,060
20/04/10	0	0	0	5,921	234	6,156	5,921	268	6,189	0	570	570	0	1,037	1,037
20/07/10	0	0	0	6,041	204	6,245	6,041	234	6,274	0	576	576	0	1,049	1,049
20/10/10	0	0	0	5,416	173	5,589	5,416	198	5,614	0	582	582	0	1,060	1,060
20/01/11	0	0	0	5,390	143	5,533	5,390	164	5,553	0	582	582	0	1,060	1,060
20/04/11	0	0	0	4,632	111	4,742	4,632	127	4,758	0	570	570	0	1,037	1,037
20/07/11	0	0	0	4,669	87	4,756	4,669	99	4,768	0	576	576	0	1,049	1,049
20/10/11	0	0	0	4,356	62	4,418	4,356	71	4,427	0	582	582	0	1,060	1,060
20/01/12	0	0	0	6,793	38	6,831	6,793	43	6,837	100,000	582	100,582	100,000	1,060	101,060
Total	100,000	3,826	103,826	100,000	11,584	111,584	100,000	13,240	113,240	100,000	16,756	116,756	100,000	30,511	130,511

CASH FLOWS PER NOTE WITH CONSTANT ANNUAL PREPAYMENT RATE OF 5%

(Formation Date [28 october of 2004] – Disbursement Date [ 4 November of 2004] – Euribor at three months: [ 2.148 ]%)

Payment Date	Series A			Series BG			Series BS			Series C			Series D		
	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow	Amort. Ppal.	Gross Int.	Total Cash Flow
20/01/05	8,166	585	8,751	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/05	7,818	525	8,343	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/05	10,744	486	11,230	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/05	8,494	428	8,923	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/06	13,089	379	13,468	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/06	7,971	296	8,267	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/06	12,434	253	12,687	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/06	7,292	183	7,475	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/07	5,296	140	5,436	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/04/07	7,678	107	7,785	0	542	542	0	620	620	0	570	570	0	1,037	1,037
20/07/07	6,400	64	6,463	0	548	548	0	626	626	0	576	576	0	1,049	1,049
20/10/07	4,134	27	4,161	0	554	554	0	633	633	0	582	582	0	1,060	1,060
20/01/08	484	3	487	10,041	554	10,596	10,041	633	10,675	0	582	582	0	1,060	1,060
20/04/08	0	0	0	9,990	493	10,483	9,990	563	10,554	0	576	576	0	1,049	1,049
20/07/08	0	0	0	10,408	438	10,846	10,408	501	10,909	0	576	576	0	1,049	1,049
20/10/08	0	0	0	9,222	385	9,607	9,222	441	9,662	0	582	582	0	1,060	1,060
20/01/09	0	0	0	9,970	334	10,304	9,970	382	10,352	0	582	582	0	1,060	1,060
20/04/09	0	0	0	8,153	273	8,426	8,153	312	8,465	0	570	570	0	1,037	1,037
20/07/09	0	0	0	7,985	231	8,217	7,985	264	8,250	0	576	576	0	1,049	1,049
20/10/09	0	0	0	6,953	190	7,142	6,953	217	7,169	0	582	582	0	1,060	1,060
20/01/10	0	0	0	7,003	151	7,154	7,003	173	7,176	0	582	582	0	1,060	1,060
20/04/10	0	0	0	6,096	110	6,206	6,096	126	6,222	0	570	570	0	1,037	1,037
20/07/10	0	0	0	6,178	78	6,256	6,178	89	6,267	0	576	576	0	1,049	1,049
20/10/10	0	0	0	5,515	44	5,559	5,515	51	5,566	0	582	582	0	1,060	1,060
20/01/11	0	0	0	2,485	14	2,499	2,485	16	2,501	100,000	582	100,582	100,000	1,060	101,060
Total	100,000	3,475	103,475	100,000	9,890	109,890	100,000	11,304	111,304	100,000	14,446	114,446	100,000	26,305	126,305

**II.13. Effective forecast interest rate for the subscriber, taking into account the characteristics of the issue, specifying the calculation method adopted and the expenses, quantified by concepts consistent with their true nature.**

The Internal Rate of Return (hereinafter, “IRR”) for the drawee must take into account the date and purchase price of the Note, the quarterly payment of the dividend, the amortisations, both in accordance with the anticipated calendar as well as those of an advanced nature, and a determined hypothesis of Early Amortisation Rate.

By way of example, on the Disbursement Date, under the assumption of a nominal rate of interest indicated hereunder for each Note that remains constant for the life of the Fund, paid upon matured quarterly periods, a price for each Note of 100% and using the theoretical table of amortisation included in section II.13. of this Prospectus, which derives from the application to the loan portfolio of the early amortisation hypothesis (0%, 2.5% and 5%), the Internal Rates of Return (IRR) for the drawee would be the following:

	Annual Constant Prepayment Rate		
	0%	2,5%	5%
<b>Series A</b>			
Gross I.I.R.	2.340%	2.340%	2.340%
<b>Series BG</b>			
Gross I.I.R.	2.216%	2.216%	2.216%
<b>Series BS</b>			
Gross I.I.R.	2.536%	2.536%	2.536%
<b>Series C</b>			
Gross I.I.R.	2.330%	2.330%	2.330%
<b>Series D</b>			
Gross I.I.R.	4.272%	4.272%	4.272%

The formula used for the calculation is the following:

$$N = \sum_{n=1}^T a_n * (1+I)^{-(dn/ 365)}$$

whereby:

N= Nominal of the Note.

I = IIR expressed as an annual rate, as a proportion of one.

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

an= a1,.....,an. Total amounts of amortisation and interest the investors will receive quarterly.

n= 1,.....,n. Number of quarters in which the amounts shall be paid.

## II.14. Forecast effective interest for the Issuer.

The *effective interest* has been calculated through the same formula used for the calculation of the Internal Rate of Return for the holder of the Notes, adding the initial and periodic expenses of the Fund to the payment flow that the Fund makes to the holders of the Notes, in accordance with the information given in the table shown in section of V.1 of this Prospectus.

The forecasted initial expenses are the following:

### 1) Formation expenses

Fund Manager Initial Commission	40,000.00
CNMV Fees	62,267.93
AIAF Fees	60,552.00
Iberclear Fees	1,276.00
Rating Agencies, Legal Consultants, Auditors, EIF Initial Commission, Notary and Advertising Expenses	657,610.00
<b>Subtotal</b>	821,705,93
Underwriting and Placement Commission	(*) 320,000.00
<b>Subtotal</b>	320,000.00
<b>Total</b>	1,141,705.93

(\*) Assuming a maximum underwriting and placement commission of 0.04% of the face value of the notes with respect to the interval established in section II.19.1 of this Prospectus.

Costs incurred through liquidation of the Fund shall be payable by the Fund.

The forecast Effective Interest for the Issuer, under the hypotheses set forth in section V.1.1 of this Prospectus and under the assumption of an Early Amortisation Rate (hereinafter, "ERR") of 2.5% is 2.390%

## II.15. Special guarantees on the Loans and on the Notes.

### II.15.1. Guaranties on the Loans

There are no special guarantees extended by Banco Pastor, as Assignor, on the Notes that are issued against the Fund or on the Loans pooled into the Fund, except the undertakings given by Banco Pastor and which are expounded in section IV.1.6 of this Prospectus regarding the replacement of the Loans and the Mortgage Transfer Certificates, if appropriate, that do not adapt to the declarations contained in section IV.1.6 of this Prospectus or to the specific characteristics of the Loans notified by Banco Pastor to the Fund Manager.

### II.15.2. Guaranties over the Notes.

#### II.15.2.1. State Warrantee

By means of a Ministerial Order signed on 26 October 2004, the Ministry of Economy has granted a Warrantee to the Fund for an amount of one hundred and sixty four million six hundred thousand (164,600,000) euros, equivalent to the nominal value of the Notes of the BG Series plus the amount of the interest corresponding to said face value of this Series, in accordance with the following (hereinafter the "State Warrantee"):

The Warrantee will secure, with a waiver to the benefit of discussion established in article 1,830 of the Civil Code, the payment of the principal and the interest of the BG Notes.

The Warrantee will remain valid and in full effect until the total redemption of the payment

obligations derived from the Series BG Notes. In any event, the Warrantee will expire on 31 October 2037, or if said date is not a Business Day, on the first Business Day immediately after.

The effectiveness of the Warrantee is conditional on (i) the registration of the present Informative Prospectus with the CNMV, (ii) the granting of the Public Fund Deed of Formation and its registration in the CNMV register, (iii) the confirmation as final by the Rating Agencies, prior to the opening of the Subscription Period, of the provisional rating granted to each of the Series (iv) that it does not cause the termination of the Management, Underwriting and Placement of the Notes Issue Contract, and (v) the submission of the documents mentioned in the next paragraph

The Fund Manager must submit to the General Directorate for Financial Policy and Treasury: (i) a specimen of the Informative Prospectus; (ii) an authorised copy of the Deed of Formation; (iii) a certificate issued by Banco Pastor declaring that the Loans are loans that conform with all the conditions laid down in the Master Agreement for collaboration annexed to the Order of December 28, 2001, and that at least 98% of them are Loans granted to SMEs as defined by the European Commission Recommendation of April 3, 1996, or other regulation that may substitute it; (iv) a copy of the letter from the Rating Agencies granted to each of the Series of the Notes; and (v) an authorised copy of the deed of disbursement of the Notes subscription executed by the Fund Manager.

The Fund Manager shall communicate to the General Directorate for Financial Policy and Treasury on each Payment Date of the Notes of the Secured Series, the outstanding balance of the Secured Series, and, also at the end of each fiscal year, an estimation of the financial charge of the Secured Series for the following fiscal year.

The Warrantee may be the object of partial execution without any limit as to the number of times it is executed or to the amount for which it is executed.

The Warrantee will be executed in the event that the Available Funds of the Fund (as defined in the Fund Deed of Formation), once the payments ranking higher in accordance with the Payment Priority Order have been made, are not sufficient to cover the payment of the interest or principal of the BG Notes on the corresponding Payment Dates. Should that be the case, the Fund Manager will immediately give written notification of the amount to be paid by the State, to the General Directorate for Financial Policy and Treasury. The latter party will then, following verification, proceed to the payment through the Treasury Account opened in the name of the Fund with the Paying Agent. The payment, if appropriate, of the required amounts by virtue of the State Warrantee, will be made by the General Directorate for Financial Policy and Treasury within the period of ninety (90) days counting from the reception of the written requirement from the Fund Manager, by means of a payment into the Treasury Account.

The Fund Manager, in the name of the Fund, will have at its disposal the Liquidity Line, as established in section V.3.7 of the present Prospectus, in order to advance to the holders of the Notes of the Warranted Series the amounts that the State must pay to the Fund upon each execution of the Warrantee. The amounts that the Fund subsequently receives from the State in execution of the Warrantee shall be targeted immediately (i) at repayment of the amounts drawn against the Liquidity Line, used for the prompt payment of the Notes of the BG Series, and (ii) to the payment of the amount of unpaid principal of the Notes of the BG Series on the next Payment Date, but not subject to the Payment Priority Order .

The amounts paid by the State under the Warrantee will constitute an obligation of the Fund in favour of the State. The refund of the amounts drawn against the Warrantee, whether they have been used for the payment of interest or for the reimbursement of the principal of the Notes of the secured Series BG, will be made on each of the following Payment Dates, until its total refund, and it will be made at the charge of the Available Funds, ranking in the same positions in the priority order as the payment of the accrued interest and the amortisation of the principal of the secured Series BG, in accordance with the Payment Priority Order of the Fund.

In the event that according to the above rules, on a Payment Date, the Fund, in addition to returning the amount withdrawn at the charge of the State, must request another amount to pay the interest or principal of the Notes of the Secured Series, the net amount to be requested, or if applicable, returned, to the State, will be calculated and applied.

The constitution and granting of the Warrantee shall not incur any commission.

The Fund Manager must notify the General Directorate for Financial Policy and Treasury and the General Directorate of Policy of the Small and Medium Enterprise, at the close of each financial year and on each Payment Date, the Outstanding Balance of the issue and, if appropriate, the date(s) of the early amortisation(s) and non-prefixed amount(s) which, if applicable, affect said Outstanding Balance of Principal. Said information shall be sent in a summarised manner by the Fund Manager.

The amounts paid by the State by virtue of the State Warrantee shall constitute an obligation of the Fund in favour of the State, in accordance with the Payment Priority Order set forth in the Deed of Formation of the Fund and which are set forth in section V.4 of this issue Portfolio.

The Warrantee will be cancelled on the date on which the BG Notes are fully redeemed, and in any event will expire on 31 October 2037.

#### **II.15.2.2. European Investment Fund Warrantee**

In accordance with the provisions set forth in the guarantee which must be given before the Issue Date (the EIF Warrantee), the European Investment Fund (EIF) gives an irrevocable and unconditional undertaking to:

a) following receipt by EIF of a payment request during the first Business Day (on which the banks operate also in Luxembourg) following the Determination Date immediately prior to the corresponding Payment Date, duly filled in and signed by the Representative of the Holders of the Series C Notes, in accordance with the provisions set forth in the EIF Guarantee, and without allowing room for the exercise of any right to compensation whatsoever, to pay on said Payment Date in favour of the holders of the Series C Notes, in the event that the Available Funds of the Fund (as defined herein), once the payments have been made in accordance with the Payment Priority Order or the **Liquidation Payment Priority Order** are not sufficient to meet payment of interest of the Series C, an amount in euros that is equivalent to the difference (if it is positive) between: (i) the interest matured and payable to the holders of the Series C Notes on said Payment Date; and (ii) the Available Funds on said Payment date in accordance with the Payment Priority Order or the Liquidation Payment Priority Order applicable to the settlement of interest matured and payable of the Series C Notes.

b) following receipt by EIF of a payment request during the first Business Day (on which the banks operate also in Luxembourg) following the Determination Date immediately prior to the corresponding Payment Date, duly filled in and signed by the Representative of the Holders of the Series C Notes, in accordance with the provisions set forth in the EIF Guarantee, and without allowing room for the exercise of any right to compensation whatsoever, to pay on said Payment Date in favour of the holders of the Series C Notes, in the event that the Available Funds of the Fund (as defined herein), once the payments have been made in accordance with the Payment Priority Order or the Liquidation Payment Priority Order are not sufficient to meet payment of interest of the Series C, an amount in euros that is equivalent to the difference (if it is positive) between: (i) the Outstanding Balance of Principal of the Series C Notes on said date and (ii) the Available Funds on said date in accordance with the Payment Priority Order or the Liquidation Payment Priority Order that apply to the amortisation of the principal of the Series C Notes.

The amounts received at the charge of the EIF will be used only to cover the deficiencies in the payments of principal and interests of the Series C Notes. They shall not, under whatsoever circumstances, be subject to the Payment Priority Order .

Without prejudice to the foregoing, the EIF Guarantee may be executed before the Statutory Maturity Date in the following cases: (i) when a Case of Early Liquidation of the Fund occurs, as set forth in section III.9; or (ii) when the Early Payment Option of the EIF is exercised, as set forth below.

Any payment made by the EIF in accordance with the EIF Guarantee in accordance with the provisions set forth in the EIF Guarantee shall satisfy *pro tanto* the obligations that correspond to the EIF in accordance with the EIF Guarantee.

The EIF shall be empowered, but not obliged, to request the Fund Manager to proceed to the early amortisation, on a Payment date, of the totality of the Series C Notes (the “**Early Payment Option of the EIF**”). Said action shall be for the account of the Fund, and providing any of the following circumstances are verified:

- (i) The EIF has paid an amount to the Fund in execution of the Guarantee on any Payment date prior to the Payment Date on which the early amortisation of the Notes of the Series C takes place.
- (ii) Upon verification of any Early Liquidation of the Fund, with or without the Fund Manager exercising its power to proceed to the early liquidation of the Fund and with this the early amortisation of the totality of the Note issue in accordance with section III.9.
- (iii) If the Fund Manager, as Representative of the Holders of the Notes of the Series C, has not executed the EIF Guarantee within the three months following the date on which the obligations of the EIF have accrued under the protection of the Guarantee.

Should the EIF decide to execute the Early Payment Option of the EIF, said body must notify this in writing to the Fund Manager in representation and on behalf of the Fund at least 30 days beforehand, indicating (i) the date on which payment is to be made, which must be a Payment Date, and (ii) the amount payable which shall correspond to the total of the Balance of Principal Pending of the Notes of the Series C plus the interest accrued but not paid of said notes.

On opting for the Early Payment Option of the EIF, the EIF shall pay the total of the Outstanding Balance of Principal plus the interest matured and unpaid of the Series C Notes to the holders of the Series C Notes through the payment date. Under no circumstances shall such payment be subject to the Payment Priority Order established in Section V.4 of this Prospectus.

As a result of the payment of any amount of principal or interest in accordance with the provisions set forth in the EIF Guarantee, the EIF shall be subrogated with regard to the rights that the holders of the Series C Notes had with the Fund as a result of the amount of principal and interest paid by the EIF in execution of the EIF Guarantee .

The obligations of the EIF within the scope of the EIF Guarantee shall expire on the date prior to: (i) the date on which total payment by EIF of its obligations to the holders of the Series C Notes is made in accordance with the EIF Guarantee and (ii) the Statutory Maturity Date, without prejudice to the obligations previously accrued which shall remain enforceable in accordance with the agreed terms.

Any right of the holders of the Series C Notes in accordance with the EIF Guarantee may be exercised only and exclusively by the Fund Manager, acting in the name and on behalf of the holders of the Series C Notes as Representative of the Holders of the Series C Notes. The EIF shall be empowered to direct any payment or communication in accordance with the EIF Guarantee to the Representative of the Holders of the Series C Notes. No holder of the Series C Notes shall be entitled to make an individual claim to the EIF or to contact the EIF to demand the execution of the EIF Guarantee.

The EIF is empowered to assign or transfer all or some of its rights and obligations in accordance

with the EIF Guarantee with the consent of the Representative of the Holders of the Series C Notes. Said consent cannot be refused or delayed without good reason.

The EIF Guarantee is subject to and must be interpreted in accordance with Spanish legislation. The Courts and Tribunals of Madrid shall hold exclusive jurisdiction over whatsoever disputes that may arise with regard to the EIF Guarantee.

## **II.16. Circulation of the securities.**

The Notes are not subject to any particular restriction as to their free transferability, which will be made subject to the legal dispositions applicable to them and to the existing rules of the secondary market in which the Notes are traded, as indicated in section II.17 below.

In accordance with the provisions of sections II.4. and II.5 of this Chapter, title over each Note will be transferred by accounting transfer. The registration of the transmission in favour of the acquirer in the accounting registry will produce the same effects as the handing over of the titles, and, as from that moment, the transmission will be exceptionable against third parties, as established in article 12 of Royal Decree 116/1992.

## **II.17. Admission to trading of the issued securities.**

In compliance with the second article, number 3, of Royal Decree 926/1998 and with the dispositions of the Order of December 28, 2001, the Fund Manager will apply, once the disbursement of the Notes has been made, for the inclusion of the present Notes Issue in the AIAF Fixed Rate Market, which has the recognition as to its character of official secondary securities market in accordance with the regulations of the sixth Transitory Provision of Law 37/1998 of November 16, on reformation of the Securities Markets Law. The Fund Manager undertakes to ensure the definitive admission of the Notes to be traded on said market takes place no later than one month from the Disbursement Date. Under all circumstance this must be carried out before the first Payment Date of 20 January 2005.

The Fund manager expressly states that it is aware of the requirements and conditions demanded for the admission, permanence and exclusion of the securities in AIAF, according to current legislation and the requirements of its governing organs, and the Fund, through its Fund manager accepts to comply with them.

In the event of breach within the aforementioned admission to trading period of the Notes, the Fund Manager undertakes to publish the opportune Relevant Fact at the CNMV and in the Official Gazette of the AIAF Market or through any other means that are generally accepted by the market and which guarantee adequate dissemination in time and content of the information. Said information shall contain both the causes for said breach as well as the anticipated new date for the entry to trading of the issued securities. This is without prejudice to the liability of the Fund Manager if the breach is attributable to said body.

Likewise, the Fund Manager shall apply for inclusion of the Notes issues in IBERCLEAR in a manner that provides for the compensation and settlement of same in accordance with the operating rules which, with regard to the securities admitted to trading on the AIAF Fixed Income Market and represented through account entries, are set forth or may be approved in the future by IBERCLEAR.

## **II.18. Subscription or purchase requests.**

### **II.18.1. Collective of potential investors.**

The placement of the Notes of all the Series is targeted at institutional investors, whether juridical



persons or non-personality patrimonies, such as pensions funds, collective investment institutions, insurance entities, credit entities, securities companies or entities authorised in accordance with articles 64 and 65 of the Securities Market Act for the management of third-party portfolios, that on a professional and customary basis carry out investments in negotiable securities.

The potential investor has, in addition, at his disposal and as a complement to his own analysis about the quality of the securities offered for subscription by this, the evaluation granted by the Rating Agencies included in section II.3 of this Chapter.

Once the issue has been placed in full and the Notes are admitted to trading in the organised official market of AIAF, the Notes may be freely acquired through said market in accordance with its own trading rules.

There is no guarantee that for the Notes a trading will ever occur in the market with a minimum frequency or volume. Also, in no case will the Fund be entitled to buy back the Notes from the holders thereof, although they may be redeemed in full in the event of accelerated liquidation of the Fund in the cases and according to the terms established in section II.9 of this Prospectus.

**Effects of the subscription for the holders of the Notes:** The subscription of the Notes implies acceptance of the terms of the deed of formation for each note holder.

#### **II.18.2. Legal status of the Notes to be issued**

The Notes that are subject to this issue possess the following legal attributes, for the purposes of being held by certain investors and once the Notes are admitted for quoting on the AIAF:

- i) The Notes of the A, BG and C series satisfy the selection criteria to be admitted as guarantee assets of operations with the Central European Bank, (Regulations of the Central European Bank dated 31 August 2000).
- ii) They are suitable for investment by insurance entities in fulfilment of their obligations of technical reserves, in accordance with article 50.5 of the Regulation for the Arrangement and Supervision of Private Insurance, approved by Royal Decree 2486/1998, dated 20 November, modified by Royal Decree 297/2004, dated 20 February..
- (iii) They are suitable for the investment of the technical provisions fund of the mutual guarantee companies, in accordance with Act 1/1994, dated 11 March, governing the legal regime of the mutual guarantee companies, and Royal Decree 2345/1996, dated 8 November, relating to the administrative authorisation rules and solvency requirements for the mutual guarantee companies.
- (iv) They are suitable for the investment of Pensions Funds in accordance with the provisions of article 70 of Royal Decree 304/2004, dated 20 February, through which the regulations for the pension plans and funds are approved.
- (v) They are suitable for the investment of the patrimony of the Collective Investment Institutions in accordance with the particular rules established for each of them through article 30 of Law 35/2003, dated 4 November, regulating the Collective Investment Institutions, and in its Regulations approved through Royal Decree 91/2001, dated 2 February, through which Royal Decree 1393/1990, dated 2 November, is partially modified.
- (vi) The Series BG Notes are suitable for the investment of the Real Estate Investment in State Debt "Fondtesoro Renta FIM", Monetary Market State Debt Related Assets Investment Funds "Fondtesoro Renta FIAMM" and Real Estate Investment in State Debt "Fondtesoro Plus FIM", all of which in the terms provided for in the Order of May 28, 1999, which modifies the

Order of June 7, 1990, on the rules governing subscription of Collaboration Agreements relating to Funds for the Investment in State Debt.

### **II.18.3. Subscription period.**

The subscription period shall last two (2) hours, from 12:00 hours to 14:00 hours on the second (2nd) Business Day prior to the Disbursement Date, which shall be the same day that the interest rate is set.

### **II.18.4. Where and before whom the subscription or acquisition can be transacted**

The subscription requests, in order to be considered, must be made by any lawfully admitted means during the Subscription Period established in the previous section, to Banco Pastor and Dresdner Bang AG London Branch in their capacity as underwriting and placement entities of the Notes issue (the “**Underwriting and Placement Entities**”), in accordance with the procedures established below in this section.

The subscription or holding of Notes of one Series does not imply the subscription or holding of Notes of any other Series.

### **II.18.5. Placement and allocation of the securities.**

The underwriting and Placement entities shall freely proceed to the acceptance or not of the subscription requests received, ensuring in all cases that there is no discriminatory treatment among requests with similar characteristics. Notwithstanding the foregoing, the underwriting and Placement entities may give priority to the requests of those among their clients, which they deem more appropriate and may even subscribe to of the note series in full or in part on their own behalf.

Each underwriting and Placement entity undertakes to subscribe in its own name, at the end of the subscription period, the amount of Notes necessary to complete the amount of its underwriting commitment as determined in section II.19.1 of this chapter.

Banco Pastor intends to place among third parties the Notes that are the object of its underwriting commitment as determined in section II.19.1 of the present Chapter, regardless of which it will subscribe for its own account the Notes that may have not been subscribed by third parties during the Subscription Period, until completing the amount of its underwriting commitment.

### **II.18.6. Form and dates for effecting the disbursement.**

The investors to whom the Notes are allotted, shall pay to the corresponding Underwriting and Placement Entity on 4 November 2004 (the “**Disbursement Date**”), prior to 10:30 hours (CET), with value that same day, the issue price (100% of their face value) corresponding to each Note allotted for subscription.

### **II.18.7. Manner and time of delivering copies of the subscription bulletins or provisional vouchers thereof to the subscribers. Said documentation must specify their negotiability and maximum period of validity.**

The underwriting and Placement entity will provide to the subscribers of the Notes documentary proof of the subscription by them to the Notes allotted, as well as of the effective amount disbursed by them for said subscription. This is without prejudice to title over the Notes being verified by means of the corresponding entry in the accounting registry.

Said documentary proof shall not be negotiable and shall be valid for the verification of the subscription of the corresponding Notes until the entry is made in the accounting registry as provided for in section II.5 of this prospectus.

**II.19. Entities participating in the placing or marketing, indicating their different roles, with a description of the same in a specific manner. Global amount of the fees agreed between the different distributors and the Fund Manager.**

**II.19.1. Underwriting and Placement Entities of the Notes Issue.**

The Placement of the note issue shall be carried out by Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch, as Underwriting and Placement Entities, in accordance with the conditions set forth in section II.19.3 of this Prospectus and in this section in accordance with the contract governing Management, Underwriting and Placement of the Note Issue.

The undertaking of each Underwriting and Placement Entity with regard to their share of the placement underwriting of the Notes of each series shall be as detailed hereunder:

Underwriting and Placement Entity	Nominal amount secured of Notes of each series				
	Series A	Series BG	Series BS	Series C	Series D
BANCO PASTOR, S.A.	176,800,000	54,800,000	14,000,000	13,400,000	17,600,000
BNP PARIBAS	176,600,000	54,900,000	14,000,000	13,500,000	17,700,000
Dresdner Bank AG London Branch	176,600,000	54,900,000	14,000,000	13,500,000	17,700,000
<b>Total</b>	<b>530,000,000</b>	<b>164,600,000</b>	<b>42,000,000</b>	<b>40,400,000</b>	<b>23,000,000</b>

The Underwriting and Placement Entities shall receive an underwriting and placement commission from the Fund. Said commission shall be based on the nominal value of the Notes of each Series for each one of them secured, in accordance with the following breakdown for each Series:

- **Series A**      Commission of between 0.015% and 0.04%.
- **Series BG:**      Commission of between 0.015% and 0.04%.
- **Series BS:**      Commission of between 0,015% and 0.04%.
- **Series C:**      Commission of between 0.015% and 0.04%.
- **Series D:**      Commission of between 0.015% and 0.04%.

**II.19.2. Management Entities of the Notes Issue.**

Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch shall participate as Management Entities of the Note Issue.

Reproduced below is the statement by each of the Management Entities signed by an individual with sufficient representation powers, in accordance with the provisions of number 2 of article 31 of Royal Decree 291/1992, dated 27 March, governing issues and public sale offerings of securities, as

amended in its redaction by Royal Decree 2590/1998, dated 7 December, and in accordance with the provisions of number 3 of article 20 of said Royal Decree 291/1992:

**BANCO PASTOR statement**

*Mr Alfredo Jiménez Fernández, in name and representation of Banco Pastor, S.A., domiciled for these purposes in Paseo de Recoletos, 19, duly empowered for this act through agreement by the Board of Directors taken at its meeting on 9 September 2004 and with regard to the incorporation of GC FTPYME PASTOR 2, ASSET SECURITISATION FUND and issue of securitisation Notes against the assets of same, for an amount of eight hundred million (800,000,000) euros, in due satisfaction of Royal Decree 291/1992, dated 27 March, governing issues and public offers of securities, in its current format,*

**DECLARES**

*That the necessary verifications to check the veracity and comprehensiveness of the information contained in the Prospectus have been conducted.*

*That, as a consequence of these verifications, there is no indication of circumstances that contradict or alter the information collected in the Prospectus, nor does this omit significant acts or data that could result to be relevant to the investor.*

*And for the record and the opportune purposes, the foregoing statement is made in Madrid, on 19 October 2004.*

### **Statement from BNP Paribas, Spanish Branch**

*Mr Thierry Loiseau and Mr Carlos Gardezabal Ortiz, in name and representation of BNP Paribas, Spanish Branch, with domicile for these purposes in Madrid, calle Ribera del Loira, 28, 28042, Madrid, duly empowered for the purposes, and with regard to the incorporation of GC FTPYME PASTOR 2, ASSET SECURITISATION FUND and issue of Notes against same, for an amount of eight hundred million (800,000,000) euros, in due satisfaction of Royal Decree 291/1992, dated 27 March, governing issues and public offers of securities, in its current format.*

#### **DECLARES**

*That the necessary verifications to check the veracity and comprehensiveness of the information contained in the Prospectus have been conducted.*

*That, as a consequence of these verifications, there is no indication of circumstances that contradict or alter the information collected in the Prospectus, nor does this omit significant acts or data that could result to be relevant to the investor.*

*That the declaration does not reach or refer to the accounts auditor's report which is included in the prospectus of the selected mortgage loans as an annexe..*

*And for the record and the opportune purposes, makes the foregoing statement in Madrid, on 19 October 2004.*

### **Statement of Dresdner Bank AG London Branch**

*Mr Nicholas Leslie John Morgan and Mr Fraser Malcolm, in name and representation of Dresdner Bank AG London Branch, with domicile for these purposes at PO Box 18075, Riverbank House, 2 Swan Lane, London, EC4R 3UX, England,, duly empowered for the purposes, and with regard to the incorporation of GC FTPYME PASTOR 2, ASSET SECURITISATION FUND and issue of Notes against same, for an amount of eight hundred million (800,000,000) euros, in due satisfaction of Royal Decree 291/1992, dated 27 March, governing issues and public offers of securities, in its current format.*

#### **DECLARES**

*That the necessary verifications to check the veracity and comprehensiveness of the information contained in the Prospectus have been conducted.*

*That, as a consequence of these verifications, there is no indication of circumstances that contradict or alter the information collected in the Prospectus, nor does this omit significant acts or data that could result to be relevant to the investor.*

*That the declaration does not reach or refer to the accounts auditor's report which is included in the prospectus of the selected mortgage loans as an annexe..*

*And for the record and the opportune purposes, makes the foregoing statement in London, on 19 October 2004.*

As annexe 5 to this prospectus, a photocopy of the letters from Banco Pastor, BNP Paribas, Spanish Branch and Dresdner Bank AG London Branch are attached in which said statements are made.

The Management Entities shall not receive any remuneration for the management of the Notes Issue.

**II.19.3. Entities that underwrite the issue, with a description of the characteristics of the relationship or management, underwriting and Placement contract, guarantees required from the issuer or offeror, types of risk assumed, type of consideration that the underwriter undertakes to provide in case of non-fulfilment, and other relevant elements.**

The Fund Manager, in representation and on behalf of the Fund, shall sign a Management, Underwriting and Placement of the Note Issue Contract with Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch as Managing Entities and Underwriting and Placement Entities.

The Managing Entities and the Underwriting and Placement Entities of the Note Issue assume the obligations contained in the Management, Underwriting and Placement Contract, which provides for each entity as follows: 1) undertaking to subscribe for its own account the Notes that were not subscribed by third parties during the Subscription Period up to the amount of its respective underwriting commitment; 2) seek the placement by means of subscription by third parties to the Notes Issue; 3) payment to the Paying Agent prior to 11:30 hours (CET) of the Disbursement Date, value on that same date, of the face value of the Notes corresponding to their respective underwriting commitment, deducting the amount of the underwriting and placement commission from same, the Paying Agent proceeding to pay to the Fund before 12:00 hours (CET) of the same day, value on that same date, the amount paid to it by the Underwriting and Placement Entities, deducting the underwriting and placement commission due in its favour; 4) commitment to pay the default interest agreed in the contract for the event of delay in the payment of the amounts due; 5) provision to the subscribers of documentary proof of the subscription; 6) provision to the Fund Manager of the information about the circulation achieved in the Placement of the Notes Issue; and 7) the remaining aspects that regulate the underwriting and the placement.

The underwriting commitments of each Underwriting and Placement Entity, and the underwriting and Placement commission are specified in section II.19.1 of this prospectus.

Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch shall participate as Management Entities of the Note Issue. They shall not receive any remuneration for the management of the Notes Issue.

The management, underwriting and Placement contract shall be terminated for all legal purposes in the event that the rating agencies do not confirm the ratings assigned on a provisional basis to each of the series as final, before the start of the subscription period. Or pursuant to article 1,105 of the Civil Code in the event of force majeure.

**II.20. Period and manner envisaged for the first subscription and assignment of registration references.**

The Notes, represented by book entries, will be constituted as such by virtue of their registration in the corresponding accounting registry, in accordance with the provisions of Royal Decree 116/1992, and, also, with the usual time limits and procedures of the entity in charge of it, Iberclear.

**II.21. National legislation under which the Notes are created and indication of the competent jurisdictional organisms in case of litigation.**

The formation of the Fund and the issue of the Notes is made under the coverage of the provisions of the Order of December 28, 2001, and they will be subject to (i) the Deed of Formation; (ii) Royal Decree 926/1998 and subordinate dispositions; (iii) Law 19/1992, for issues not contemplated in Royal Decree 926/1998, and in so far as it may be applicable; (iv) the Securities Markets Law; and (v) the rest of current legal and regulatory dispositions that may be applicable from time to time.

The deed of formation and the contracts for operations for financial risk coverage and for the provision of services that the Fund Manager shall enter into for the account of the fund shall be regulated and interpreted in accordance with Spanish legislation.

All questions, discrepancies, disputes and claims that may derive from the formation, administration and legal representation of the Fund and of the Notes Issue against it by the Management Company, will be dealt with and judged by the competent Spanish Courts and Judges.

The holders of the Notes and the rest of the creditors of the Fund will have no remedies against the Assigned Debtors of the Loans that may have defaulted in their payment obligations, it being the Management Company, as representative of the Fund, the one entitled to exercise such action.

The holders of the Notes and the rest of creditors of the Fund will have no more remedies against the Fund Manager than the action derived from the non-fulfilment of its obligations and, therefore, never as a consequence of the existence of default in payments or prepayment of the Loans, of the default of the counterparts in the operations contracted for in the name and for the account of the Fund, or for the insufficiency of the protective financial operations to attend to the financial service of the Notes of each Series. Such actions must be ruled on in the ordinary declaratory action that may be applicable by reason of the amount of the claim.

## **II.22. Tax Regime on the income derived from the offered securities**

The following is a brief extract of the current tax regime applicable to the investments derived from the present offer, for which purpose exclusively the current state legislation is being considered, as well as the general aspects that may affect investors, who should take into account both their possible special tax circumstances, and the legislation of territorial application as well those that are current at the time of the corresponding income receipt and declaration.

Given that the present offer will be represented by book entries and that admission to trading and quoting thereof will be sought in an official Spanish securities secondary market, these being the relevant circumstances at the time of determining the tax retention regime, it has been assumed that these conditions will be met. Likewise, it has been considered that the Notes, at the moment of their issue, will have the consideration of financial assets with explicit return, in so far as this qualification may be fiscally relevant.

The interim payments and taxes established or that may be established in the future over the principal, the interest or the return of the Notes shall be borne by their holders, and the amounts thereof shall be deducted in the legally established manner.

Finally, the tax treatment set forth herein is of a general nature and does not include payment applicable to revenue obtained through entities under the rules of income imputation, or the rules that apply to all categories of investors, some of which (e.g. financial entities, collective investment groups, cooperatives, etc.) may be subject to special rules.

### **a). Individuals and entities resident in Spain**

#### **a.1. Personal Income Tax.**

Profits obtained by the holders of the Notes considered subject to personal income tax ("IRPF"), as much in regard to the payment of interest, as on occasion of transfer, redemption or amortisation of same, shall have the income obtained from the assignment of their own assets to third parties considered as capital gains. This is under the terms of article 23.2 of the Redrafted Text of the IRPF Act (LIRPF) approved through Royal Decree-Legislative 3/2004, dated 5 March.

In the event of profits derived through payment of the note coupons (interest), the whole profit shall be determined by the amount of interest paid, including the personal income tax retentions that may have been carried out.

On the other hand, in case of the transfer, refund or amortisation of the Notes, the difference between the value of the transfer, refund or amortisation (minus the accessory transfer expenses) and their price of acquisition or subscription (incremented with the accessory acquisition expenses) shall be deemed as income return from movable assets. Notwithstanding, the negative return derived from the transfer of the Notes, when the taxpayer has acquired other homogeneous financial assets within the two months prior to or following such transfer, will be integrated in the same measure as are transferred the financial assets that remain in the patrimony of the taxpayer.

The net return of the movable capital will be determined by deducting the total administration and deposit expenses of the Notes from the total income, provided that said expenses are not incurred in consideration for discretionary and individualized management of the investment portfolio. Net profits derived from the transfer, refund or amortisation of the Notes that had a generation period greater than two years shall be reduced by 40%.

The profits that are paid as interest are subject to a personal income tax retention of 15%.

There is no obligation to make retentions on profits derived from transfer or refund of the Notes, as these are represented through book entries and are traded on a Spanish official secondary securities market, except the part of the price that is equivalent to the coupon accrued in the transfers made during the thirty days immediately prior to the maturity of the coupon when (i) the purchaser is a person or entity non-resident on Spanish territory, or a tax payer of corporation tax, and (ii) these profits do not require the purchaser to make retentions.

#### a.2. Corporation Tax.

Profits, both in the form of interest as well as transfer, refund or amortization of the Notes obtained by entities that hold the status of tax payers of corporation tax shall be included in the taxable base. This is in accordance with the manner set forth in Heading IV of the Royal Decree-Legislative 4/2004, dated 5 March, which approves the re-drafted text governing the Corporation Tax Act.

The aforementioned returns shall not be subject to corporation tax retentions, in accordance with the provisions set forth in article 57.q) of the Corporation Tax Regulations, approved through Royal Decree 1777/2004, dated 30 July, considering that the Notes satisfy the following requirements:

1. That they are represented through book entries.
2. That they are traded on a Spanish official secondary securities market.

However, in accordance with the Ministerial Order dated 22 December 1999, the procedure to effect the aforementioned exclusion or interim payment on interests shall be subject to the following requirements:

1. The Fund Manager, in the name and on behalf of the Fund as issuing entity, shall pay to the depository entities, through the paying agent, the net amount resulting from the application of the general retention rate current as at that date (currently 15%), on the whole of the interest.
2. Prior the 10<sup>th</sup> of the month following the month of maturity of each coupon, the depository entities must present a detailed list of the holders that are liable to corporation tax to the Fund Manager or the Paying Agent. The list must include identifying details of said entities, the ISIN code of the securities, the number of securities that they hold at the maturity date of each coupon, the corresponding gross profits and the amount retained.



3. Note holders that are liable to corporation tax must prove this status before the depository entities of the securities prior to the 10th of the month following the month of the maturity of the coupon, so that the depository entities can prepare the list specified in the previous section.
4. As soon as it receives the aforementioned list, the Fund Manager shall immediately pay the depository entities the amount retained, and shall do so through the paying agent.
5. The depository entities shall immediately pay the amount retained from the taxable holders.

For the purposes of accrediting corporation taxpayer status, the holders of the Notes may use any lawfully permissible means and must furnish the corresponding documentation that evidences said status. Said documentation shall remain with the depository entity of the Notes, at the disposition of the Fund for due verification and with the Inland Revenue department. For these purposes, a photocopy of the Tax Code Card shall be sufficient.

#### **b). Individuals or legal entities non-resident in Spain.**

Profits obtained by the holders of the Notes considered subject to personal income tax for non-residents, as much in regard to the payment of interest, as on occasion of transfer, redemption or amortisation of same, shall have the status of profits obtained in Spain, with or without permanent establishment, under the terms pursuant to article 13 of the Royal Decree-Legislative 5/2004, dated 5 March, which approves the re-drafted text governing the Personal Income Tax for Non-Residents Act.

##### 1. Income obtained through a permanent establishment

Income from the Notes obtained through permanent establishment in Spain shall be liable to tax in accordance with the rules of Chapter III of the foregoing Non-Residents Law, without prejudice to the provisions set forth in the Agreements to prevent double taxation signed by Spain, which may determine non payment of taxes on the corresponding income or the application of a reduced rate. The aforementioned returns shall be subject to interim retention of Non-Resident Income Tax under the terms set forth before for taxpayers that are liable to Spanish Corporation tax.

##### 2. Income obtained without a permanent establishment

Income from the Notes obtained by individuals or non-resident entities in Spain acting without a permanent establishment, shall be taxed in accordance with the rules of Chapter IV of the Non-Resident Income Tax Act. This is without prejudice to the treaties to avoid double taxation, signed by Spain, and which may determine the non-taxation of the corresponding income or, as the case may be, the application of reduced tax rates. In this regard, the following can be highlighted:

- The taxable base shall be quantified as the total amount of income obtained, calculated in accordance with the provisions of the Income Tax Act. The reductions set forth by said Act shall not be applicable for this purpose.
- In the case of transfer, redemption or amortisation, the accessory expenses of acquisition and sale will be taken into account, in so far as they are adequately justified. The taxation will be made separately for each accrual, total or partial, of income subject to taxation, no compensation among them being possible.
- The returns obtained by the Notes, both through interest as well as transfer, redemption or amortisation, shall be exempt when they are obtained without permanent establishment by residents in another member state of the European Union or through permanent establishment of said residents located in another member state of the European Union (article 14.1 letter c) of the Non-Resident Income Tax Act).
- Income derived from the transfer of the said securities made in any of the Spanish secondary official securities markets, obtained by non-resident individuals or entities without a permanent

establishment on Spanish territory, which are residents in a State that has signed a Treaty with Spain to avoid double taxation, that includes a clause for the exchange of information, will also be exempt.

- In no case will these exemptions be applicable when the income is obtained through the countries or territories legally qualified as tax havens.
- The Tax shall be calculated by applying the rate of 15% to the taxable base that corresponds to the interest and other returns of the Notes, unless said returns are exempt or are liable to a lower rate by virtue of the provisions of the internal rules or a treaty signed by Spain. Should the investor's residence give rise to the application of a Treaty to avoid Double Taxation signed by Spain, the reduced rate set forth in said Treaty shall apply.
- The application of any exemption or reduced rate set forth in the treaty signed by Spain, shall require proof of tax residence of the investor through a tax residence certificate issued by the tax authorities of the country where said investor resides.
- However, coupons derived from the Notes are, in principle, subject to withholding tax retention, save accreditation of the applicability of the exemption or of payment of the Tax. The amount to be withheld is equivalent to that of the definitive Tax.
- In accordance with the Ministerial Order dated 13 April 2000, in those cases in which the procedure for payment of interest derived from the Notes involves the participation of financial entities domiciled, resident or represented in Spain, and which are depositaries or manage the collection of the income from said securities, the exclusion of tax retention, or of a reduced rate through application of the tax ceilings set forth in double taxation treaties shall be carried out in the manner set forth hereunder.
  - The Fund Manager, in the name and on behalf of the fund as issuing entity, shall pay to the depositary entities, through the paying agent, the net amount resulting from the application of the general retention rate current as at that date, on the whole of the interest.
  - Prior the 10<sup>th</sup> of the month following the month of maturity of each coupon, the depositary entities must present a detailed list of the holders that are liable to income tax for non-residents due to obtaining profits on Spanish territory without permanent establishment to the Fund Manager or the Paying Agent. The list must include identifying details of said holders, the number of securities that they hold at the maturity date of each coupon, the corresponding gross profits and the amount retained.
  - The holders of the Notes liable to Non-Resident Income Tax without permanent establishment in Spain must prove their right to the application of the taxation limits of a treaty to prevent double taxation or to the exclusion of withholding tax retention and accredit same to the depositary entities. The depositary entities shall prepare the list indicated in the previous section, including the holders of the securities that have their right accredited at the time of submission of the list to the Fund Manager.
  - As soon as it receives the aforementioned list, referred to in the aforementioned number 2 of this section, the Fund Manager shall immediately pay the depositary entities the excess amount retained from said non-resident income tax payees, and shall do so through the paying agent.
  - The depositary entities shall immediately pay the excess amount retained from the holders liable to Non-Resident Income Tax.
  - For the purposes of accrediting the right to the practice of withholding tax retention with application of the taxation limits of a treaty, or the exclusion thereof, the taxpayers must justify their tax residence by means of the following documentation:
    - When the retention exclusion is caused by the application of Spanish internal legislation, by means of a residence certificate issued by the tax authorities of the country of residence.
    - When the retention exclusion or the retention at a reduced rate in application of a Treaty to avoid double taxation is practiced, with a certificate issued by the corresponding tax authority, which expressly states that the taxpayer is a resident in

the sense defined in the Treaty. Notwithstanding, when the retention is practiced by applying a taxation limit fixed in a Treaty developed by means of an Order in which the use of a specific form is established, it will be justified by means of the same instead of by the certificate.

The residence certificates referred to in the previous paragraphs will have a validity of one year from the date of issue.

- Should it not be possible to prove tax residence for these purposes, the profits obtained from the Notes, both in the form of interest as well as through transfer, redemption or amortisation, by non-resident holders shall be subject to retention at the previously indicated rate. Overpayments or excess retention may be rebated through the procedure set forth in current legislation.
- On the other hand, and independently of their tax liability, the income derived from the transfer or redemption of the Notes will not be subject to withholding tax retention, given that they are Notes with explicit return represented by book entries and traded on a Spanish official secondary securities market, in the terms and conditions provided for by article 70.3 f) of the Income Tax Regulations, by express remission of article 14.3. b) of the Regulation to the Non-Residents Income Tax. The remission mentioned in the article with regard to the precept of the Income Tax Regulations does not expressly exempt the application of the so-called coupon anti-laundering rule in the case that the investor is non-resident without permanent establishment in Spain<sup>1</sup>. However, in spite of the literal nature of the rule, there are non-conclusive arguments, based on the objective of same, which would allow the application to be questioned when the party making the transfer of the financial asset is a non-resident without permanent establishment in our country. In any case, it remains a controversial aspect. All of the foregoing, without prejudice to the joint and several liability that may be incurred by the depositary or management entity for the Notes, and of the eventual Tax declaration and payment obligations for the non-resident holder.

### **c). Indirect taxation on the Notes**

The issue, subscription and transfer of the Notes is exempt from the tax on patrimonial transfer and documented legal acts and from the value added tax .

### **d). Patrimony Tax**

Individuals who are subject to the Patrimony Tax because of personal obligation, who hold Notes on December 31 of any given year and are obliged to present a declaration for this tax, will integrate the Notes into the tax base of the Patrimony Tax according to the fourth quarter average trading value of each year.

Non-resident physical persons that hold Notes as at 31 December of each year shall be liable for Patrimony Tax and shall be equally subject to said tax, unless the treaties to avoid double taxation are applicable. Nevertheless, residents of other European Union member States will be exempt insofar as the return of the Notes is exempt from the Non-Resident Income Tax, according to the terms previously set forth (except those that maintain their financial assets through a tax haven).

### **e). Inheritance Tax**

The transfer of the Notes through death or donation in favour of physical persons is subject to the general regulations governing Inheritance and Donations, without prejudice to the provisions set forth in the Treaties to avoid Double Taxation signed by Spain. In cases where the beneficiary is a legal person, the profit obtained shall be subject to corporation tax or non-resident income tax, in accordance

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<sup>1</sup> The application of which would determine the practice of retention on the part of the price that is equivalent to the coupon in the transfers made within thirty days immediately prior to the maturity of the coupon when (i) the purchaser is a non-resident person or entity on Spanish territory, or a corporation tax taxpayer, and (ii) these returns are exempt from the obligation of retention for the purchaser.

with the rules and the individual circumstances. The latter instance is without prejudice to the provisions of the agreements governing double taxation which may apply. .

## **II.23. Purpose of the transaction.**

The net amount of the Notes Issue will be destined in full to the payment to Banco Pastor of the price for the acquisition of the Non-Mortgage Loans and the subscription of the Mortgage Transfer Certificates by the Fund Manager in representation of the Fund for the pooling into the assets of the same.

## **II.24. Entities that, if applicable, have agreed to participate in the secondary trading, giving liquidity by offering a consideration, indicating the extent of their intervention and the form it will take.**

There are no undertakings with any entity whatsoever to guarantee the liquidity of the Notes on the secondary market.

## **II.25. Physical or legal persons that have participated in the consultancy or design of the formation of the Fund, or in some of the significant information contain in the Prospectus.**

### **II.25.1. Enumeration of the persons.**

- a) The financial design of the operation has been carried out by GESTICAIXA S.G.F.T., S.A.
- b) BANCO PASTOR, S.A. is the Assignor of the Loans and the Issuing Entity of the Mortgage Transfer Certificates that are pooled into Fund.
- c) Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch shall participate as Management Entities and Underwriting and Placement Entities of the Note Issue. BNP Paribas Spanish Branch and Dresdner Bank AG London Branch shall act as the placement entities in charge of the book running.
- d) CAIXA D'ESTALVIS I PENSIONS DE BARCELONA participates as Paying Agent of the Notes Issue.
- e) DELOITTE & TOUCHE ESPAÑA, S.L. participates as auditor for the verification of certain attributes of the selection of loans from which the loans to be assigned to the Fund upon its formation shall be taken.
- f) CUATRECASAS ABOGADOS participates as independent legal adviser, having provided legal advice to the Fund Manager for the legal structure of the operation.

### **II.25.2. Declaration of the person responsible for the Prospectus in the name of the Fund manager, regarding whether they are aware of type of tie (political rights, work-related, family, etc.) or economic interests of said experts, consultants, or any other intervening entities, either with the Fund Manager or with the former holders of the assets (Loans) acquired by the fund.**

*“Mr Xavier Jaumadreu Patxot, in name and representation of GESTICAIXA, SGFT, S.A, with registered office in Barcelona, Avenida Diagonal, 621-629, and in relation to the formation of the “Asset Securitisation Fund GC FTPYME PASTOR” and the issue of Notes against it, for the amount of eight hundred million (800,000,000) euros, whose presentation for registry with the National Securities Market Commission has been*

registered on 26 October 2004, in compliance with that set forth in section II.25.2 of Circular 2/94, dated March 16, of the National Securities Market Commission (in implementation of the Order of July 12, 1993 which, in turn, implements Royal Decree 291/92, of March 27th),

DECLARES

*That Caixa d'Estalvis i Pensions de Barcelona, through Caixa Holding, S.A. holds an indirect share (from which control is held) of 96.4 % of the share capital of Gesticaixa, S.G.F.T, S.A.*

*That there exists no other type of link (voting rights, work related, family, etc.) or economic interest between the Fund Manager and/or the assignor and the experts, consultants and/or other entities that have participated in the design or consultancy for the formation of the fund, or of some relevant information contained in the Prospectus, other than the strictly professional.*

A photocopy of the letter from the Fund Manager which contains the aforementioned declaration is attached to this prospectus as annexe 6.

**II.25.3. Declaration of the Assignor**

Mr Miguel Sanmartín Losada, in name and representation of BANCO PASTOR, S.A., domiciled for these purposes at calle Cantón Pequeño, 1, La Coruña, and holder of Corporate Taxpayer Code (CIF): A-15000128, duly empowered for the purposed by virtue of the agreements adopted at the meeting of the Board of Directors held on 9 September 2004 and with regard to the formation of GC FTPYME PASTOR 2, Asset Securitisation Fund,

DECLARES

- I. That the statements relating to the Loans and the Mortgage Transmission Certificates and Mortgage Loans, contained in section IV.1.4 of the Prospectus, are true*
- II. That the above statements will be declared to the Management Company, in representation of the Fund, in the Deed of Formation of same*
- III. That verifications have been carried out which were necessary to check the veracity and integrity of the information contained in the Prospectus relative to the portfolio of loans selected that for the most part will be assigned to the Fund in the Deed of Formation, constituting the Mortgage Loans object of the issue of the Mortgage Transfer Certificates and the Non-Mortgage Loan directly assigned*
- IV. That, as a consequence of these verifications, there is no indication of circumstances that contradict or alter the information collected in the Prospectus, nor does this omit significant acts or data that could result to be relevant to the investor.*

*And for the record and the opportune purposes, the foregoing statement is made in A Coruña, on 13 October 2004.*

A photocopy of the letter from the assignor which contains the aforementioned declaration is attached to this Prospectus as annexe 7.

### III. CHAPTER III

#### INFORMATION OF A GENERAL NATURE ON THE GC FTPYME PASTOR 2 FTA FUND

##### III.1. Name of the Fund and regulating regime.

The name of the Fund is "GC FTPYME PASTOR 2, Asset Securitisation Fund".

"GC FTPYME PASTOR 2, Asset Securitisation Fund" is formed under the protection of the provisions set forth in the Order dated 28 December 2001 and shall be subject to the legal regulations expounded in: (i) the Deed of Formation of the Fund, (ii) Royal Decree 926/1998 and the provisions that implement this, (iii) Law 19/1992, with regard to any issue not covered in Royal Decree 926/1998 and therefore applicable, (iv) in the Order dated 28 December 2001, (v) in the Securities Market Act, with regard to its supervision, inspection and sanction and (vi) any other legal and regulatory provisions in force at any given time and applicable.

The aim of the Fund shall be the change from regulated, homogenous fixed-income securities, therefore susceptible to trading on organised securities markets, of the Loans that it acquires from the Assignor, as well as fostering business financing.

It is hereby placed on record that neither the formation of the Fund nor the Notes that are issued against its assets shall be the object of registration in the Business Register, in accordance with the optional faculty contained in number 4 of article 5 of Royal Decree 926/1998.

##### III.2. Legal nature of the Fund

The Fund, in conformity with article 1 of Royal Decree 926/1998, constitutes a separate patrimony, lacking legal personality, and will have a closed character, in conformity with article 3 of Royal Decree 926/1998, integrated, in regard to its assets, by the Non-Mortgage Loans and the Mortgage Transfer Certificates that are pooled in the moment of the formation and, in so far as its liabilities, by the Notes it issues and by the subordinate Loan, in accordance with the provisions set forth in number 1 of article 1 of Royal Decree 926/1998, in such a way that the net patrimonial value of the Fund is null. Additionally, the Fund arranges the EIF Guarantee, the Finance Interest Swap, the State Warrantee and the Liquidity Line that figure in the order accounts.

Following the enactment on 1 September 2004 of the Bankruptcy Act, Chapter IV of Heading III of said regulations sets forth the possibility that harmful actions against the total assets carried out by the insolvent debtor may be rescinded in certain cases through the exercise of cancellation actions regulated by articles 71 to 73 of the aforementioned norm.

Notwithstanding the foregoing, the juridical business of assignment of the Loans must be considered as ordinary acts for Banco Pastor that form part of its professional or business activity carried out under normal conditions and, as such, cannot be the object of rescission, as set forth through the exception included in section 5 of article 71 of the Bankruptcy Act.

With regard to the right of separation, in the event that the Assignor of the Loans becomes embroiled in insolvency proceedings, the assignor shall be the object of application under the terms pursuant to articles 80 and 81 of the Bankruptcy Act.

The Legal Maturity Date of the Fund will coincide with the date which falls forty eight (48) months after the Statutory Maturity Date, and in any event, on 31 October 2037, or the following Business

Day, without prejudice to the option of early redemption of the issue by the Fund Manager as set forth in section II.11 of this Prospectus.

The patrimonial elements that integrate the assets and liabilities of the Fund, and the operations of risk coverage and of services that are arranged by the same are determined later in this chapter.

### **III.3. Management and Representation of the Fund and Noteholders.**

#### **III.3.1. Functions and Responsibilities of the Fund Manager**

"GC FTPYME PASTOR 2 FTA" has been set up by "GestiCaixa, S.G.F.T., S.A." as the authorised Fund Manager and is consequently authorised to act as the manager and legal representative of the GC FTPYME PASTOR 2 FTA Fund as provided for in Royal Decree 926/1998.

It equally corresponds to the Fund Manager, in its capacity as manager of business of others, the representation and defence of the interests of the holders of the Notes issued against the fund and of the rest of the ordinary creditors of the same. Consequently, the Fund Manager will limit its actions to the defence of those interests in accordance with the laws in force at any given time. The Noteholders shall not have any action against the Fund Manager, except for the breach of its duties or non-observance of that set forth in the Deed of Formation and the Prospectus.

The Fund Manager will inform the Noteholders of all those circumstances that could be of their interest through the publication of the appropriate advertisements in the terms that are established in section III.6 of this Chapter.

#### ***Principles of Action of the Fund Manager***

##### **1. Principle of Diligence**

The Fund Manager will carry out its activity with the diligence required in agreement with Royal Decree 926/1998, representing the Fund and defending the interests of the holders of the Notes and the other ordinary creditors of the Fund as if its own interests were involved, maximizing the levels of diligence, information and defence of the interests of them and avoiding situations that would present conflicts of interest, giving priority to the interests of the holders of the Notes and the rest of the ordinary creditors of the Notes over the interests of third-parties and over its own interests.

To these effects, and without prejudice to the previous, the Fund Manager will be able to act as the Manager of the Fund, as well as of any other Securitisation Fund, without the simultaneous management of these constituting, in any way, violation of its obligations of diligence as Manager of the Fund or other Securitisation Funds.

##### **2. Means Available**

The Fund Manager has the means necessary, including adequate computer systems, to carry out the duties of administration of the Fund that are attributed to it by Royal Decree 926/1998.

##### **3. Code of Conduct**

The Fund Manager will comply with the code of conduct that results to be applicable to it. The Fund Manager has established an Internal Code of Conduct in fulfilment of that set forth in Chapter II of Royal Decree 629/1993, of May 3, on norms of conduct in the securities market and obligatory registries, that has been communicated to the CNMV, as also required by that set forth in the fourth Additional Disposition of the Finance Law.

#### 4. Confidentiality

Neither during the life of the Fund nor after its extinction, will the Fund Manager reveal to persons, firms or companies (except as necessary for the due fulfilment of its obligations or to assert its rights, or where the law or any Stock Exchange or organized secondary market demands it, or where it is ordered by a legal tribunal or other competent authority, or where it be usual information of legitimate interest on the part of the Noteholders, or it be required by the CNMV or by the Rating Agencies) information relative to the Loans or the Debtors of the operations for financial risk coverage and the carrying out of services arranged on behalf of the Fund, and that the Fund Manager has obtained in the course of its duties in relation to the Fund.

### *Acts and Obligations of the Fund Manager for the Administration of the Fund*

#### 1. Management of the Fund

- (i) Manage the Fund with the objective that its patrimonial value be null at every moment;
- (ii) Carry out the accounting of the Fund, with due separation from its own accounting, effectuate the rendering of accounts and carry out the fiscal obligations or any other legal obligations corresponding to the Fund.
- (iii) Refrain from carrying out actions that could worsen the ratings assigned to each Series of Notes Issue by the Rating Agencies, and procure the adoption of those measures that are reasonably within its reach so that the aforementioned ratings are not negatively affected at any time.
- (iv) Sign as many contracts as are foreseen by the Deed of Formation and in this Prospectus, or those that result to be necessary in the future, on behalf of the Fund, in relation to its assets and liabilities taking into account, nevertheless, that the signing on behalf of the Fund of any contract not foreseen by the Deed of Formation will require the modification of the Payment Priority Order of the Fund, prior communication to the CNMV for its placement at the disposition of the public, depending on the case, as a relevant fact or through registry of a supplement to the Informative Prospectus. All of this taking the measures necessary to assure that the action has no negative impact on the ratings of the Notes;
- (v) Adopt the appropriate decisions in relation to the liquidation of the Fund, including the decision of early liquidation of the Fund and early redemption of the Note Issue, in agreement with that foreseen in the Deed of Formation and in this Prospectus. Likewise, adopt the appropriate decisions in the case of the termination of the formation of the Fund.
- (vi) Fulfil its formal obligations with regard to documents and information for the CNMV, the General Directorate of Financial Policy and the Treasury, the General Directorate of SME Policy, the Rating Agencies and any other supervisory organism.
- (vii) Name and, in its case, substitute and revoke the accounts auditor that carries out the auditing and inspection of the annual accounts of the Fund.
- (viii) Prepare and submit to the CNMV and to any other competent administrative body all the documents and information that should be submitted, as established by current regulations, the Deed of Formation and this Prospectus, or that be required, as well as elaborate and send to the Rating Agencies the information they reasonably may require.
- (ix) Facilitate for the holders of the Notes issued against the Fund, to the CNMV and to the public in general, as much information and prior notifications as are contemplated by the current legislation and, in particular, by the Deed of Formation and by this Prospectus.
- (x) Fulfil its calculation obligations set forth in the Deed of Formation and in the present Prospectus and in the diverse contracts of Fund operations that are described in section V.3 of the Prospectus or in those others that, if the case arises, are subsequently agreed to by the Fund Manager in name and on behalf of the Fund.



- (xi) Open, if applicable, a new current account (Treasury Surplus Account) in the name of the Fund with a financial entity with a short-term debt rating of at least A-1 + on the S & P scale and P-1 on Moody's scale.

To enable the Fund to operate in the terms set out in the Deed of Formation and the regulations in force at any given time, acting on behalf of the Fund, it may extend or modify the contracts subscribed on behalf of the Fund and replace each one of the providers of the services to the Fund by virtue of those contracts. If necessary, the Fund Manager may sign additional contracts, including new credit line contracts, and modify the Deed of Formation provided that the requirements for such modifications are met. Any such actions shall be notified in advance by the Managing Company to the CNMV or another competent administrative body or the Rating Agencies, and authorisation shall be obtained in advance where necessary, and such actions shall not jeopardize the rating of the Notes by the Rating Agencies. In order to amend the Deed of Formation, to amend the agreements or to sign additional agreements, it shall be necessary for the Fund Manager to notify the CNMV as a relevant event or as a supplement to the Prospectus, whichever applies. The deed of formation shall also be the possible object of rectification at the request of the CNMV.

2. With regard to the Loans and Assets:

- (i) Exercise the rights inherent to the ownership of the Loans acquired by the Fund and, in general, realise all those acts of administration and regulation that are necessary for the proper fulfilment of the administration and legal representation of the Fund.
- (ii) Verify that the amount of the deposits the Fund effectively receives correspond to the amounts that should be received by the Fund, in accordance with the conditions of assignment of each Loan and with the conditions of their corresponding contracts.
- (iii) Validate and control the information that the Administrator receives regarding the Loans, in reference to the charges of the ordinary accounts, early cancellations of principal, payments received of unpaid instalments and the situation and control of overdue amounts.
- (iv) Supervise that any renegotiation of the conditions of the Loans is carried out by the Administrator in agreement with the general or specific instructions communicated to it by the Fund Manager and
- (v) Supervise the actions coordinated with the Administrator for the recuperation of the unpaid amounts, passing on instructions, when appropriate, so that it instigates the recovery procedure established in agreement with the Administration Contract. Take recovery actions as required by the circumstances.

3. In relation to the Note Issue.

- (i) Prepare and notify the holders of the Notes of the information foreseen in the present Prospectus, as well as all additional information that may be legally required.
- (ii) Determine, in each Interest Rate Determination Date, and with respect to each following Period of Interest Accrual, the nominal interest rate to apply to each one of the Series of Notes, resulting from the determination made in conformity with that set forth in section II.10, publishing it in the manner foreseen in section III.6 of this Prospectus.
- (iii) Calculate and liquidate the amount that corresponds for payment in the Payment Date for the accrued interest of each one of the Series of Notes in conformity with that foreseen in section II.10, publishing it in the manner foreseen in section III.6 of this Prospectus.
- (iv) Calculate and determine on each Determination Date, the principal to amortise or reimburse of each of the Series of Notes on the corresponding Payment Date in

conformity with that foreseen in section II.11.3 and publish it in the manner foreseen in sections III.6 of this Prospectus.

- (v) Determine the amount payable to the State for the amounts owed to the holders of the guaranteed Series BG Notes and, if necessary, execute the State Warrantee.
- (vi) Determine the amount payable to the EIF for the amounts owed to the holders of the guaranteed Series C Notes and, if necessary, execute the EIF Warrantee.

4. In relation to the Remaining Financial and Service Operations

- (i) Determine the interest rate applicable to each one of the active, passive and coverage financial operations.
- (ii) Calculate and liquidate the amounts for interest and commissions that the Fund should receive and pay for each of the active, passive or coverage operations, as well as the fees to be paid for the different arranged financial services.
- (iii) Open two financial accounts in the name of the Fund, Treasury Account initially with the Paying Agent and the Amortisation Account, initially with Banco Pastor, and if appropriate, open a new financial account, Treasury Surplus Account, with a financial institution with a short-term debt rating of at least A-1 + on the S & P scale and P-1 on Moody's scale.
- (iv) Take all of the actions with regard to the debt rating and/or financial situation of the Banco Pastor and Caixa d'Estalvis i Pensions de Barcelona foreseen in the Subordinate Loan Contract, the Participative Loan Contract, the Interest Swap Contract, the Collection Account Contract, Treasury Account Contract and the Treasury Surplus Contract, as required, and take all of the actions foreseen with regard to these Contracts as described in sections V.3.1., V.3.2., V.3.3., V.3.5., V.3.6.1. and V.3.6.2 of this Prospectus, respectively.
- (v) Ensure that the amounts payable to the Loan Administrator for principal and interest and for any other items payable to the Fund are deposited into the Collection Account and that said amounts are deposited with the value date on the day they were received by the Administrator.
- (vi) Give the opportune instructions to make the necessary payments from the Collection Account in order to meet the obligations of the Fund, via the Treasury Account.
- (vii) Ensure that the amounts deposited in the Treasury Account, the Collection Account and the Treasury Surplus Account, if any, produce the return established in the respective Contracts for the Opening of Guaranteed Interest Rate Account.

5. In relation to the Management of Fund Collection and Payments.

- (i) Calculate the Available Funds and the payment or withholding obligations that are required and apply them in accordance with the Payments Priority Order.
- (ii) Order the transfer of funds between the different active and passive accounts, and the appropriate payments instructions, including those assigned to attend to the financial service of the Notes.

### **III.3.2. Resignation and substitution of the Fund Manager**

The Fund Manager will be substituted in the administration and representation of the Fund, in conformity with articles 18 and 19 of Royal Decree 926/1998 that are reproduced below and with the subsequent dispositions that may be established as regulations to that effect.

### ***Resignation.***

- (i) The Fund Manager may resign from its duties of administration and legal representation of all or part of the funds that it manages when it deems appropriate, by written request to the CNMV, in which it is stated the designation of the Fund Manager to substitute. The said document shall be accompanied by another one from the new Fund Manager in which it declares its acceptance of such duties and incorporates the corresponding authorisation.
- (ii) The authorisation of the substitution on the part of the CNMV will be conditioned by the fulfilment of the following requirements:
  - (a) The delivery to the new Fund Manager of the accounting and electronic registries by the substituted Management Company. Such delivery will only be considered to have taken place when the new Fund Manager can fully assume its role and communicates this circumstance to the CNMV.
  - (b) The ratings granted to the securities shall not be diminished as a consequence of the proposed substitution.
- (iii) In no case shall the Fund Manager resign from the exercise of its duties until all the requisites and procedures have been fulfilled so that its substitute is able to assume its duties.
- (iv) The expenses that result from the substitution will be charged to the resigning Fund Manager and in no case shall be imputed to the Fund.
- (v) The substitution shall be published, in a period of fifteen days, by means of an advertisement placed in two newspapers of national circulation and in the bulletin of the organised secondary where the Notes issued by the Fund are traded. Likewise, the Fund Manager should notify the Rating Agencies of the occurrence said substitution.

### **Mandatory replacement.**

- (i) When the Fund Manager is declared in bankruptcy, it should proceed to find a Fund Manager to replace it, in accordance with that foreseen by the above paragraph.
- (ii) In accordance with the previous section, if four months have elapsed since the determining event for the substitution of the Fund Manager and a new Fund Manager willing to accept the designation has not been found, the Fund will be liquidated and the Notes and loans issued against it will be amortised early, all in accordance with that foreseen in the Public Deed of Formation.

The Fund Manager will be obliged to grant the public and private documents necessary to proceed with the replacement by the other Fund Manager, in conformity with the foreseen regime of the prior paragraphs of this section. The substituted Fund Manager shall be subrogated to the rights and obligations that, in relation to the Deed of Formation and the present Prospectus, correspond to the Fund Manager. Likewise, the Fund Manager should hand over to the substituting Fund Manager as many documents and accounting and computer registries to the Fund as are in its power and possession.

### **III.3.3. Subcontracting.**

The Fund Manager will be authorised to subcontract or delegate in third-parties of recognised solvency and capacity, the rendering of any of the services that must be performed in the course of its duties as legal representative and administrator of the Fund, in accordance with that established in the Deed of Formation, always where the subcontractor or delegate has waived the right of any

action of demand of responsibility against the Fund. In any case, the subcontracting or delegation of any service (i) may not suppose any additional cost or expense to the Fund, (ii) must be legally possible, (iii) will not give rise to a downgrade in the rating granted to any of the Series of Notes, and (iv) will be notified to the CNMV, having, when necessary by law, its previous authorisation. Notwithstanding any subcontracting or delegation, the Fund Manager will not be exonerated or liberated by such subcontracting or delegation in any of its responsibilities assumed by virtue of the Deed of Formation that are attributable or demandable by law.

### **III.3.4. Payments to the Fund Manager**

The Fund Manager will be remunerated quarterly on each Payment Date, according to the following rules:

(i) The Fund Manager will receive an initial fixed remuneration of FORTY THOUSAND (40,000) euros, payable on the Disbursement Date of the Fund.

(ii) Furthermore, the Fund Manager will receive a periodic adjustable remuneration calculated on the basis of the Outstanding Principal of the Notes on the Payment Date prior to the Payment Date on which the remuneration falls due. The periodic adjustable remuneration will be equal, on each Payment Date, to an annual rate of 0.0155% of the Outstanding Balance of the Notes, in proportion to the number of days in the Interest Accrual Period, with a minimum of 12,000 euros per annum.

In other words, it will be calculated using the following formula:

$$R_t = (0.0155\% * N_i) * (d_i / 360)$$

Where:

$N_i$  = the Outstanding Balance of the Principal of the Notes at the beginning of the period.

$d_i$  = is the number of days in the period.

Therefore, on the first Payment Date, the remuneration payable to the Fund Manager, based on a 90-day quarter, would be equal to:

$$R_t = ((0.0155 / 100) * 800,000,000) * (90 / 360) = 31,000. \text{ euros.}$$

Said remuneration shall be understood as gross in the sense that it shall include any direct or indirect tax or withholding applicable thereto.

If the Fund Manager is replaced as established in section III.7, the payments mentioned in this section may be modified when a replacement Fund Manager is selected, provided always that new conditions are agreed with the Assignor.

### **III.4. Net Worth of the Fund**

The Fund has been designed so that its net worth is null, as provided for in article five, point 1 of Law 19/1992, which applies in this case by express reference of Royal Decree 926/1998.

#### **a) At origin**

Assets:

(i) The Outstanding Balance of the Assets pooled into the Fund;

- (ii) The amount charged for the outlay of the underwritten subscription of each one of the Notes Series.
- (iii) Initial expenses activated.
- (iv) The balance of the Amortisation Account, comprising the amounts obtained from the Participative Loan, as established in section V.3.3. of this Prospectus, and the balance of the Treasury Account, composed of the amounts obtained from the Subordinate Loan, as established in sections V.3.1 and V.3.2 of this Prospectus.

Liabilities:

- (i) The face value of the Securitisation Notes issued;
- (ii) The amount of the Subordinate Loan and the amount of the Participative Loan.
- (iii) The amount payable to Banco Pastor for the acquisition of the Loans.

**b) During the life of the Fund**

Assets:

- (i) The Outstanding Balance of the Assets pooled into the Fund;
- (ii) The ordinary interest of the mortgage loans, accrued and unpaid;
- (iii) The outstanding balance of the initial expenses;
- (iv) The amounts to be received through the Interest Finance Swap that are established in section V.3.5 of this Prospectus, deposited in the Treasury Account.
- (v) In its case, the amounts available from the Participative Loan deposited in the Collection Account.
- (vi) If applicable, the amounts received through the execution of the State Warrantee that are established in section V.3.6 of this Prospectus, paid into the Treasury Account.
- (vii) If applicable, the amounts received through the execution of the EIF Warrantee that are established in section V.3.8 of this Prospectus, paid into the Treasury Account.
- (viii) The rest of the balances in the Treasury Account, the Collection Account and the Treasury Surplus Account, if any, and the accrued interests.
- (ix) Any quantities, goods or assets received in payment of principal, interest or expenses of the Mortgage Loans and Non-Mortgage Loans by judicial or extra-judicial enforcement of the mortgage guarantees or for the sale or exploitation of the real estate adjudicated to the Fund in execution of the mortgage guarantees, or in the interim administration and possession of the real estate (in process of enforcement), acquisition at the auction price or by the amount determined by judicial decision and in general any assets ultimately adjudicated to the Fund as a consequence of the eventual execution of the guarantees provided in relation to the Loans and all other rights conferred upon the Fund as a consequence of the assignment by the Assignor and the acquisition by the Fund of the Loans.

Liabilities:

- (i) The Outstanding Principal Balance of the Securitisation Notes;

- (ii) The unpaid balances of the Subordinate Loan and the Participative Loan;
- (iii) Outstanding principal, interests, commissions and miscellaneous expenses.
- (iv) Variable remuneration of the Participative Loan accrued and outstanding.
- (v) In the event of the execution of the State Warrantee as established in section II.15.2, the amount of the execution of the State Warrantee and the drawn amount of the Liquidity Line will become Fund liabilities as well.
- (vi) The amounts to be paid for the Interest Finance Swap established in section V.3.5 of this Prospectus.
- (vii) If the EIF Warrantee is executed, the executed amount of the EIF Warrantee will also become part of the Fund's liabilities.

#### **III.4.1. Description of the Assets of the Fund**

The basic Fund assets are composed of the Loans pooled in the Fund. For detailed information about the Loans, please see section V.1 of this Prospectus.

#### **III.4.2. Description of the Liabilities of the Fund**

From the date of the formation of the Fund and throughout the Fund's life, the basic liabilities of the Fund will be composed of the Notes issued against the Fund as described in Chapter II, the Subordinate Loan obtained from the Assignor as described in section V.3.1. of this Prospectus, the Participative Loan described in section V.3.3. of this Prospectus, and the interests, commissions and other miscellaneous accrued and unpaid charges.

#### **III.4.3. Expenses**

The Fund Manager will satisfy with charge to the Fund all the expenses necessary for its operation, as much for the initial expenses as for the ordinary periodic expenses and the extraordinary expenses that accrue throughout the life of the Fund, including those expenses that are occasioned by the liquidation of the Fund.

##### **1. Initial expenses**

The Fund must settle the following fund-incorporation expenses: Fees to the National Securities Market Commission, trading entry fees on the AIAF Market, fees to the Rating Agencies, notary fees, legal fees, commissions payable to the Note issue underwriters, fixed set-up commission to the Fund Manager, EIF initial commission, audit costs and advertising and printing expenses.

The estimation of the initial expenses for the Fund formation and Notes issue are found detailed in section II.14 of the Prospectus. The payment of the initial expenses will be realized with the amount available from the Subordinated Loan and without being subject to the Priority Payment Rules of the Fund.

##### **2. Expenses in the course of the life of the Fund**

The Fund Manager will satisfy with charge to the Fund all the expenses necessary for its operation, as much for the ordinary periodic expenses and the extraordinary expenses that accrue throughout the

life of the Fund, according to the Payment Priority Order for each type of expense. The expenses to be paid by the Fund Manager shall include but are not limited to the following:

- (i) Payment to the Fund Manager of the variable periodic commission, as set forth in section III.3.4 of this Prospectus.
- (ii) Commission payable to the Paying Agent.
- (iii) Variable Remuneration of the Participative Loan. Payment of a variable amount under the concept of the Variable Remuneration of the Participative Loan shall be payable on each Payment Date. The calculation of said amount shall be adapted to the procedure set forth in the Fund Formation Deed.
- (iv) Liquidity line remuneration
- (v) Commission payable to the Administrator.
- (vi) Whatsoever extraordinary expenses incurred in the defence of the Noteholders' interests.
- (vii) Fund audit expenses.
- (viii) Expenses derived from the placing of announcements or notifications regarding the Fund and/or the Notes.
- (ix) Maintenance expenses of the rating awarded by the Ratings Agencies, under the terms initially agreed with said Agencies.
- (x) Underwriting commission payable to the EIF for the EIF Guarantee.
- (xi) If appropriate, the expenses derived from the preparation and formalisation of the modification of the Deed of Incorporation and of the Contracts, as well as for the making of additional contracts;
- (xii) Financial expenses of the Notes issue and of each one of the passive financial operations and coverage operations.
- (xiii) Expenses derived from the amortisation of the Notes.
- (xiv) Expenses relative to the carrying-out of the accounting entry of the Notes through account records and for their trading upkeep on the secondary securities markets.
- (xv) Expenses that may derive from the sale of the Assigned Assets and from the assets remaining in the Fund for the liquidation of same, including those derived from the acquisition of a line of credit.
- (xvi) Expenses derived from the recovery actions of the Assigned Assets.
- (xvii) Expenses derived from the administration of the Fund and from the Assigned Assets.
- (xviii) Commissions and expenses charged to the Fund for the undersigned service contracts.
- (xix) The amounts to be paid by virtue of the terms of the Interest Swap.

The totality of the commissions is gross and includes whatsoever tax or retention that may apply to same. The respective entities that hold the right to said commission shall be liable for whatsoever expense that may be incurred through the implementation of their roles.

#### **III.4.4. Fund revenue derived from its operation**

The Available Amounts of the Fund on each Payment Date shall be equal to the sum of:

- (i) The amounts received through reimbursement of the principal of the Assigned Assets deposited in the Amortisation Account.
- (ii) Ordinary interests of the Assigned Assets, deposited in the Amortisation Account.
- (iii) The amount of the Reserve Fund, deposited in the Reserve Fund.
- (iv) The remaining amounts deposited in the Accounts Receivable and the returns produced by said amounts.
- (v) The balance of the Treasury Account held by the Paying Agent and the balance of the Cash Surplus Account, if appropriate, including the returns produced through these and including in said amounts, if applicable, the corresponding return of the Reserve Fund under the terms set forth in Section V.3.4. of this Prospectus.
- (vi) The amount of the Fund asset liquidation shall also be available, if applicable and appropriate.
- (vii) The amounts received by virtue of the terms of the interest swap.
- (viii) Any other amounts the Fund might receive, including those that the Fund might receive by virtue of the Assigned Assets, as much for the transfer of goods or real estate adjudicated to the Fund, or the exploitation of same, as for the rest of the rights conferred on the Fund through the assignment of the Loans.

In addition, although not integrated in the Available Funds, the following amounts shall be available to the Fund:

- (i) The amount of the Liquidity Line (which shall only be used in the event that it were necessary to pay the interests of the State-guaranteed Notes and there were insufficient funds, resulting in the execution of the State Warrantee, and the Treasury had still not made settlement).
- (ii) The amounts received, in its case, by the execution of the State Warrantee. Said amounts will be destined only to the payment of interest and to reimbursement of the BG Series, or, in if applicable, to the reimbursement of the anticipated amounts by reason of the interest withdrawal charged to the Liquidity Line.
- (iii) The Amounts received, if applicable, through the execution of the EIF Warrantee, which shall be targeted solely at the payment of interest and to the reimbursement of the Series C principal.

#### **III.4.5. Operations of risk coverage and services**

For the purpose of consolidating the financial structure of the Fund, increasing its security or regularity in the payment of the Notes, to cover for temporary lags between the calendar of the flow of principal and interest of the Loans and the Notes, to neutralise the differences of interest rates between the Loans and the Notes and other liabilities, or, in general, transforming the financial characteristics of the Notes issued, as well as complementing the administration of the Fund, the Fund Manager, in representation and on behalf of the Fund, will proceed in the act of granting the



Deed of Incorporation, to formalise the contracts and operations that are summarised below, in accordance with article 6 of Royal Decree 926/1998 and Law 19/1992.

The Fund Manager may extend or modify the contracts signed in the name of the Fund and replace each one of the service lenders to the Fund by virtue of said contracts. Furthermore, additional contracts may be signed, including credit line contracts, providing that they are in accordance with existing legal provisions at that specific time and there are no circumstances that prevent the foregoing. Any such actions shall be notified in advance by the Managing Company to the CNMV or another competent administrative body or the Rating Agencies, and authorisation shall be obtained in advance where necessary, and such actions shall not jeopardize the Notes' ratings by the Rating Agencies.

The transactions for the coverage of financial risk and the rendering of services that are arranged on behalf of the Fund are:

- i. Account opening contract at guaranteed interest rate (treasury account).
- ii. Deposit Contract at Guaranteed Interest Rate (Amortisation Account).
- iii. Cash Surplus Account Set-up Contract, if required.
- iv. Subordinated Loan Contract.
- v. Finance Interest Swap Contract.
- vi. Participative Loan Contract.
- vii. State Warrantee
- viii. EIF Warrantee
- ix. Counter-Warrantee Contract with the EIF
- x. Liquidity Line Contract.
- xi. Contract of Administration and Management of the Loans and Deposit of the Mortgage Transfer Certificates
- xii. Contract of Management, Underwriting and Placement of the Note Issue
- xiii. Agency Contract of Notes Payment

The individual description of the most relevant terms of each one of the aforementioned contracts is given in section V.3 of this Prospectus. A more exhaustive description of the State Warrantee and the EIF Warrantee is given in section II.15.2. of this Prospectus and more details on the Contract of Administration and Loan Management are given in section IV.2. of this Prospectus.

### **III.5. Formulation, verification, and approval of the annual accounts and other accounting documentation of the Fund. Name of the account auditors designated for the Fund auditing.**

The Fund Manager will present to the CNMV the annual accounts of the fund, together with the audit report of same, within four months following the closing of the period for the fund that coincides with the calendar year.

The Board of Directors of the Fund Manager has designated Deloitte & Touche España, S.L. registered in the Official Registry of Accounts Auditors with number S-0692, as Fund auditors. The Board of Directors of the Managing Company shall inform the National Securities Market Commission of any change that may occur with regard to the designation of the auditors.

### **III.6. Manner of making notifications**

The Fund Manager undertakes to carry out the notifications detailed hereunder, in due satisfaction of the conditions of the issue. The periodicity set forth for each one shall also be observed.

### III.6.1. Ordinary periodic notifications

The Fund Manager will have available for the public all the documentation and information necessary in accordance with the Deed of Incorporation.

1. In the period covered between the Date of Interest Rate Fixing and a maximum of three (3) Business Days following each Payment Date, the Managing Company will proceed to communicate the Nominal Interest Rate applicable to each series of Notes for the following Interest Accrual Period to the Note holders.
2. Every quarter, a minimum of one (1) Business Day before each Payment Date, the Fund, through its Managing Company, shall notify the Note holders and the EIF of the interest from the Notes of each Series, together with the redemption of same, as appropriate, as well as:
  - (i) The real early redemption fees of the Loans of the preceding Determination Date;
  - (ii) the average residual life of the Notes, estimated on the hypothesis of maintaining said real early-redemption fee;
  - (iii) The balances of Outstanding Payment Principal, following the redemption to be settled on each Payment Date of each Note Series, and the percentages that said balances of Outstanding Payment Principal represent over the initial face value of the Notes.
  - (iv) If appropriate, the Note holders shall be informed of the amounts of interest and redemption accrued but unpaid through lack of Available Funds, in accordance with the Priority Payment Rules.

The previous notifications will be likewise communicated to Iberclear at least two (2) Business Days before the Payment Date.

3. Within three (3) months following the final accounting period, the Fund Manager will issue a report that will include:
  - (i) A report on the portfolio of Assets pooled into the Fund, the amount of the Accounts Receivable and the Treasury Fund, the balance, the profit and loss account and an annex specifying the accounting principles applied.
  - (ii) A management report containing:
    - a) The Balance Pending Maturity of the Assets.
    - b) The percentage of early-redeemed Assets.
    - c) The changes produced in the early-redemption fee.
    - d) The amount of unpaid Assets.
    - e) The amount of Defaulted Assets and the percentage they represent over the total.
    - f) The average life of the Assets portfolio.
    - g) The average rate of the Assets portfolio.
    - h) The Outstanding Principal Balance of the Notes.

- i) The percentage of the Notes pending maturity.
  - j) If applicable, the amount of unpaid accrued interest corresponding to the Notes.
  - k) The redemption amount pending of the Subordinated Loan and of the standing of the Participative Loan
  - l) The amount ready and available of the Liquidity Line of the State Warrantee.
  - m) The amount used and the amount available of the EIF Warrantee.
  - n) A detailed analysis of the evolution of the Fund and the factors that have affected said result.
  - o) The amount and the variations of the expenses and management fees produced during the accounting period.
4. The Fund Manager will provide a quarterly report to the CNMV and to the AIAF, within the month following the end of each quarter, on the evolution of the Assets incorporated into the Fund, as well as the balance of the Accounts Amortisation and the Treasury Account, and the relevant information on the Fund and the incorporated Assets.

All the information of a public nature regarding the Fund can be found at the address of the Fund Manager, on the web page of the Underwriting Agencies, at the AIAF and in the register of the CNMV.

### **III.6.2. Extraordinary Notifications**

1. For the purposes of the formation of the Fund and the issue of the Notes, once the Deed of Incorporation has been granted, the Fund Manager, on behalf of the Fund, shall proceed to make the requisite notification of the formation of the Fund and of the issue of the Notes, as well as the Rates of Nominal Interest of the series of Notes applicable to the first Accrual Period of Interest, which shall be taken as the period between the Disbursement Date and the first Payment Date. The foregoing notification shall be made in accordance with the procedure set forth in section III.6.3. of this Prospectus. Any calendar day is appropriate for said publication, whether or not a business day.
2. The Fund Manager, on behalf of the Fund, will inform the holders of the Notes of all relevant events that may take place in relation to the Assets, the Notes, the Fund, and the Fund Manager itself, which could influence the trading of the Notes in an appreciable manner and, in general, of any relevant modification in the assets or liabilities of the Fund. Likewise, the Fund Manager will inform the holders of the Notes of the possible decision of early redemption of the Notes for any of the reasons set forth in this Prospectus: In this event, the CNMV shall be sent the Notary Deed of Liquidation referred to in section III.9 of this Prospectus.

### **III.6.3. Procedure**

All notifications that the Fund Manager has to make to the holders of the Notes shall be carried out, unless other measures are legally or statutorily set forth or made manifest in this Prospectus, by using channels that the market generally accepts and which guarantee adequate dissemination of the information with regard to time and content.

To these effects, the notifications will be considered made on the date of their publication, being suitable for the same on any calendar day, business or non-business.

#### **III.6.4. Information to the CNMV**

On behalf of the Fund, the Fund Manager undertakes to inform the National Securities Market Commission, the Ratings Agencies and the holders of the Notes, in writing, of all relevant facts that occur with regard to the Mortgage Transfer Certificates and the Non-Mortgage Loans, the Notes, the Fund and the Fund Manager itself and which could affect the trading of the Notes. Said notification shall be given on each Payment Date, both with regard to the principal as well as the interests and shall include details of any relevant modification to the Fund's assets and liabilities. Said notification may be given through any medium that ensures adequate dissemination of same and includes the web page of the Management Company.

#### **III.7. Tax regime of the Fund.**

Detailed hereunder is a short extract of the tax regime that applies to the Fund, in accordance with the provisions set forth in article 1.2 of Royal Decree 926/1998, dated 14 May, which regulates the Securitisation Funds of Assets and the Management Companies of Securitisation Funds; article 5.10 of Law 19/1992; article 7.1.h) of the LIS; article 20. One.18 of Law 37/1992, dated 28 December, governing VAT; article 57.k of Royal Decree 1777/2004, dated 30 July, which approved the IS Regulations; article 45.I.B).15 of Royal Decree 1/1993, dated 24 September, which approved the redrafted Text of the Tax Law on Patrimonial Transfers and Documented Legal Acts; article 16 of Royal Decree Law 3/1993, and the Fifth Additional Provision of Law 3/1994:

##### a) Mortgage Transfer Certificates

With regard to the returns of the Mortgage Transfer Certificates, loans or other credit rights that constitute Fund revenue, there will exist no obligation for retention or interim deposit of the IS.

##### b) The Fund

The Fund is subject to the general IS regime.

The Fund formation is exempt from the concept of "corporate operations", of the Tax on Patrimonial Transfers and Documented Legal Acts.

##### c) Noteholders

(See section II.22 of this Prospectus).

##### d) Fund Manager

The Fund management and deposit services of the Fund by the Fund Manager are exempt from Value Added Tax.

#### **III.8. Amendments to the Deed of Incorporation**

The Deed of Incorporation of the Fund may be the object of modification only in the case where strictly necessary and where possible at law because the regulatory requirements that could be established for such modification have been fulfilled. Any such actions shall be notified in advance by the Managing Company to the CNMV or another competent administrative body or the Rating Agencies, and authorisation shall be obtained in advance where necessary, and such actions shall not jeopardize the rating of the Notes by the Rating Agencies. The Deed of Incorporation will also be the

possible object of rectification at the request of the CNMV.

### **III.9. Early Liquidation and Extinction of the Fund**

#### **III.9.1. Early Liquidation of the Fund.**

Following prior communication to the CNMV, the Fund Manager is authorised to proceed with the early liquidation (hereinafter **“Early Liquidation”**) of the Fund and with it, to the early redemption (hereinafter **“Early Redemption”**) and extinction of the Fund on a Payment Date for the totality of the Notes Issue under any of the following circumstances (**“Circumstances of Early Liquidation”**):

- a) When the amount of the Outstanding Balance of the Assets is less than 10 percent of the initial Outstanding Balance of the Loans on the date of formation of the Fund, in accordance with the authorisation established in article 5.3 of Law 19/1992, and provided that the payment obligations derived from the Notes of each Series can be attended to and cancelled in accordance with the Liquidation Payment Priority Order.
- b) When a substantial alteration occurs or the financial balance of the fund required by article 11b of Royal Decree is permanently distorted due to of any event or circumstance of any kind outside or not from the development of the Fund itself. This includes circumstances such as changes to the regulations or supplementary legislative developments, the establishment of the obligations to make retentions or other situations which could permanently affect the financial equilibrium of the Fund.
- c) Obligatorily, in the event that the Fund Manager is declared in suspension of payments or bankrupt, and having elapsed the statutory period established to that effect or, in the absence of this, four months, without designating a new Fund Manager, in accordance with that established in section III.3.2 of this Prospectus.
- d) When 18 months have elapsed from the last maturity date of the Loans, even though there may still be amounts due and pending collection.

For the purposes of the foregoing sections, the Outstanding Principal of the Securitisation Notes on the date of the Early Liquidation of the Fund will be understood as a payment obligation derived from the Notes plus the accrued interest outstanding as of that date, less any tax retention, which shall for all legal purposes be considered due and payable on that date.

For said Early Liquidation of the Fund to proceed, the following conditions must be met:

- a) That, where applicable, the necessary authorisations for it have been obtained from the CNMV or from the competent administrative authorities or organisations.
- b) That communication is made to the holders of the Notes within fifteen (15) Business Days, of the agreement with the Fund Manager to proceed with the anticipated liquidation of the Fund.

Said notification, which shall be previously supplied to the CNMV through publication of the mandatory Relevant Fact pursuant to article 82 of the Law governing the Securities Market and the Placement Agencies, must also be published in the Official Daily Journal of the AIAF or through any other medium generally accepted by the market and which guarantees adequate dissemination of the information, in both time and content and on the Ratings Agencies. The notification must contain the description (i) of the event or events through which the Early Liquidation of the Funds is being carried out, (ii) of the procedure required to undertake same, and (iii) the manner in which the payment obligations derived from the Notes are to be proceeded with, in accordance with the Priority Payment Rules.

In order for the Fund, through the Fund Manager, to conclude the Early Liquidation of the Fund at the early maturity of the Notes Issue, the Fund Manager, in the name and on behalf of the Fund, will proceed to:

- a) Sell the Loans, including the Mortgage Transfer Certificates, for a price no lower than the sum of the amount of the principal plus the unpaid accrued interest of the Loans pending amortisation.
- b) Cancel those contracts that are not necessary for the liquidation process of the Fund.
- c) In the event that, both by reason of the above acts being insufficient or because there existed outstanding payment obligations on the part of the Fund, the Fund Manager will collect offers by at least five (5) institutions from among those most active in the purchase and sale of the type of assets dealt with, being obliged to accept the best offer for the assets offered. For the determination of the market value, the Fund Manager will be able to obtain the valuation reports that it deems necessary. The designation of the independent expert shall be notified to the CNMV and to the Rating Agencies.
- d) It will be authorised to arrange a line of credit to be destined fully and immediately to the early redemption of the Notes Issue. The reimbursement of said line of credit will be guaranteed with the flow of interest and principal derived from the Loans pending amortisation and by the return on the sale of the other goods that remain in the assets of the Fund.

In the Circumstances of Early Liquidation a) y c) the Assignor will enjoy a right to match the bid, in such a way that it can acquire, with preference to third-parties, the Loans or other goods proceeding from them that remain within the assets of the Fund, or will be able to grant the line of credit to the Fund targeted at the early redemption of the Notes Issue. For these purposes, the Fund Manager will send the Assignor a list of the assets and the offers received from third-parties. Said party may make use of the aforementioned right with respect to all the assets offered by the Fund Manager or the line of credit, within five (5) Business Days following receipt of the aforementioned communication and provided that its offer is at least equal or better than those made by third-parties.

In the case of the Early Liquidation and Cancellation of the Fund, the Fund Manager will, after making provisions for the reserve referred to in part III.9.2 hereunder, immediately apply all amounts received from the disposal of the Fund's assets to the payment of the different items, in the manner, amounts and order described below (**Settlement Payment Priority Order**).

- (i) Payment of taxes and ordinary and extraordinary expenses of the Fund, whether or not made good by the Fund Manager and duly justified. These include the administration commission of the Loans in favour of the administrator, only in the event of Banco Pastor being replaced, and the remaining costs and commissions for services, including those derived from the Payment Agency Contract. In this sense, of the expenses in favour of the administrator, only those in relation to the administration of the costs contract that this may have anticipated or provided for the account of the fund, as well as the amounts to which it may be entitled, all of them duly justified, shall be attended. Taxes and Fund Expenses, including the Fund Manager's Commission.
- (ii) Payment of the accrued amount of the Interest Swap Contract and only in the event of the termination of said Contract due to a breach by the Fund, the payment of the amount to be paid by the Fund corresponding to the settlement payment.
- (iii) Payment of the interest accrued by the Series A Notes
- (iv) Payment of the reimbursement of the Balance of Principal Pending of the Series A.

- (v) Interest payment of the Series BG and BS Notes, due and unpaid on previous Payment Dates and reimbursement to the State of the amounts that the State had paid to the Fund in execution of the Warrantee for the interest payment of BG Notes not repaid on previous Payment Dates (pro-rata).
- (vi) Interest payment accrued from the BG and BS Series of Notes, pro-rata.
- (vii) Interest payment of the Series BG and BS Notes, due and unpaid on previous Payment Dates and reimbursement to the State of the amounts that the State had paid to the Fund in execution of the Warrantee for the interest payment of BG Notes not repaid on previous Payment Dates (pro-rata).
- (viii) Payment of the reimbursement of the Balance of Principal Pending of the Series BG and BS (pro-rata).
- (ix) Payment of the interest accrued on the Series C Notes.
- (x) Payment of the reimbursement of the Balance of Principal Pending of the Series C.
- (xi) Reimbursement payment of the Series C Outstanding Balance or if applicable,
- (xii) Payment to the EIF of the amounts that this had made to the Fund in execution of the EIF Guarantee on exercising the Early Payment Option on a previous Payment Date.
- (xiii) Payment of Interest of the Series D Notes.
- (xiv) Payment for reimbursement of the D Series Outstanding Balance.
- (xv) In the event of termination of the Financial Swap Contract, payment of the amount payable, by the Fund, if said termination is attributable to the counterpart.
- (xvi) Payment of the interest accrued through the Subordinated Loan.
- (xvii) Disbursement of the Principal of the Subordinated Loan.
- (xviii) Payment of the fixed remuneration of the Participative Loan.
- (xix) Disbursement of the Principal of the Participative Loan.
- (xx) Payment to the Administrator in relation to the Administration Contract, of the commission for the administration of the loans. Should Banco Pastor be replaced as Administrator of the loans by another entity, the administration commission payment, which shall accrue in favour of the new, third-party administrator, shall occupy the position contained in previous order (i), together with the remaining payments included there.
- (xxi) Payment of the variable remuneration of the Participative Loan.

### **III.9.2. Extinction of the Fund.**

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

- a) Through the total redemption of the Loans that form part thereof.
- b) For the total amortisation of the Notes issued.
- c) Upon completion of the process of Early Settlement as set forth in the foregoing section III.9.1.

- d) In any case, on the Legal Maturity Date established for the definitive amortisation of the Notes.

The Fund shall likewise be cancelled if the Rating Agencies do not confirm the ratings tentatively assigned before the start of the Subscription Period, or in the event of the termination of the Management, Underwriting and Placement Agreement for the Note Issue. In these cases, the Fund Manager will dissolve the Fund Formation, the assignment of Loans to the Fund and the Notes Issue. The dissolution of the Fund will be brought to the attention of the CNMV as soon as confirmed and will be made public through the procedure described in section III.6 of this Prospectus. Within one (1) month of the occurrence of the cause of dissolution, the Fund Manager will grant a Notary Certificate declaring the obligations of the Fund to be settled and resolved and dissolving same. Notwithstanding the foregoing, the Fund Manager of the Fund will attend to the demandable expenses of the Fund Formation that are described in section II.14 with the Subordinated Loan, whose contract will not be terminated, but will be cancelled once the aforementioned obligations are satisfied. This is subordinate to the reimbursement of the principal on fulfilment of the other obligations contracted by the Fund Manager in representation and on behalf of the Fund.

In the event that at the liquidation of the Fund and once realised the payments due to the different creditors through the distribution of the Available Funds in conformity to the Liquidation Payment Priority Order, there exists anything remaining, this will fall in favour of the Assignor in accordance with the conditions established by the Fund Manager.

In any case, the Fund Manager, acting on behalf and in representation of the Fund, will not proceed with the dissolution of the Fund and the cancellation of its inscription in the corresponding administrative registries until the liquidation of the remaining assets of the Fund and the distribution of the Available Funds according the Liquidation Payment Priority Order has taken place, exception being made for the appropriate reserve to cover the final expenses of dissolution and liquidation of the tax, administrative, or advertisement expenses.

Once six (6) months have elapsed from the liquidation of the remaining assets of the Fund and the distribution of the Available Assets, the Fund Manager will execute a Notary Certificate declaring (i) the dissolution of the Fund, as well as the causes that motivated its dissolution; (ii) the process of communication made to the holders of the Notes and to the CNMV; and (iii) the distribution of the amounts available to the Fund, following the Payments Priority Order of the Fund; which will be announced in a national newspaper and will comply with the rest of the applicable administrative procedures. Said notary document will be submitted by the Fund Manager to the CNMV.



## IV. CHAPTER IV

### INFORMATION ON THE CHARACTER OF THE ASSETS SECURITISED THROUGH THE FUND

#### IV.1. Description of the Assets that are pooled into the Fund

The credit rights pooled into the Fund, which is represented by the Fund Manager, at the time of its formation shall solely comprise those credit rights held by Banco Pastor derived from bilateral loans given by Banco Pastor to all kinds of non-financial companies domiciled in Spain that correspond to small and medium enterprises in 98% of cases (hereinafter, "SMEs"), in accordance with the definition of the European Commission (Recommendation dated 3 April 1996), in due satisfaction of the provisions set forth in the Order dated 28 December 2001.

The Loans can be classified according to their incidental guarantees:

- a) Mortgage-guaranteed Loans, formalised by public deed (hereinafter the "Mortgage Loans").
- b) Loans without guarantees or with third-party guarantees (security), formalized in a public deed, which may be duly executed (article 517 of the Civil Procedure) (hereinafter, the "Non-Mortgage Loans" and together with the Mortgage Loans, the "Loans" or "Assigned Assets").

#### IV.1.1. Loan Characteristics

##### Number and amount of the Loans

The Assignor is holder of, among others, the Loans that are pooled into the Fund and which represent, at the date of the formation of the Fund, a total non-matured principal of at least EIGHT HUNDRED MILLION EUROS (€800,000,000). The pre-selected portfolio described in section IV.4 of this Prospectus which has been audited, the balance of which at 1 October 2004 was 849,096,470.91 euros.

##### Economic-financial characteristics

The Loans shall be the greater part of a selection of loans from the Banco Pastor portfolio. The most significant characteristics of these loans are detailed in section IV.4 of this Prospectus. The outstanding principal on the 3,449 loans selected as of 1 October 2004 was 849,096,470.91 euros.

#### IV.1.2. Formalisation of the assignment of the Loans

By means of the Formation Deed, the Fund Manager, in name and on behalf of the Fund, and Banco Pastor as Assignor, will formalize the assignment agreement of the Loans to the Fund in the following manner:

- i) The assignment of the Mortgage Loans shall be carried out through the issue by Banco Pastor and the subscription by the Fund of Mortgage Transfer Certificates under the protection of the provisions set forth in article 18 of the Financing Act.

The Mortgage Transfer Certificates will be represented by a multiple nominal deed that will include the minimum mention for the mortgage participations found in article 64 of Royal Decree 685/1982, of March 17, modified by Royal Decree 1289/1991, of August 2, together with the registry data of the real estate mortgaged in guarantee of the Mortgage Loans.

The Mortgage Transfer Certificates will be transferable through written declaration on the

same title and, in general, through any of the means allowed by law. The transfer of the Mortgage Transfer Certificate and the domicile of the new titleholder shall be notified by the acquirer to the issuer of the same, its acquisition or tendency being reserved for institutional or professional investors without being able to be acquired by the non-specialized public.

In the event of either having to substitute any of the Mortgage Transfer Certificates, as described in section IV.1.6 herein, or in the event the Fund Manager, in representation and on behalf of the Fund, proceeds with the execution of a Mortgage Loan, as set forth in section IV.2.1.8 of this Prospectus, as well as, if proceeding to the Early Liquidation of the Fund, in the circumstances and conditions set forth in section III.9.1 herein, the sale of the cited Mortgage Transfer Certificates takes place, Banco Pastor undertakes to split, if appropriate, any multiple title into as many individual or multiple titles as necessary, to substitute it or exchange it so as to achieve the foregoing aims.

Banco Pastor, as the issuer, will keep a special book where the Mortgage Transfer Certificates issued and the address changes notified by the owners of the Mortgage Transfer Certificates shall be recorded, stating (i) the date of formalisation and maturity of the Mortgage Loan, the amount of same and the method of liquidation; and (ii) the public records data for the mortgage that guarantees the Mortgage Loan.

Given the institutional character of the investors of the Fund and the subscription by them to the Mortgage Transfer Certificates, in accordance with the second paragraph of article 64.1, of Royal Decree 685/1982, dated March 17, elaborated by Royal Decree 1289/1991, dated August 2, the issue of the Mortgage Transfer Certificates will not be the object of marginal note in each inscription of the corresponding Mortgage Loans in the Property Registry.

- ii) The assignment of the Non-Mortgage Loans with or without personal guarantees - security - will be realised directly without the issue of any intermediate title.

In the present Chapter and in the rest of the Prospectus, the term “Loans” will be used to make joint reference to the Non-Mortgage Loans and the Mortgage Loans and “Assets” to the Non-Mortgage Loans and the Mortgage Transfer Certificates.

The terms and conditions of the assignment of the Loans are detailed in the remaining sections of the present chapter.

#### **IV.1.3. Terms of the assignment of the Loans**

1. The assignment of the Loans will be total and unconditional, and for the entire period of time remaining until the maturity of each Loan.

The assignor, in accordance with article 348 of the Commercial Code, will answer to the Fund for the existence and legitimacy of the Loans, as well as for the status with which it effects the assignment, but will not answer for the solvency of the Debtor.

The Assignor does not run the risk of default on the Loans and, therefore, assumes no responsibility for the non-payment by the Debtors, be it of the principal, the interest or any other quantity the same could owe by virtue of the Loans, nor for the effectiveness of the guarantees linked to them. Neither will it assume, in any other way, responsibility in guaranteeing the good end of the operation, nor execute guarantees or security, nor fall into pacts for repurchase or for substitution of the Loans, exception made by that set forth in sections IV.1.6 following, all of which in fulfilment of that set forth in Royal Decree 926/1998 and other applicable legislation.

2. The assignment of each Loan shall be made for the totality of the outstanding balance at the Date of Assignment and for the total amount of the ordinary interest of each Loan that is the object of transfer.

In particular, and of an illustrative and non-restricting nature, the assignment will confer the following rights to the Fund with regard to each of the Loans:

- a. To receive the total of the amounts that accrue through the reinvestment of capital or principal of the Loans.
- b. To receive the totality of the amounts accrued of the ordinary interest on the capital of the Loans from the Disbursement Date.
- c. To receive any other amounts, goods, or rights that are received by Banco pastor in payment of the principal, ordinary interest, both through the auction price or amount determined by judicial ruling or notary executive process in the execution of the mortgage or non-mortgage guarantees, as well as through the sale or exploitation of the adjudicated real estate or goods or, as a consequence of the aforementioned enforcements, in interim administration and possession of the real estate in the process of enforcement up to the amount assigned and underwritten.
- d. To receive whatsoever other payment that Banco Pastor receives through the Mortgage Loans, such as the rights derived from any accessory right to same, the rights or indemnifications that correspond to same through any insurance contract with regard to the goods that, if appropriate, are mortgaged in guarantee of the Mortgage Loans, up to the amount underwritten and assigned with the exception of arrears interest, commissions charged for unpaid bills, subrogation commissions, redemption/early cancellation fees, as well as any other commission or compensation that corresponds to the Issuer.

All of the previously mentioned rights shall be accrued in favour of the Fund from the Date of Assignment of the Loans.

The yield of the Loans that constitute deposits to the Fund will not be subject to interim retention of Corporation Tax, as established in Royal Decree 1777/2004, dated June 30, in which the Corporation Tax regulations are approved.

1. In the event of early amortization of the Loans by full or partial repayment of the principal, the substitution of the affected Loans shall not take place.
2. The rights of the Fund resulting from the Loans are linked to the payments realised by the Debtors, and as a result remain directly affected by the evolution, delay, early amortization or any other development regarding the Loans.
3. The Fund will assume all possible expenses or costs that are charged to the Assignor deriving from the collection process in the case of default by the Debtors on their obligations, including the exercise of legal action against the same.
4. In the case of renegotiation consented to by the Fund Manager, in representation and on behalf of the Fund, of the Loans or of their instalments, the modification of the conditions will affect the Fund in conformity with the fifteenth norm, section 2d) of the Circular 4/1991, of June 16, of the Bank of Spain.

#### IV.1.4. Declarations of the Assignor.

Banco Pastor, as holder of the Loans until their conveyance to the Fund, and as issuer of the Mortgage Transfer Certificates, declares the following to the Fund Manager, in representation of the Fund, and to the Notes Issue Underwriting and/or the Placement Entities:

1. With regard to Banco Pastor.

1. That it is an entity duly formed in accordance with applicable law, registered in the Mercantile Register and the Bank of Spain's Register of Credit Entities and is authorised to grant loans to SMEs and to operate in the mortgage market.
2. That neither at today's date, nor at any moment since its formation, has it been in a state of insolvency or any other situation that could lead to the revocation of the authorisation obtained as a credit institution.
3. That it possesses audited income statements for the last three financial years and the favourable opinion free of negative reservations from the auditors for the last tax year and that said annual accounts are on file with the CNMV.
4. That it has signed a Framework Collaboration Agreement with the Ministry of Economy that conforms to that set forth in Annex II of the Order dated December 28, 2001 (hereinafter **"Framework Agreement for collaboration between the Ministry of Economy and the Credit Institutions to determine the loans susceptible to assignment to the asset securitisation funds that are created to favour business financing"**).

2. With regard to the Loans

1. That its company bodies have validly adopted all the agreements necessary for the assignment of the Loans and, for the valid granting of the Deed of Incorporation, the contracts and the supplementary commitments.
2. That all the Loans are duly formalised in a public document, either through a deed or a policy, and that Banco Pastor keeps the first copy of the public deed or the policy at the disposal of the Fund Manager.
3. That all the Loans exist and are valid and enforceable in accordance with applicable law except in those cases where their enforceability is limited as a consequence of a future insolvency proceedings, having observed all the applicable legal provisions in their formation.
4. That it is full owner of the totality of the Loans, free from liens or claims, and there exists no impediment whatsoever to the assignment of same.
5. That the Loans will no longer be included as assets of Banco Pastor as of the Date of Assignment to the Fund in its formation and for the amount that they are assigned, in accordance with the provisions set forth in Circular 4/91 from the Bank of Spain. This is without prejudice to the effects that, if applicable, the partial or total subscription of the Notes Issue could have for Banco Pastor according to said Circular.
6. That all the Loans are denominated in euros and are payable exclusively in euros.
7. That all Loans have an initial amortisation period of not less than one (1) year.

8. That by virtue of the Loans all debtors are non-financial entities domiciled in Spain and that a minimum number of 98% of said entities are small or medium size enterprises, in accordance with the definition of the European Commission (Recommendation dated 3 April 1996).
9. That in the concession of all loans and with regard to the acceptance, if applicable, of the subrogation of subsequent borrowers to the position of the initial borrower, has followed the concession of credit criteria that exist at any given time. In this respect, a memorandum is attached to the Deed of Incorporation which lists the current criteria governing the concession of credits and loans to companies (hereinafter "**Internal Memorandum on Financing Operations**").
10. That it is unaware of the existence of lawsuits of any kind with regard to the Loans that could prejudice the validity and enforceability of same.
11. That, on the date of formation of the Fund, none of the loans has instalments pending collection for a period greater than one (1) month.
12. That, at the date of Fund formation, the outstanding balance of capital of each one of the Loans is equivalent to the amount of capital issued to the Fund, and at the same time the total capital of the Loans will be at minimum equal to the nominal value of the total Notes Issue.
13. That the data relative to the Loans that is included as Annex 7 and Annex 8 to the Fund Formation Deed correctly reflect the present situation, as included in the contracts that document the Loans and in the data files of the Financing Operations, and accurately reflect the situation on the date to which they correspond and are correct and complete. Likewise, any other additional information about the characteristics of the Loans portfolio of the Assignor collected in the Informative Prospectus is correct and complete. Specifically, at the moment of their formalisation, the loans have an amortisation period of no less than one year.
14. That the criteria contained in the Internal Memorandum on Financing Operations attached as Annexe 9 to the Fund Formation Deed are those habitually used by the Assignor in the concession of financing operations with SMEs.
15. That the criteria contained in the "Internal Memorandum on Financing Operations" mentioned in the previous number, for the concessions of loans included in the portfolio, have been faithfully followed.
16. That all the Loans are clearly identified, both on data files belonging to Banco Pastor as well as on the contracts, deeds or policies by Public Commissioners for Oath held by Banco Pastor, and are the object of analysis and monitoring by the Assignor, from their concession, in accordance with the habitual procedures set forth.
17. That all of the Loans have been and are being administered by the Assignor in accordance with the regular procedures utilized by the Assignor in the administration of the finance operations of SMEs.
18. That it has no knowledge of any Loan Debtor having any credit right against Banco Pastor through which it has asserted a right to compensation.
19. That, on the date of formation of the Fund, none of the Assigned Debtors of the Loans has been declared bankrupt.
20. That the guarantees, if applicable, of the Loans, are valid and enforceable in accordance with applicable legislation, and Banco Pastor has no knowledge of the existence of any circumstance which prevents the execution of the guarantees.

21. That at the date Fund's formation no notification has been received of the early amortisation of the total of the Loans.
  22. That none of the Loans have a final maturity date later than the Final Maturity Date.
  23. That the respective contracts, public deed or other public document that document the Loans, do not contain clauses that prevent their assignment or that require any authorization or communication to bring about said assignment.
  24. That it is unaware of any reason for which the Debtors may oppose payment of any amount in reference to the Loans.
  25. That no one has a preferential right over the Fund, as the owner of the Loans.
  26. That both the granting of the Loans as well as the assignment of same to the Fund and all aspects related thereto have been made and will be made according to market criteria ("*at arm's length*").
  27. That the data and information relative to the loans selected for their assignment to the Fund and the statistical information of Banco Pastor gathered, respectively, in sections IV.3 and IV.4 of the Informative Prospectus, faithfully reflect the situation on the date to which they correspond and are correct and complete.
  28. That the loans are totally available.
  29. That none of the Loans is a developer loan, this being understood as the financing granted to real estate developers to build or renovate homes and/or commercial space and subsequently sell them.
  30. That each one of the loans has at least one matured quota at the Date of Assignment to the Fund.
3. In relation to the Mortgage Transfer Certificates and the Mortgage Loans.
1. That its company bodies have validly adopted all resolutions necessary for the issuance of the Mortgage Transfer Certificates.
  2. That the data concerning the Mortgage Loans and the Mortgage Transfer Certificates, represented in a multiple nominative title, exactly reflect the present situation of the same and are correct and complete.
  3. That the Mortgage Transfer Certificates are issued under the protection of article 18 of Law 44/2002, dated 22 November, governing Reform Measures of the Financial System, through which a new paragraph was added to section two of the fifth additional provision of Law 3/1994, and other applicable regulations, and therefore satisfy all the requirements set forth for the issue of Mortgage Transfer Certificates.
  4. That all the Mortgage Loan are guaranteed by property mortgages.
  5. That all the Mortgage Loans are formalized in public deed, and all the mortgages are found to be duly formed and registered in the corresponding Property Registries. The registration of the mortgaged properties is in force and without any discrepancy and is not subject to any special limitation to the mortgage, in accordance with applicable law.
  6. That the mortgages are held on real estate that belongs fully and totally to the respective

mortgager. Banco Pastor is unaware of the existence of any lawsuits regarding the ownership of said properties that could prejudice the mortgages.

7. That the Mortgage Loans are not securitised, either by nominal certificate, to the order of, or to the bearer, different from the Certificates that are issued for subscription purposes by the Fund.
8. That the Mortgage Loans are not included in any issue of mortgage Notes, mortgage shares or mortgage transfer certificates, distinct from the issue of the Mortgage Transfer Certificates, and, from the issue of these, the Mortgage Loans will not be included in any issue of mortgage debentures, mortgage Notes, mortgage shares or other mortgage transfer certificates.
9. That the Mortgage Loans do not meet any of the characteristics of the credits that are excluded or restricted through article 32 or Royal Decree 685/1982.
10. That by virtue of the Mortgage Loans the mortgaged properties are not among goods that are excluded for guarantee purposes in accordance with article 31.1.d) of Royal Decree 685/1982.
11. With regard to those mortgaged properties that have damage insurance, the sum assured covers the valuation of the properties excluding the elements not covered due to the nature of same.
12. That all of the mortgaged properties are finished homes located in Spain that have been valued by authorised valuation firms duly approved by Banco Pastor. The valuations are accredited through the corresponding certificates. The valuations comply with all of the legal requirements applicable to the real estate market.

#### **IV.1.5. Price for the sale or assignment of the Loans**

The price of sale or assignment of the Loans will be at par value. The price that the Fund should pay to Banco Pastor for the assignment of the Loans will be the amount equivalent to the principal pending reimbursement of each one of the Loans on the date of formation.

The total payment price for the assignment of the Loans will be paid by the Fund Manager and charged to the Fund account and be effective on that same day, once the disbursement for the subscription for the Notes Issue has been effected, through the transfer passed on through the Fund Manager to Banco Pastor from the Treasury Account opened in the name of the Fund.

In the calculation of the price of the issue of the Loans, the amount that Banco Pastor has a right to receive through the ordinary interest accrued by the assigned Loans from the last date of settlement of the interest of each one of them until the Disbursement Date (hereinafter, the "Running Interest") has not been taken into account. Said amounts shall be previously deducted from the balances to be paid by Banco Pastor.

In the case that the Fund formation be resolved and, consequently, of the sale of the Loans, (i) the obligation to pay the total price for the acquisition of the Loans by the Fund will be extinguished, (ii) the Fund Manager will be obliged to compensate Banco Pastor with regard to any rights that were generated in favour of the Fund through the acquisition of the Loans, and (iii) Banco Pastor will again include the Loans in the assets portion of its balance sheet and will cancel the Mortgage Transfer Certificates.

#### **IV.1.6. Rules established for the substitution of non-Mortgage Loans or of Mortgage Transfer Certificates in the event of the appearance of hidden defects of same, or, failing this, reimbursement of the Fund**

In the event of the appearance of hidden defects in any of the Loans detected during the validity of the same, whereby some of them or the Mortgage Transfer Certificates do not comply with the declarations contained in section IV.1.4 of this Prospectus, or to the specific characteristics of same communicated by the Assignor to the Fund Manager, the Assignor undertakes to proceed to substitute the Loans that are found in said situation, subject to the following rules and to prior agreement from the Fund Manager:

1. The party that obtains knowledge of the existence of a hidden defect, be it the Assignor or the Fund Manager, shall inform the other party of such circumstance in writing. The Assignor will have a period of five (5) Business Days from the referred to notification to remedy such circumstance where it is susceptible to remedy or to proceed with the partial or total substitution of the Loans or Mortgage Transfer Certificates. In these circumstances the Assignor must notify the Fund Manager of the characteristics of the loans that it proposes to assign in substitution, which must comply with the declarations contained in section IV.1.4 of this Prospectus and be homogeneous with the Loans that are pooled in the Fund in such a way that neither the financial equilibrium of the Fund nor the Note ratings are affected by the substitution. Once the verification by the Fund Manager has taken place with regard to the suitability of the substituting loan, and having expressly manifested to the Assignor that the loans are fit for substitution, this will take place through the termination of the assignment of the affected Loans and, in its case, the cancellation of the corresponding Mortgage Transfer Certificate, and the simultaneous assignment of the new loans.

The substitution will be carried out by public deed with the same formalities established for the acquisition of the loans at the formation of the Fund in conformity with the specific characteristics of the new loans object of assignment. The Fund Manager will submit a copy of said contract to the CNMV and to the Rating Agencies.

2. Subordinate to the obligation assumed in conformity with rule 1 previous, and in the event of not proceeding with the total substitution of the affected Loans, it shall proceed to the resolution of the assignment of the non-substituted affected loans and, in its case, the cancellation of the corresponding Mortgage Transfer Certificate. Said resolution will be affected through the reimbursement, in its case, to the Fund by the Assignor, of the outstanding principal of the non-substituted affected Loans, of their unpaid accrued interest up until the date of reimbursement, as well as any other amount that might correspond to the Fund by virtue of said Loans.

The replacement loan must possess similar characteristics of residual term, rate of interest, value of outstanding principal and credit quality in terms of the ratio that exists between the principal pending reimbursement of the mortgage loan and the valuation of the mortgaged property that is the object of the guarantee (should it be a loan with a mortgage guarantee), in such a way that the financial equilibrium of the Fund is not affected by the replacement and neither is the rating of the Notes.

#### **IV.1.7. Actions in the case of non-payment of the Loans.**

The Administrator shall carry out the steps set forth in section IV.2.1.8 of this Informative Prospectus and may undertake any action it deems reasonably necessary or called for. Under such circumstances the Administrator shall apply equal diligence and claims procedures for the amounts of the Loans due and not settled as it would if the loans belonged to its own portfolio of loans. For these purposes, the Administrator shall implement the actions that are habitual for these situations and which are described in Annexe 9 to the Deed of Fund Formation.



Under all circumstances and in the event of failure to pay the principal or interest of a Mortgage Transfer Certificate through non-payment by the Assigned Debtor of the Mortgage Loan, the Fund Manager, acting in representation and on behalf of the Fund, shall have at its disposal the following powers set forth in article 66 of Royal Decree 685/1982, amended by Royal Decree 1289/1991:

- (i) To compel Banco Pastor, as Administrator, to press for the execution of the mortgage.
- (ii) To concur in equal terms with Banco Pastor, as the issuer of the Mortgage Transfer Certificates, in the enforcement that it pursues against the debtor, participating in any enforcement proceedings instigated.
- (iii) Should Banco Pastor fail to initiate proceedings within sixty (60) calendar days from the notarised course of action for the payment demand of the debt, the Fund Manager, in representation and on behalf of the Fund, will be subordinately legitimised to exercise the mortgage proceedings of the mortgage Loan, both with regard to the principal as well as the interest. Banco Pastor will be obliged to issue certification of the existing balance of the Mortgage Loan.
- (iv) In the event of the halting of the proceedings pursued by Banco Pastor, the Fund, duly represented by the Fund Manager, may assume the position of the former and continue the execution of proceedings without having to wait the stipulated period.

In the cases foreseen in paragraphs (iii) and (iv), the Fund Manager, in representation of the Fund, may ask a competent Judge or Notary Public to commence or continue the execution proceedings. Said request shall be accompanied by the original Mortgage Transfer Certificate with the breakdown, the notarised summons mentioned in part (iii) above and a certificate of the registration and existence of the mortgage in the register. Banco Pastor will be obliged to issue a certificate of the outstanding balance of the Mortgage Loan.

Likewise, in these cases in which the Fund Manager, in representation of the Fund, assumes the position of Banco Pastor in the procedures instigated by the latter or initiates a process of mortgage execution, the Fund Manager shall proceed with the sale of the adjudicated properties in the shortest possible period under market conditions.

Banco Pastor shall have a right to first refusal for the purchase of those properties that had been mortgaged in guarantee of the Mortgage Loans that it administers and which are awarded to the Fund or, within a period of fifteen (15) Business Days from the date upon which verifiable notification is given through the Fund Manager of the intention to transfer the property. The right of first refusal shall imply that the Assignor may acquire the property under the same terms that have been offered to the Fund Manager. All the operations indicated in this section with regard to the Mortgage Transfer Certificates shall be carried out under the terms set forth under Heading IV of Book III of the Code of Civil Procedure.

In the event of breach of the payment obligations derived from the Non-Mortgage Loans by the Assigned Debtor, the Fund Manager, acting in representation of the Fund, shall have the right to executive action against said Assigned Debtors, in accordance with the processes set forth for said procedure in the Civil Procedure Code. This right shall be exercised by the Fund Manager, in representation of the Fund, only in the event that the Administrator does not exercise his duties in accordance with habitual use.

Neither the Holders of the Notes nor any other creditor of the Fund will have the right to any direct action against the Assigned Debtors that have defaulted on their payment obligations. The Fund Manager, as representative of the Fund, is the party that holds said right of action in the terms described in this section.

## **IV.2. Administration, custody and management of the Loans and deposit of the Mortgage Transfer Certificates.**

Banco Pastor, Assignor of the Loans acquired by the Fund, in conformity with that established in article 2.2.b) of Royal Decree 926/1998 and, with respect to the Mortgage Transfer Certificates, in article 61.3 of Royal Decree 685/1982, will maintain, as agent of the Fund Manager, the administration and management of the Loans. The dealings between Banco Pastor and the Fund, represented by the Fund Manager, shall be regulated through the Contract of Administration and Management of the Loans and Deposit of the Mortgage Transfer Certificates (hereinafter, the “**Administration Contract**”), with regard to the custody and administration of the Loans and the deposit of the Mortgage Transfer Certificates.

Banco Pastor (hereinafter, with regard to this Contract, the “**Administrator**”), shall accept the mandate received from the Fund Manager and, by reason of said mandate, agrees to the following:

- i) To exercise the administration and management of the Loans acquired by the Fund in the terms of the regime and ordinary procedures of administration and management set forth in the Administration Contract
- ii) To continue administrating the Loans, dedicating the same time and attention to them and the same level of skill, care and diligence in the administration of same that it would dedicate and exercise in the administration of its own loans. Under all circumstances, Banco Pastor shall exercise an adequate level of skill, care and diligence in the provision of services set forth in the Administration Contract.
- iii) That the procedures that it applies and will apply for the administration and management of the Loans are and will continue to be in conformity with the applicable laws and legal regulations in force.
- iv) To carry out the instructions of the Fund Manager with due allegiance.
- v) To indemnify the Fund for damages that may derive through breach of the contractual obligations.

The Administrator in any case waives the powers and privileges lawfully conferred in its status as administrator of the collections of the Fund, as administrator of the Loans and as repository of the corresponding contracts; specifically those stipulated in articles 1,730 and 1,780 of the Civil Code and 276 of the Commercial Code.

The most relevant terms of the Administration Contract are set out below in the following paragraphs of the present section.

### **IV.2.1. Regime and ordinary procedures of administration and management of the Loans**

The succinct description and summary of the regime and ordinary procedures of administration and management (hereinafter, the “**services**”) of the Loans regulated through the Administration Contract is the following:

#### **1. Custody of deeds, documents and files**

The Administrator will keep all deeds, contracts, documents, and data files relative to the Loans and will not abandon the possession, custody or control of same without prior written consent from the Fund Manager to that effect, except when a document is required to initiate proceedings for the demand of a Loan, or it is demanded by any other competent authority.

The Administrator will reasonably facilitate the access, at all times, to said deeds, contracts, documents and registries, to the Fund Manager or the Fund auditors, duly authorized to this effect. Likewise, if the Fund Manager requests it, the Administrator will facilitate, at no charge, and within fifteen (15) Business Days following the request, a copy or photocopy of any of the said deeds, contracts and documents.

## **2. Collections Management**

The Administrator will continue with the collection management of all amounts that should be satisfied by the Debtors deriving from the Loans, as well as any other concept including those that correspond to the insurance contracts on the property mortgaged in guarantee of the Mortgage Loans. The Administrator shall exercise due diligence so that the payment that the Debtors should make is collected in accordance with the contractual terms and conditions of the Loans.

Payment by the Fund Administrator of the amounts received through the Loans that it administers shall be made in the following way:

The Administrator shall make monthly payments to the Amortisation Account on each Payment Date, with the effective date being the day on which said collections are made by the Administrator, on any day of the first seven calendar days of each month, and they shall refer to the amount received by the Administrator, with regard to the Loans that it administers, during the previous calendar month.

Should discrepancies exist between the Administrator and the Fund Manager with regard to the amount that the Administrator must pay to the Fund on each Payment Date, both parties shall attempt to solve said discrepancies without prejudice to the Administrator making a provisional payment to the fund in the event of the inability to reach an agreement before the Collection Date, providing said amount is duly accredited to the Administrator. This is without prejudice to later adjustments being made to aid amount.

Under no circumstances will the Administrator pay any amount whatsoever into the Fund that it has not first received from the Assigned Debtors as payment of the Loans.

## **3. Fixing of the interest rate**

With regard to the Loans that have a variable interest rate, the Administrator will continue fixing said interest rates in agreement with the provisions set forth in the corresponding Loans contracts, drawing up the communications and notifications that these establish to that effect.

## **4. Information.**

The Administrator must periodically communicate to the Fund Manager the information relating to the individual characteristics of each one of the Loans, with regard to compliance by the Debtors of their payment obligations of the Loans, with regard to the arrears situation, with regard to the changes made to the characteristics of the Loans, and with regard to the actions of demanding payment in the case of arrears and of judicial actions, all through the procedures and with the periodicity established in the Administration Contract.

Likewise, in the event of non-payment, the Administrator must prepare and surrender whatsoever additional information requested by the Fund Manager with regard to the Loans or the rights derived from same.

## **5. Subrogation of the Loans.**

The Administrator will be authorized to allow substitutions in the position of the Debtor in the Loans contracts, exclusively in the cases where the characteristics of the new Debtor are similar to those of the old and they fit the criteria for the granting of the loans described in the corresponding memorandum governing the criteria for the granting of loans, annexe to the Fund Formation Deed, and providing that the expenses derived from this modification are paid in their entirety by the Debtors. The Fund Manager can limit in whole or in part this legal authority of the Administrator or establish conditions to the same, when said substitutions could negatively affect the ratings granted to the Notes by the Rating Agencies.

With regard to the Mortgage Loans, the Mortgage Debtor may instigate the subrogation of the Administrator in the aforementioned Loans under the protection of the provisions set forth in Law 2/1994. The subrogation of a new creditor in the Mortgage Loan and the resulting payment of the amount owed will produce the early amortisation of the Mortgage Loan and of the corresponding Mortgage Transfer Certificate.

## **6. Powers and actions in relation to the process of renegotiation of the Loans.**

The Administrator cannot voluntarily cancel the Loans or their guarantees for any reason apart from the payment of the Loan, surrender or compromise these, nor cancel in whole or in part or extend them, nor in general realise any other act that diminishes the legal effectiveness or economic value of the Loans or the guarantees, without prejudice to attending to the petitions of the Debtors with the same diligence and procedure that it would if the Loans were its own.

Notwithstanding the above, the Fund Manager may, as the manager of third-party businesses and in response to the requests of the Assigned Debtors made to the Administrator made either directly through the exercise of Law 2/1994, give instructions to the Administrator or authorise it in advance to agree with the Assigned Debtor under the terms and conditions that it deems fit in accordance with the requirements set forth in this section on the re-mortgaging of the Loan in question, either by renegotiating the interest rate or extending the maturity date, provided that such re-mortgaging has no harmful effect on the Mortgage Loans.

### **a) Renegotiating of the interest rate**

In no case will the Administrator be able to open by its own initiative, without request by the Assigned Debtor, renegotiations of the interest rate that could result in a decrease in the interest rate applicable to a Loan.

Without prejudice to that which will be determined next, all renegotiation of the interest rate signed by the Administrator, will take place only with the prior written consent of the Fund Manager, in representation of the Fund. The Administrator should request said consent of the Fund Manager as soon as it is aware that a Debtor requests a renegotiation. However, the Fund Manager shall initially authorise the Administrator to strike up and to accept renegotiations of the interest rate applicable to the Loans, requested by the Assigned Debtor, without the need for prior consent of the Fund Manager, subject to the following requirements of generic qualification:

- i) Without prejudice to the provisions determined in the following section ii), the Administrator may renegotiate the clause of the rate of interest of the Loans in conditions that are considered to be market conditions and are not different to those that the Administrator would apply in the renegotiating or in the granting of its credits and loans. For these purposes, the rate of interest shall be taken as the market rate of interest offered by credit institutions in the Spanish market for loans and credits of a similar amount and

featuring conditions that are similar to the Loan.

- ii) Notwithstanding the contents of the preceding paragraph, the Administrator can no longer carry out future renegotiations of interest rates if the average weighted interest of the Assets is less than the Euribor at three (3) months plus an annual margin of 1% on Determination Date.
- iii) The renegotiation of the interest rate applicable to a loan shall under no circumstances be modified to a variable rate of interest with a reference index that is different to the interest rate reference indexes that the Administrator uses for the loans or credits extended.

**b) Extension of the maturity date**

The date of final maturity or of the last amortisation of the Loans can be extended (hereinafter, "**extension of deadline**") subject to the following rules and limitations:

- i) In no case will the Administrator be able to begin by its own initiative, that is, without being by request of the Debtor, the modification of the final due date of the Loan, from which could result the extension of the same. The Administrator, without encouraging the extension of the due date, should act in relation to said extension always with the interests of the Fund in mind.
- ii) The amount that is the sum of the capital or principal of the Loans assigned to the Fund over which a deadline extension occurs shall not exceed 5% of the capital or principal of all the Loans assigned to the Fund.
- iii) The extension of the due date for any particular Loan may be carried out so long as the following requirements are met:
  - a) That, in all cases, the frequency of the instalment payments of the capital or principal of the Loan is maintained or reduced, while maintaining the same amortisation system.
  - b) That the new final due date or date of final amortisation will, at the latest, be 31 October 2033.
  - c) That there will have been no delay in the payment of due debits greater than ninety (90) days during the last six months prior to the extension of the repayment date.

The Fund Manager, in representation of the Fund, will be able, in any given moment, to cancel, suspend or modify the authorisation and requirements for the renegotiation on the part of the Administrator that are established in this section, or in the case of modification, it has previously authorized. In any case, all renegotiation of the interest rate or due date for the Loans being or not generically modified, shall be undertaken and resolved with the interests of the Fund in mind.

When any renegotiation of a Loan takes place, the Administrator will communicate immediately to the Fund Manager the conditions resulting from each renegotiation. Said communication will take place through the electronic registry foreseen for the updating of the Loans conditions.

In the case of renegotiation consented to by the Fund Manager, in representation and on behalf of the Fund, of the Loans or of their instalments, the modification of the conditions will affect the Fund in conformity with the fifteenth norm, section 2d) of the Circular 4/1991, of June 16, of the Bank of Spain.

The contractual documents that document the novation of the renegotiated Loans will be entrusted with the Administrator in conformity to that established in paragraph 1 of the present section.

#### **7. Extension of the mortgage.**

Should the Administrator become aware for any reason whatsoever that the value of the property guaranteed by a Mortgage Loan has dropped by more than the legally permitted percentage, then the Administrator, in accordance with articles 26 and 29 of Royal Decree 685/1982, must request from the mortgage Debtor, in a lawfully prescribed manner :

- a) the extension of the mortgage to include other assets that are sufficient to cover the ratio between the value of the property and the loan or credit it guarantees; or
- b) the repayment of the entire Mortgage Loan or the part that exceeds the amount resulting from applying the percentage initially used to determine the amount to the current valuation.

If the Debtor does not extend the mortgage or repay the percentage of the Mortgage Loan referred to in the preceding paragraph within two (2) months of being requested to do so, it will be understood that the debtor has chosen to repay the total amount of the Mortgage Loan. Said payment shall be payable on the demand of the Administrator.

#### **8. Action against Debtors in case of Loan default**

##### **Action in the case of delay**

The Administrator will apply equal diligence and procedure to the claim for the amounts owed and not satisfied to the Assigned Assets as it would for the rest of the loans in its portfolio.

In the case of breach on the payment obligations by the Assigned Debtor, the Administrator will carry out the actions described in the Administration Contract, adopting to that effect the measures that it would normally take if the loans of its own portfolio were involved and acting in accordance with good banking use and practice for the collection of the amounts owed. In this case the Administrator shall be obliged to meet those expenses necessary to carry forth said actions, without prejudice to the right to reimbursement from the Fund. All judicial action that the Administrator considers necessary for the claim and collection of the amounts due by the borrowers are included in said actions.

##### **Judicial Actions**

The Administrator, by virtue of the fiduciary title to the Loans or by virtue of its powers that are mentioned in the following paragraph, will exercise the corresponding actions against the Debtors that default on their payment obligations derived from the Loans. Said action should be exercised through the formalities of judicial proceeding for execution that correspond in conformity with that set forth in article 517 and following of the Law of Civil Procedure.

For the foregoing purposes and for the purposes of the provisions set forth in articles 581.2 and 686.2 of the Civil Procedure Law, as well as wherever necessary, the Fund Manager in the Formation Deed bestows power of attorney as broad as may be required by law in favour of Banco Pastor so that the latter party, acting through any of its representatives with sufficient authority to that end, may, in name and representation of the Fund Manager as legal representative of the Fund, demand, through any judicial or extra-judicial means, that the

Debtor of any of the Loans pay its debt. Furthermore, Banco Pastor shall be empowered to carry out legal action against same, in addition to other faculties required for the exercise of its functions as Administrator. These faculties may be extended or modified through another deed if necessary.

In relation to the credit rights derived from the Loans, the Administrator should, in general, present an executive demand if, during a period of six (6) months, the Assigned Debtor of a Loan that has defaulted on its payment obligations has not resumed payments to the Administrator and the Administrator, with the consent of the Fund Manager, fails to obtain promise of payment satisfactory for the interests of the Fund. The Administrator, in any case, should proceed immediately to the presentation of the executive demand if the Fund Manager, in representation of the Fund, and the previous analysis of the specific circumstances, deem it appropriate.

If eight (8) months have elapsed since the earliest date of default, without the Debtor resuming the payments or without restructuring of same, and the Administrator has failed to present an executive demand without sufficient justification for such failure, then the Fund Manager, in representation of the Fund, will proceed immediately to the initiation of the judicial proceedings corresponding to the total demand of the debt.

In the case of a halt in the proceedings pursued by the Administrator without motive sufficient to justify it, the Fund Manager, in representation of the Fund, will be able, if appropriate, to subrogate itself to the position of the Administrator and continue with the judicial process.

The Administrator is obliged to provide timely information of the requests for payment, judicial actions, or any other circumstances that affect the collection of the pending overdue amounts for the Loans. Likewise, the Administrator will facilitate to the Fund Manager all the documentation that it may request in relation to said Loans and, in particular, the documentation necessary for the commencement, in its case, of legal actions by the Fund Manager.

#### **9. Property damage insurance on the mortgaged property.**

The Administrator shall not adopt nor omit to adopt any measure when such action would result in the cancellation of any insurance policy against damage to the mortgaged real estate or that would result in the reduction of the amount to be paid in any claim on the same. The Administrator must exercise due diligence and, in any case, exercise the rights that the insurance policies or that the Loans confer on it with the object of maintaining said policies in force with full effect (or any other policy that grants equivalent cover) in relation to each Mortgage Loan and the corresponding property.

The Administrator will be obliged to advance the payment of the policy premiums that have not been satisfied by the Debtors, providing that it is aware of said circumstance, without prejudice to its right to be reimbursed by the Fund for the amounts satisfied.

The Administrator, in case of an accident, should coordinate the actions for the collections of the indemnifications derived from the insurance policies for damage to the real estate, in accordance with the terms and conditions of the Loans and of the policies themselves, depositing to the Fund, in its case, the amounts collected.

#### **10. Compensation.**

In the event that any of the Assigned Debtors maintains a right to a cash credit, due and demandable against the Administrator and, as such it results that any of the Loans is compensated, in whole or in part, against such right of credit, the Administrator will remedy

such circumstance or, if it is not possible to remedy it, the Administrator will proceed to deposit to the Fund the amount that had been compensated plus the interest accrued that would have corresponded to the Fund up until the day on which the deposit is made, calculated in accordance with the applicable conditions of the corresponding Loan.

#### **11. Subcontracting.**

The Administrator will be able to subcontract any of the services that it has agreed to provide by virtue of the Administration Contract, except for those that cannot be delegated under applicable law. Said subcontracting shall not in any case suppose additional cost or expense to the Fund or the Fund Manager, and shall not cause a lowering of the rating granted to each of the Series of Notes. Notwithstanding any subcontracting or delegation, the Administrator will not be exonerated nor liberated, through such subcontracting or delegation, of any of its responsibilities assumed by virtue of the Administration Contract or that are legally attributable or demandable to it.

#### **12. Notifications.**

In the event that the Administrator finds itself in any situation of insolvency or bankruptcy, the Fund Manager will carry out, as soon as it has knowledge of said situation, the timely notification to the Assigned Debtors of the assignment of the Loans to the Fund.

Likewise, the Fund Manager will be able, in any moment that it deems appropriate, require that the Administrator notify the holders of the assignment of the Loans of the Fund. In this same case, if the Administrator has failed to fulfil the requirement of the Fund Manager within ten (10) Business Days from its receipt, the Fund Manager will itself proceed to carry out the required notification, without prejudice to the accountability which the Administrator could incur as a consequence of the failure to comply.

#### **IV.2.2. Duration**

The services will be rendered by the Administrator until, once the totality of the Loans acquired by the Fund are amortized, the obligations assumed by the Administrator in so far as Assignor of these are extinguished, or when the liquidation of the Fund is concluded, without prejudice to the possible early revocation of its mandate in conformity with the terms of the Administration Contract.

As much as in the case of the Administrator's breach of the obligations established in the Administration Contract, as in finding itself in a situation of insolvency or bankruptcy or being the object of administrative intervention, such as for a decrease in its credit rating, which would suppose a prejudice or risk for the financial structure of the Fund or for the rights and interests of the Notes, the Fund Manager will be able, if legally possible, to take any of the following actions:

- i. To demand that the Administrator subcontracts or delegates said obligations to another entity that in the opinion of the Fund Manager has the requisite legal or technical capacity, in addition to an acceptable credit rating and quality that does not lead to a downward revision of the rating awarded to the Notes.
- ii. To terminate the Administration Contract so that the Fund Manager must preliminary designate a new Administrator with an acceptable credit rating and quality that does not lead to a downward revision of the rating awarded to the Notes.

In the event that neither actions (i) or (ii) above are possible, the Fund Manager shall directly assume the performance of the services foreseen in the Administration Contract.

The Fund Manager will take into account the proposals that the Administrator makes so much for the



subcontracting, delegation, or designation of a substitute in the realisation of its obligations, as for the entity that could guarantee it in the execution of the same.

The Administrator will also be able to voluntarily renounce the exercise of the administration and management of the Loans where possible in conformity to the applicable law at any given moment and provided that (i) it is authorized by the Fund Manager, (ii) the rating awarded to the Notes by the Ratings Agencies is not negatively affected (iii) the Fund Manager has designated a new Administrator with adequate credit rating and quality that does not lead to a downward revision of the rating awarded to the Notes and (iv) the Administrator has indemnified the Fund for the damages that the resignation and substitution could cause it.

The early liquidation of the Administration Contract having occurred, the Administrator will place at the disposition of the new Administrator, at the request of the Fund Manager and in the form that the Fund Manager determines the documents and computer records necessary to perform its corresponding activities.

The Administration Contract will be terminated at law where the Ratings Agencies fail to confirm as final the provisional ratings of each of the Series before the start of the Subscription Period.

#### **IV.2.3. Responsibility of the Administrator and indemnification**

In no case will the Administrator have any responsibility in relation to the obligations of the Fund Manager in its capacity as administrator of the Fund and manager of the interests of the Noteholders, nor in relation to the obligations of the Debtors derived from the Loans, this without prejudice to the responsibilities assumed by it in the Formation Deed as Assignor of the Loans acquired by the Fund.

In accordance with that set forth in Royal Decree 926/1998 and in Law 19/1992, the Noteholders will run the risk of default on the Loans. As such, the Assignor does not assume any responsibility for the default of the Assigned Debtors, be it in the principal or in the interest that they could owe by virtue of the Mortgage Loans and/or the Non-Mortgage Loans.

The Administrator assumes the obligation to indemnify the Fund or the Fund Manager for any damage, loss or expense these may have incurred by reason of the breach by the Administrator of its obligations of administration, management and information of the Loans and custody of the Mortgage Transfer Certificates, established by virtue of the Administration Contract.

The Fund Manager, in representation and on behalf of the Fund, as holder of the Mortgage Transfer Certificates, will have, in its case, executive action against Banco Pastor as issuer of the Mortgage Transfer Certificates for the effectiveness of the due dates of the Mortgage Transfer Certificates for principal and interest, when the breach of the payment obligation on said concepts is not a consequence of the failure to pay by the Debtors of the Mortgage Loans. Likewise, the Fund Manager will have the corresponding actions for the effectiveness of the due dates of the Non-Mortgage Loans, when the default is not a consequence of the failure to pay on the part of the Debtors of said Non-Mortgage Loans.

The Mortgage Loans being extinguished, the Fund, through the Fund Manager, will retain action against the Administrator until the fulfilment of its obligations.

Neither the noteholders nor any other creditor of the Fund will have any right of action against the Assignor, it being the Fund Manager, as representative of the Fund owner of the Assets that has said right of action.

#### **IV.2.4. Remuneration of the Administrator for the functions of administration and management of the Loans and deposit of the Mortgage Transfer Certificates.**

As consideration for the custody, administration and management of the Loans and the deposit of the Mortgage Transfer Certificates, Banco Pastor as Administrator will have the right to receive by finished periods on each of the Payment Dates and during the period in which the Administration Contract is in force, a subordinated administration commission equal to 0.01% annual, Value Added Tax included in the case where not exempt, that will accrue over the effective days that have passed and over the Outstanding Balance of the Assets on the last day of the month prior to the Payment Date in course. If Banco Pastor is substituted in said task of administration, the Fund Manager will be empowered to modify the previous commission percentage in favour of the new Administrator. Likewise, in the event that the Fund Manager directly assumes the administration and management of the Loans, the commission for the administration of the Loans will accrue in favour of the Fund Manager during the entire effective time of the exercise of such functions.

If the Fund, through the Fund Manager, lacks sufficient liquidity in agreement with the Priority Payment Rules of the Fund, to pay the on the Payment Date the totality of the commission owed, the amounts not paid will accumulate without any penalty to the commission that should be paid in the following Payment Dates, proceeding with the payment at that same moment.

Likewise, on each Payment Date, the Administrator will have the right to reimbursement for all the expenses of exceptional character which it may have incurred, in relation to the administration of the Assigned Assets as well as those occasioned by reason of executive actions or by the administration of the sale of the goods or real estate adjudicated for the Fund, and following justification of same with regard to the administration of the Loans. Said expenses will be paid always where the Fund has sufficient liquidity and in accordance with that foreseen in the Payment Priority Order.

#### **IV.3. Loan concession procedures**

The loans pooled in the fund were granted by the Assignor in accordance with habitual procedures. Said procedures are described in Annexe 9 of the Deed of Fund Formation, under the heading "Internal Memorandum on Financing Operations".

According to the declaration given by the Assignor, on the Date of the Fund's Formation there are no lawsuits of whatsoever type with regard to the Loans which could prejudice the value of same.

#### **IV.4. Description of the portfolio of Loans that are pooled in the Fund**

##### **Loan selection**

Several stratified analysis tables of the portfolio of securitisation assets of the Assignor are shown hereunder, made up of 3,449 operations with an outstanding principal, at 1 October 2004, of 849,096,470.91 euros which has been audited by the company Deloitte & Touche España, S. L.

At the moment of the fund's formation, the definitive portfolio shall have the following characteristics:

- The outstanding balance of all the loans of a single debtor shall not exceed 2.875% of the total issue amount.
- The outstanding balance of the (5) debtors with the highest balances shall not exceed 9.215% of the total issue amount.
- The ten (10) debtors with the highest outstanding balance shall not exceed 14.79% of the total

issue amount.

- At most, there shall be eight (8) debtors whose outstanding balances exceed 1% of the total issue amount.
- At least 59% of the definitive portfolio shall have a mortgage guarantee and as a maximum, 5% of the portfolio shall have a second range guarantee.
- With regard to the sectorial concentration by CNAE the four (4) most representative sectors of the portfolio shall not exceed 66% of the amount of same. Likewise, the percentage of each sector represented shall be less than 10% of the amount of the portfolio except in the activities of the real estate and construction sectors, where the aggregate percentage shall not exceed 53% of the portfolio.
- The average weighted maturity of the portfolio shall not exceed 92 months.
- At least 46% of the portfolio shall have monthly amortisation and a maximum of 49% of the portfolio shall have quarterly amortisation and 6% of the portfolio shall have six-monthly portfolio.
- The average LTV (loan to value) weighted maturity of the portfolio with mortgage guarantee shall not exceed 58%.

The following tables show the distribution of the Loans initially selected in accordance with the rate of nominal interest, rate of reference interest, date of formalisation, date of final amortisation, outstanding principal, geographic distribution, CNAE and type of guarantees.

**a. Distribution by Nominal Interest Rate**

The following table shows the distribution of the Loans in accordance with the rate of interest in ranges of intervals expressed in percentages.

Loan portfolio at 1 October 2004					
Classification by Nominal Interest Rate					
Interest Rate Interval		Loans		Outstanding Principal	
		Number	%	Amount (euros)	%
1.5	1.99	1	0.03%	311,563.24	0.04%
2	2.49	223	6.47%	28,720,464.95	3.38%
2.5	2.99	678	19.66%	87,985,673.60	10.36%
3	3.49	460	13.34%	162,670,064.94	19.16%
3.5	3.99	652	18.90%	321,677,300.90	37.88%
4	4.49	410	11.89%	156,480,159.34	18.43%
4.5	4.99	265	7.68%	50,998,902.56	6.01%
5	5.49	237	6.87%	13,641,254.85	1.61%
5.5	5.99	183	5.31%	11,418,592.38	1.34%
6	6.49	89	2.58%	3,840,780.39	0.45%
6.5	6.99	83	2.41%	7,807,369.02	0.92%
7	7.49	83	2.41%	2,125,068.55	0.25%
7.5	7.99	52	1.51%	976,857.89	0.12%
8	8.49	13	0.38%	194,924.40	0.02%
8.5	8.99	11	0.32%	119,565.90	0.01%
9	9.49	8	0.23%	122,789.74	0.01%
9.5	9.99	1	0.03%	5,138.26	0.00%
<b>Total Portfolio</b>		<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>0.00%</b>
Weighted Average:				3.69%	
Simple Average:				3.99%	
Minimum:				1.85%	
Maximum:				9.50%	

#### b. Distribution by Reference Interest Rate

The following table shows the distribution of the Loans in accordance with the rate of reference interest applicable for the calculation of the nominal rate of interest of each one of them.

Loan portfolio at 1 October 2004					
Classification by Interest Rate Index of Reference					
Index of Reference	Loans		Outstanding Principal		
	Number	%	Amount (euros)	%	
EURIBOR - AT 11:00 A.M.	1,604	46.51%	654,412,518.9	77.07%	
I.R.M.H.	1	0.03%	489,509.95	0.06%	
MIBOR BANC.ESP.	987	28.62%	118,898,146.5	14.00%	
FIXED RATE	857	24.85%	75,296,295.61	8.87%	
<b>Total Portfolio</b>	<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>	

c. **Distribution by Formalisation Date of the Loans**

The following table shows the distribution of the loans according to the Formalisation Date.

<b>Loan portfolio at 1 October 2004</b>					
<b>Classification by Formalisation Date of the Loans</b>					
<b>Interest Rate Interval</b>		<b>Loans</b>		<b>Outstanding Principal</b>	
<b>Formalisation Date</b>		<b>Number</b>	<b>%</b>	<b>(euros)</b>	<b>%</b>
1/01/2000	30/06/2000	40	1.16%	4,913,584.59	0.58%
1/07/2000	31/12/2000	51	1.48%	9,420,171.33	1.11%
1/01/2001	30/06/2001	87	2.52%	10,924,527.50	1.29%
1/07/2001	31/12/2001	134	3.89%	21,020,121.38	2.48%
1/01/2002	30/06/2002	383	11.10%	46,707,989.82	5.50%
1/07/2002	31/12/2002	182	5.28%	51,330,947.68	6.05%
1/01/2003	30/06/2003	547	15.86%	111,358,677.83	13.11%
1/07/2003	31/12/2003	693	20.09%	247,116,518.91	29.10%
1/01/2004	30/06/2004	1,332	38.62%	346,303,931.87	40.78%
<b>Total Portfolio</b>		<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>
		<b>Weighted Average Age:</b>		<b>24/08/2003</b>	<b>1.12 years</b>
		<b>Minimum Age</b>		<b>30/06/2004</b>	<b>0.26 years</b>
		<b>Maximum Age</b>		<b>20/01/2000</b>	<b>4.77 years</b>

**d. Distribution by Date of Final Amortisation**

The following table shows the distribution of the Loans according to their date of final amortisation.

<b>Loan portfolio at 1 October 2004</b>				
<b>Classification by Final Amortisation Date</b>				
<b>Amortisation Date</b>	<b>Loans</b>		<b>Outstanding Principal</b>	
	<b>Number</b>	<b>%</b>	<b>(euros)</b>	<b>%</b>
004	21	0.01	13,822,345.68	0.02
005	259	0.08	112,581,416.59	0.13
006	349	0.10	86,857,777.62	0.10
007	509	0.15	57,252,459.02	0.07
008	496	0.14	49,723,867.76	0.06
009	491	14.24%	67,594,739.45	7.96%
010	270	7.83%	55,677,727.91	6.56%
011	280	8.12%	60,283,487.43	7.10%
012	86	2.49%	32,836,942.09	3.87%
013	112	3.25%	45,672,901.33	5.38%
014	129	3.74%	69,059,083.73	8.13%
015	88	2.55%	33,604,004.00	3.96%
016	90	2.61%	33,543,103.99	3.95%
017	26	0.75%	11,878,271.43	1.40%
018	66	1.91%	30,519,981.00	3.59%
019	85	2.46%	56,003,555.94	6.60%
020	6	0.17%	1,633,401.78	0.19%
021	6	0.17%	1,100,006.33	0.13%
022	5	0.14%	1,106,471.55	0.13%
023	19	0.55%	7,508,062.75	0.88%
024	24	0.70%	10,193,505.26	1.20%
025	7	0.20%	888,908.53	0.10%
026	1	0.03%	162,279.45	0.02%
027	1	0.03%	199,691.36	0.02%
028	11	0.32%	2,761,091.65	0.33%
029	9	0.26%	4,669,367.14	0.55%
030	2	0.06%	1,255,328.00	0.15%
031	0	0.00%	0.00	0.00%
032	0	0.00%	0.00	0.00%
033	1	0.03%	706,692.14	0.08%
<b>Total Portfolio</b>	<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>
	<b>Minimum amortisation period</b>		<b>31/10/2004</b>	<b>0.08 years</b>
	<b>Maximum amortisation period</b>		<b>31/10/2033</b>	<b>29.50 years</b>
	<b>Weighted average amortisation</b>		<b>24/07/2011</b>	<b>6.91 years</b>

**e. Distribution by Outstanding Principal**

The following table shows the distribution of the outstanding principal of the Loans in the following increments expressed in euros.

Loan portfolio at 1 October 2004					
Classification by Intervals of Outstanding Principal					
Interval of Principal Euros	Loans		Outstanding Principal		
	Number	%	Amount (euros)	%	
0.00	49,999.99	1560	45.326%	32,302,641.81	3.81%
50,000.00	99,999.99	587	16.990%	42,542,347.00	5.01%
100,000.00	149,999.99	322	9.320%	39,450,182.50	4.65%
150,000.00	199,999.99	216	6.252%	37,202,479.00	4.38%
200,000.00	249,999.99	129	3.734%	28,983,462.46	3.41%
250,000.00	299,999.99	87	2.518%	23,618,747.19	2.78%
300,000.00	349,999.99	66	1.910%	21,207,786.12	2.50%
350,000.00	399,999.99	62	1.795%	23,180,320.25	2.73%
400,000.00	449,999.99	41	1.187%	17,164,202.80	2.02%
450,000.00	499,999.99	37	1.071%	17,687,554.02	2.08%
500,000.00	549,999.99	34	0.984%	17,650,672.01	2.08%
550,000.00	599,999.99	28	0.810%	16,049,105.94	1.89%
600,000.00	649,999.99	18	0.521%	10,963,779.16	1.29%
650,000.00	699,999.99	19	0.550%	12,803,254.09	1.51%
700,000.00	749,999.99	14	0.405%	10,223,014.35	1.20%
750,000.00	799,999.99	8	0.232%	6,206,166.88	0.73%
800,000.00	849,999.99	12	0.347%	9,902,027.81	1.17%
850,000.00	899,999.99	6	0.174%	5,214,213.81	0.61%
900,000.00	949,999.99	12	0.347%	10,927,728.12	1.29%
950,000.00	999,999.99	11	0.318%	10,669,529.53	1.26%
1,000,000.00	1,499,999.99	73	0.260%	87,789,327.58	10.34%
1,500,000.00	1,999,999.99	38	1.100%	63,673,398.13	7.50%
2,000,000.00	2,999,999.99	33	0.955%	78,665,037.41	9.26%
3,000,000.00	3,999,999.99	7	0.203%	23,738,014.81	2.80%
4,000,000.00	4,999,999.99	9	0.260%	39,481,493.66	4.65%
5,000,000.00	5,999,999.99	10	0.289%	54,815,445.96	6.46%
6,000,000.00	6,999,999.99	2	0.058%	12,000,000.00	1.41%
7,000,000.00	7,999,999.99	2	0.058%	15,003,644.90	1.77%
8,000,000.00	8,999,999.99	1	0.029%	8,640,000.00	1.02%
9,000,000.00	9,999,999.99	1	0.029%	9,324,773.61	1.10%
10,000,000.00	19,999,999.99	3	0.087%	39,016,120.00	4.59%
20,000,000.00	29,999,999.99	1	0.029%	23,000,000.00	2.71%
<b>Total Portfolio</b>		<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>
Average principal				246,186.28	
Minimum principal				396.96	
Maximum principal:				23,000,000.00	

**f. Geographic breakdown by autonomous community**

The following table shows the geographic distribution of the Loans according to the location of the guarantees (by autonomous community).

<b>Loan portfolio at 1 October 2004</b>				
<b>Geographic Breakdown by Autonomous Community</b>				
<b>Province</b>	<b>Loans</b>		<b>Outstanding Principal</b>	
	<b>Number</b>	<b>%</b>	<b>Amount (euros)</b>	<b>%</b>
ANDALUCIA	237	6.87%	105,785,214.49	12.46%
ARAGON	102	2.96%	15,480,785.52	1.82%
ASTURIAS	149	4.32%	20,165,740.47	2.37%
BALEARIC ISLANDS	11	0.32%	4,346,298.50	0.51%
CANARY ISLANDS	72	2.09%	19,854,722.90	2.34%
CANTABRIA	19	0.55%	13,158,324.46	1.55%
CASTILLA- LA MANCHA	51	1.48%	13,772,203.55	1.62%
CASTILLA-LEON	226	6.55%	54,141,217.20	6.38%
CATALONIA	428	12.41%	106,023,581.42	12.49%
EXTREMADURA	13	0.38%	5,066,975.04	0.60%
GALICIA	1,305	37.84%	160,883,889.91	18.95%
MADRID	430	12.47%	187,864,237.74	22.13%
MURCIA	86	2.49%	56,166,094.25	6.61%
NAVARRRE	16	0.46%	6,793,912.95	0.80%
BASQUE COUNTRY	120	3.48%	39,096,620.31	4.60%
RIOJA	8	0.23%	1,151,359.40	0.14%
VALENCIA	176	5.10%	39,345,292.80	4.63%
<b>Total Portfolio</b>	<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>



**g. Distribution by Type of Borrower (sector of activity)**

The following table shows the distribution of the Loans in accordance with the sector of activity to which their respective Assigned Debtors belong (classified in accordance with the CNAE).

<b>Loan portfolio at 1 October 2004</b>					
<b>Distribution by Activity Sector (CNAE)</b>					
<b>CNAE Code</b>	<b>No.</b>	<b>%</b>	<b>Outstanding Principal</b>	<b>%</b>	<b>CNAE Definition</b>
70	481	13.95%	307,432,990.15	36.21%	REAL ESTATE ACTIVITIES
45	364	10.55%	65,247,904.71	7.68%	CONSTRUCTION
55	180	5.22%	51,495,502.15	6.06%	HOTEL & CATERING
51	384	11.13%	48,781,226.58	5.75%	WHOLESALE TRADE
74	174	5.04%	44,742,966.77	5.27%	OTHER BUSINESS ACTIVITIES
15	132	3.83%	29,016,793.66	3.42%	FOOD INDUSTRY
26	107	3.10%	27,088,838.51	3.19%	MANUFACTURERS OF OTHER MINERAL PRODUCTS
13	6	0.17%	24,519,047.95	2.89%	IRON MIN. EXT.
52	274	7.94%	23,156,610.65	2.73%	RETAIL TRADE
60	153	4.44%	20,545,955.01	2.42%	LAND TRANSPORT
50	145	4.20%	19,146,773.56	2.25%	VEHICLE SALES-MAINTENANCE
93	43	1.25%	18,151,195.79	2.14%	PERSONAL SERVICES
92	63	1.83%	17,835,458.58	2.10%	RECREATIONAL ACTIVITIES
28	131	3.80%	16,263,036.83	1.92%	FAB. METAL PRODUCTS
71	136	3.94%	12,124,404.67	1.43%	MACHINERY RENTALS
61	5	0.14%	11,452,593.13	1.35%	OCEAN TRANSPORT
25	56	1.62%	10,651,817.54	1.25%	FAB. RUBBER PRODUCTS
14	35	1.01%	10,081,854.30	1.19%	EXT. NON-METAL MINERALS
20	64	1.86%	8,652,100.98	1.02%	WOOD-CORK INDUSTRY
85	64	1.86%	7,833,922.07	0.92%	HEALTH ACTIVITIES
36	49	1.42%	7,591,043.18	0.89%	FURNITURE MANUFACTURERS
22	56	1.62%	7,252,266.81	0.85%	GRAPHIC ARTS
29	32	0.93%	6,207,867.20	0.73%	MACHINERY CONSTRUCTION
27	38	1.10%	6,027,245.17	0.71%	METALLURGY
24	23	0.67%	5,905,993.42	0.70%	CHEMICAL INDUSTRY
63	30	0.87%	5,825,076.41	0.69%	TRANSPORT-RELATED ACTIVITIES
67	9	0.26%	4,712,522.14	0.56%	FINANCIAL MEDIATION AUXILIARY ACT.
31	15	0.43%	4,669,665.89	0.55%	FAB. ELECTRICAL MATERIAL
12	17	0.49%	3,928,266.34	0.46%	URANIUM EXTRACTION
35	19	0.55%	3,390,242.90	0.40%	FAB. OTHER TRANSPORT MATERIALS
80	26	0.75%	3,331,568.95	0.39%	EDUCATION
41	4	0.12%	2,980,519.64	0.35%	WATER TREATMENT ACTIVITIES
17	29	0.84%	2,588,701.17	0.30%	TEXTILE MANUFACTURERS
18	16	0.46%	1,911,925.49	0.23%	FURRIER INDUSTRY
72	29	0.84%	1,557,437.44	0.18%	COMPUTER-RELATED ACTIVITIES
34	4	0.12%	1,395,664.45	0.16%	MOTOR VEHICLE MANUFACTURERS
19	4	0.12%	1,055,367.40	0.12%	LEATHER INDUSTRY
21	8	0.23%	1,032,873.44	0.12%	PAPER INDUSTRY
11	5	0.14%	887,895.11	0.10%	OIL-GAS EXT.
40	6	0.17%	747,688.01	0.09%	ENERGY PRODUCTION AND DISTRIBUTION
37	5	0.14%	571,202.15	0.07%	RECYCLING
64	14	0.41%	443,969.05	0.05%	POSTAL SERVICE- TELECOMMUNICATIONS
32	5	0.14%	328,620.10	0.04%	ELECTRONIC MATERIAL MANUFACTURERS
33	4	0.12%	258,186.90	0.03%	MEDICAL EQUIPMENT MANUFACTURERS
90	3	0.09%	234,797.26	0.03%	SANITATION ACTIVITIES
73	1	0.03%	22,680.80	0.00%	RESEARCH & DEVELOPMENT
30	1	0.03%	16,190.50	0.00%	OFFICE MACHINERY-COMPUTER MANUFACTURERS
	<b>3449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>	

#### **h. Distribution by guarantee type**

The following table shows the distribution according to the type of guarantee that underwrites same.

<b>Loan portfolio at 1 October 2004</b>				
<b>Distribution by Guarantee Type</b>				
<b>Guarantee Type</b>	<b>Operations</b>		<b>Outstanding Principal</b>	
	<b>Number</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
MORTGAGE	926	26.85%	546,213,495.70	64.33%
NON-MORTGAGE	2,523	73.15%	302,882,975.21	35.67%
<b>Total Portfolio</b>	<b>3,449</b>	<b>100.00%</b>	<b>849,096,470.91</b>	<b>100.00%</b>

**i) Information on the existence of late payments of the principal or interest on the Loans and, if so, amount of the current principal of the loans more than 30 , 60 and 90 days in arrears.**

<b>Loan portfolio at 1 October 2004</b>			
<b>Delays in the Payment of Instalments Due and Payable</b>			
<b>Interval in Days</b>	<b>Operations</b>	<b>Outstanding Principal</b>	<b>Principal and Interest overdue not paid</b>
30	600	196,858,354.34	2,382,292.58
60	80	14,952,179.59	440,797.10
90	42	2,755,119.25	122,403.39
<b>Total</b>	<b>722</b>	<b>214,565,653.18</b>	<b>2,945,493.07</b>

As declared by BANCO PASTOR in section IV.1.4.2(11), on the date of formation of the Fund, none of the loans has matured debits pending collection for a period greater than one (1) month.

## V. CHAPTER V

### ECONOMIC-FINANCIAL INFORMATION OF THE FUND

#### V.1. Initial balance of the Fund and descriptive tables of the hypotheses and estimated behaviour of the economic-financial flows of the Fund.

##### Initial Balance Sheet of the Fund

Balance Sheet (in thousands of euros)			
Assets		Liabilities	
<b>Fixed Assets</b>		<b>Note Issue</b>	
Assets	800,026	Notes	800,000
Formation and Issue Expenses	1,142	<b>Other Long-Term Liabilities</b>	
<b>Current Assets</b>		Subordinated Loan	1,168
Current Accounts (Reserve Fund)	28,700	Participative Loan	28,700
<b>Total Assets</b>		<b>Total Liabilities</b>	
	829,868		829.868
<b>Total Order Accounts</b>			
Guarantee Liquidity Line	3,700		
Financial Swaps of Interests	800,000		

##### V.1.1. Assumed hypotheses

The tables shown hereunder refer to three scenarios (constant annual early-amortisation fees of 0%, 2.5% and 5%) which, with regard to revenue and payments made from the Fund, could occur throughout the life of Fund and of this issue of Notes, although these hypotheses may vary.

The following hypotheses have been used in the preparation of the financial service of the Fund tables:

##### Loans

- Volume of the portfolio of Loans pooled in the Fund (estimation at the Disbursement Date): 800,000,000 euros.
- Interest rate: An assumption is made of an average interest rate of Loans of 3.69% (coinciding with that of the portfolio at 1 October 2004, without prejudice to later revisions calculated in accordance with the following paragraph.
- Interest Rates on the Loans: the differential in force at 1 October 2004 shall be applied for each Loan at its corresponding period of revision to which the reference rate of the Notes shall be added.
- Hypothesis on the annual fees for early amortisation of 0%, 2.5% and 5%.
- An annual percentage rate of unpaid and defaulted loans of 0% is assumed for the preparation of the financial service table of the Fund.
- The average weighted maturity of the Loans that make up the portfolio is 6.91 years.

## Notes

- Total amount: €800,00,000
- Interest rate: Variable nominal annual interest, with quarterly payment. The rate of interest of the Notes is the result of adding a EURIBOR rate at three months equal to 2.148%, with the differentials for each Note as specified hereunder:

	No. of Notes	Nominal Amount	Margin	Interest Rate
Series "A"	5,300	530,000,000	0.14%	2.288%
Series "BG"	1,646	164,600,000	0.02%	2.168%
Series "BS"	420	42,000,000	0.33%	2.478%
Series "C"	404	40,400,000	0.13%	2.278%
Series "D"	230	23,000,000	2.00%	4.148%
<b>Total</b>	<b>8,000</b>	<b>800,000,000</b>		

## Subordinated Loan:

- Maximum amount: 1,168,000 euros. The amount of the Loan is targeted at the initial expenses of the formation of the Fund and the Issue of the Notes and to pay the difference between the Outstanding Balance of the Assets Pending Amortisation at the time of formation and the Total Amount of the Notes Issue.
- Interest rate: The remuneration of the Subordinated Loan shall be equal to the Reference Rate of Interest of the Notes during said period plus a differential of 1.5% calculated on the outstanding nominal balance.
- Amortisation: The part of the Subordinated Loan destined to finance the formation expenses of the Fund and issue of the Notes will be amortised on each Payment Date, for the amount by which the said formation expenses has been amortised, in accordance with the official accounting of the Fund, and in any event over a maximum period of five (5) years from the formation of the Fund, in accordance with the current accounting and tax legislation in force.

## Participative Loan:

- Amount: 28,700,000 euros. The amount of the aforementioned loan is targeted at the endowment of the Reserve Fund of the FTA
- Interest rate: The remuneration of the Subordinated Loan shall comprise two components: one of a fixed nature that is equal to the Reference Rate of Interest of the Notes during said period plus a differential of 1.50% calculated on the outstanding nominal balance, and another component of a variable nature that shall be determined in accordance with the description set forth in section V.3.2 of this Prospectus.
- Amortisation: The Amortisation of the Participative Loan of the Fund shall be made on the Fund liquidation Date.

## Reserve Fund

- Amount: The Initial Reserve Fund shall be formed for an amount equal to 3.588% of the total amount of the Issue of the Notes on said Disbursement Date.

The Minimum Level of the Reserve Fund shall be the lower of the following amounts:

- 3.588% of the amount of the Note Issue
- 7.176% of the Outstanding Balance of the Principal of the Notes

The Minimum Level of the Reserve Fund cannot be less than 2.80% of the total amount of the Notes issue.

The amounts that make up the Reserve Fund shall be deposited in the Amortisation Account.

### **Reinvestment of the Flows**

The entry flows into the Fund (principal and interest of the portfolio of loans) are reinvested at an equal rate of reference interest of the notes at that time, as defined in section V.3.5.1 of the Prospectus.

### **Commissions. Payments to the Fund Manager.**

On the Fund Disbursement Date, an initial commission of 40,000 euros and on each Payment Date a variable amount equal to an annual 0.0155% over the Balance of Outstanding Principal of the Note Issue at the start of the corresponding Collection Period, in constant proportion to the days of the quarterly period, with an annual minimum of 12,000 euros.

### **V.1.2. Numeric Scheme of the flows of income and expenses of the Fund**

#### **IMPORTANT NOTE FOR THE INVESTOR**

Information presented in the following tables appears only for illustrative purposes, the amounts not representing any specific payment obligation to third parties by the Fund on the corresponding dates or periods to which they refer. The data have been prepared under hypotheses of default rates and amortisation of the loans and interest rates, which are subject to continuous change. As a consequence, all investors interested in knowing the intended payment calendar of the Fund on each specific date must request the relevant information from those institutions authorised to distribute it: the Fund Manager, AIAF Market and the CNMV. Notwithstanding the foregoing, said information may also be requested through the Underwriting Entities and others active in the secondary market. As indicated in section V.2 of this Prospectus, the Fund Manager undertakes to publish the respective information. Likewise, for the calculation of the Financial Service of the Fund tables shown hereunder, an assumed interest rate is used that may not coincide with the final one set on the Issue Date.

FUND CASH FLOWS								
Collections – ERR: 0%								
Outstanding Balance	Date	Am.Ppal.	Int.Loans.	Reserve Fund	R.F. Network	Int.C.C.	Total	Liq. LIne
766,939,852	20/01/2005	33,060,148	7,623,087	28,700,000	0	265,518	40,948,753	3,700,000
734,964,302	20/04/2005	31,975,550	6,831,501	28,700,000	0	254,777	39,061,828	3,700,000
687,062,210	20/07/2005	47,902,092	6,918,996	28,700,000	0	300,488	55,121,576	3,700,000
650,455,316	20/10/2005	36,606,894	6,095,243	28,700,000	0	270,983	42,973,120	3,700,000
588,921,319	20/01/2006	61,533,997	6,025,485	28,700,000	0	338,274	67,897,756	3,700,000
553,472,608	20/04/2006	35,448,710	5,130,448	28,700,000	0	259,470	40,838,628	3,700,000
493,913,937	20/07/2006	59,558,672	5,145,210	28,700,000	0	326,951	65,030,832	3,700,000
460,832,814	20/10/2006	33,081,123	4,321,018	28,700,000	0	256,636	37,658,777	3,700,000
437,840,237	20/01/2007	22,992,577	4,316,481	28,700,000	0	229,313	27,538,372	3,700,000
401,760,421	20/04/2007	36,079,816	3,807,683	28,700,000	0	257,639	40,145,137	3,700,000
371,992,602	20/07/2007	29,767,818	3,748,414	28,700,000	0	243,441	33,759,673	3,700,000
353,846,668	20/10/2007	18,145,935	3,242,621	28,700,000	0	213,286	21,601,842	3,700,000
334,018,224	20/01/2008	19,828,444	3,303,831	25,388,498	3,311,502	200,077	26,643,854	3,700,000
316,528,251	20/04/2008	17,489,973	2,915,298	23,965,808	1,422,691	182,982	22,010,943	3,700,000
297,915,407	20/07/2008	18,612,843	2,957,596	22,710,902	1,254,906	179,381	23,004,726	3,700,000
281,509,433	20/10/2008	16,405,974	2,611,396	22,400,000	310,902	172,758	19,501,030	3,700,000
263,314,467	20/01/2009	18,194,966	2,622,429	22,400,000	0	177,631	20,995,027	3,700,000
248,563,163	20/04/2009	14,751,304	2,313,046	22,400,000	0	163,830	17,228,180	3,700,000
233,969,003	20/07/2009	14,594,160	2,329,757	22,400,000	0	165,275	17,089,192	3,700,000
221,318,763	20/10/2009	12,650,240	2,105,242	22,400,000	0	161,221	14,916,703	3,700,000
208,380,813	20/01/2010	12,937,951	2,078,039	22,400,000	0	161,926	15,177,916	3,700,000
197,101,657	20/04/2010	11,279,156	1,883,635	22,400,000	0	153,498	13,316,289	3,700,000
185,508,825	20/07/2010	11,592,832	1,857,923	22,400,000	0	155,975	13,606,730	3,700,000
175,136,414	20/10/2010	10,372,411	1,722,710	22,400,000	0	154,019	12,249,140	3,700,000
164,747,365	20/01/2011	10,389,049	1,690,691	22,400,000	0	153,977	12,233,717	3,700,000
155,838,804	20/04/2011	8,908,561	1,499,428	22,400,000	0	146,203	10,554,192	3,700,000
146,799,845	20/07/2011	9,038,959	1,504,295	22,400,000	0	148,190	10,691,444	3,700,000
138,352,308	20/10/2011	8,447,537	1,377,128	22,400,000	0	147,873	9,972,538	3,700,000
130,164,020	20/01/2012	8,188,288	1,329,693	22,400,000	0	147,042	9,665,024	3,700,000
122,807,138	20/04/2012	7,356,882	1,177,919	22,400,000	0	142,812	8,677,612	3,700,000
115,576,777	20/07/2012	7,230,361	1,145,810	22,400,000	0	142,387	8,518,558	3,700,000
108,405,111	20/10/2012	7,171,667	1,073,004	22,400,000	0	143,596	8,388,266	3,700,000
101,371,144	20/01/2013	7,033,966	1,038,004	22,400,000	0	143,128	8,215,098	3,700,000
94,844,239	20/04/2013	6,526,905	1,006,108	22,400,000	0	138,589	7,671,603	3,700,000
87,902,967	20/07/2013	6,941,272	909,165	22,400,000	0	140,979	7,991,416	3,700,000
81,264,100	20/10/2013	6,638,867	873,621	22,400,000	0	141,613	7,654,101	3,700,000
74,691,545	20/01/2014	6,572,555	792,485	22,400,000	0	141,214	7,506,254	3,700,000
0	20/04/2014	74,691,545	741,089	0	22,400,000	199,762	98,032,397	3,700,000
		800,000,000	108,065,526			7,322,715	944,088,242	

FUND CASH FLOWS

PAYMENTS – ERR: 0%

Cur. Exp.	Int.SWAP	Int.A	Int.B	Int.C	Int.D	Am.A	Am.B	Am.C	Am.D	R.F. Allowance	Int.PS	Int.PP	Am.PS	Am.PP	FEI C.	Adm. Acct.	V.Int.Part.L.	Total
36.764	924.965	3.098.969	1.177.929	235.191	243.810	33.060.148	0	0	0	28.700.000	4.477	438.178	59.698	0	61.947	20.444	1.586.231	40.948.753
34.665	546.613	2.842.496	1.152.322	230.078	238.510	31.975.550	0	0	0	28.700.000	4.156	428.771	58.400	0	60.600	19.173	1.470.494	39.061.828
33.779	825.994	2.689.147	1.165.126	232.634	241.160	47.902.092	0	0	0	28.700.000	3.981	433.661	59.049	0	61.273	18.578	1.455.102	55.121.576
32.225	331.669	2.438.609	1.177.929	235.191	243.810	36.606.894	0	0	0	28.700.000	3.798	438.640	59.698	0	61.947	17.558	1.325.152	42.973.120
30.753	564.829	2.224.565	1.177.929	235.191	243.810	61.533.997	0	0	0	28.700.000	3.569	438.823	59.698	0	61.947	16.623	1.306.021	67.897.756
27.665	286.620	1.824.230	1.152.322	230.078	238.510	35.448.710	0	0	0	28.700.000	3.268	429.637	58.400	0	60.600	14.723	1.063.866	40.838.628
26.563	537.707	1.639.480	1.165.126	232.634	241.160	59.558.672	0	0	0	28.700.000	3.083	434.652	59.049	0	61.273	13.991	1.057.443	65.030.832
24.461	155.725	1.309.250	1.177.929	235.191	243.810	33.081.123	0	0	0	28.700.000	2.890	439.917	59.698	0	61.947	12.622	854.214	37.658.777
23.131	424.930	1.115.821	1.177.929	235.191	243.810	22.992.577	0	0	0	28.700.000	2.662	440.243	59.698	0	61.947	11.777	748.655	27.538.372
21.724	186.856	960.046	1.152.322	230.078	238.510	36.079.816	0	0	0	28.700.000	2.380	430.923	58.400	0	60.600	10.946	712.536	40.145.137
20.531	382.667	762.044	1.165.126	232.634	241.160	29.767.818	0	0	0	28.700.000	2.185	436.167	59.049	0	61.273	10.156	618.864	33.759.673
19.560	86.213	596.362	1.177.929	235.191	243.810	18.145.935	0	0	0	28.700.000	1.982	441.407	59.698	0	61.947	9.506	522.301	21.601.842
18.831	297.579	490.261	1.177.929	235.191	243.810	19.828.444	0	0	0	25.388.498	1.754	441.716	59.698	3.311.502	61.947	9.043	466.151	26.643.854
17.838	104.017	370.253	1.165.126	232.634	241.160	17.489.973	0	0	0	23.965.808	1.508	386.832	59.049	1.422.691	61.273	8.443	450.146	22.010.943
17.143	289.469	269.099	1.165.126	232.634	241.160	18.612.843	0	0	0	22.710.902	1.284	365.462	59.049	1.254.906	61.273	8.001	427.277	23.004.726
16.583	67.969	163.224	1.177.929	235.191	243.810	16.405.974	0	0	0	22.400.000	1.072	350.482	59.698	310.902	61.947	7.613	398.636	19.501.030
15.923	214.760	67.297	1.177.929	235.191	243.810	11.509.433	6.685.533	0	0	22.400.000	843	346.026	59.698	0	61.947	7.194	369.442	20.995.027
14.862	104.053	0	1.115.033	230.078	238.510	0	14.751.304	0	0	22.400.000	601	339.006	58.400	0	60.600	6.583	309.151	17.228.180
14.441	214.834	0	1.044.232	232.634	241.160	0	14.594.160	0	0	22.400.000	386	343.359	59.049	0	61.273	6.283	277.380	17.089.192
14.013	85.718	0	972.499	235.191	243.810	0	12.650.240	0	0	22.400.000	164	347.793	42.827	0	61.947	5.979	256.523	14.916.703
13.505	161.352	0	900.373	235.191	243.810	0	12.937.951	0	0	22.400.000	0	348.436	0	0	61.947	5.656	269.695	15.177.916
12.702	111.505	0	808.638	230.078	238.510	0	11.279.156	0	0	22.400.000	0	341.584	0	0	60.600	5.210	228.307	13.316.289
12.395	156.797	0	754.014	232.634	241.160	0	11.592.832	0	0	22.400.000	0	346.095	0	0	61.273	4.982	204.547	13.606.730
12.066	97.132	0	696.203	235.191	243.810	0	10.372.411	0	0	22.400.000	0	350.732	0	0	61.947	4.741	174.908	12.249.140
11.649	149.433	0	637.065	235.191	243.810	0	10.389.049	0	0	22.400.000	0	351.573	0	0	61.947	4.476	149.525	12.233.717
10.987	74.295	0	565.270	230.078	238.510	0	8.908.561	0	0	22.400.000	0	344.857	0	0	60.600	4.119	116.915	10.554.192
10.755	134.960	0	521.311	232.634	241.160	0	9.038.959	0	0	22.400.000	0	349.593	0	0	61.273	3.939	96.859	10.691.444
10.510	66.226	0	475.504	235.191	243.810	0	8.447.537	0	0	22.400.000	0	354.474	0	0	61.947	3.752	73.587	9.972.538
10.171	87.463	0	427.340	235.191	243.810	0	8.188.288	0	0	22.400.000	0	355.569	0	0	61.947	3.536	51.709	9.665.024
9.735	15.033	0	376.517	232.634	241.160	0	7.356.882	0	0	22.400.000	0	352.889	0	0	61.273	3.290	28.199	8.677.612
9.443	42.079	0	335.028	232.634	241.160	0	7.230.361	0	0	22.400.000	0	354.087	0	0	61.273	3.104	9.387	8.518.558
9.256	15.922	0	297.486	235.191	243.810	0	7.171.667	0	0	22.400.000	0	352.988	0	0	61.947	0	0	8.388.266
8.968	39.223	0	256.596	235.191	243.810	0	7.033.966	0	0	22.400.000	0	335.397	0	0	61.947	0	0	8.215.098
8.496	84.978	0	211.786	230.078	238.510	0	6.526.905	0	0	22.400.000	0	310.249	0	0	60.600	0	0	7.671.603
8.331	30.282	0	177.331	232.634	241.160	0	6.941.272	0	0	22.400.000	0	299.132	0	0	61.273	0	0	7.991.416
8.144	41.507	0	139.704	235.191	243.810	0	6.638.867	0	0	22.400.000	0	284.932	0	0	61.947	0	0	7.654.101
7.877	14.341	0	101.852	235.191	243.810	0	6.572.555	0	0	22.400.000	0	268.682	0	0	61.947	0	0	7.506.254
7.553	32.129	0	62.979	230.078	238.510	0	11.291.546	40.400.000	23.000.000	0	0	309.001	0	22.400.000	60.600	0	0	98.032.397
644.000	7.987.843	22.861.151	30.760.716	8.868.229	9.193.235	530.000.000	206.600.000	40.400.000	23.000.000	0	46.045	14.161.965	1.168.000	28.700.000	2.335.793	282.042	17.079.221	944.088.242

FUND CASH FLOWS								
Collections – ERR: 2.5%								
Outstanding Balance	Date	Am.Ppal.	Loan Int.	Reserve Fund	R.F. Network	Int.C.C.	Total	Liq. Line
761,828,741	20/01/2005	38,171,259	7,623,087	28,700,000	0	279,354	46,073,700	3,700,000
725,091,761	20/04/2005	36,736,980	6,785,974	28,700,000	0	267,266	43,790,220	3,700,000
672,607,492	20/07/2005	52,484,269	6,826,055	28,700,000	0	312,509	59,622,833	3,700,000
631,703,383	20/10/2005	40,904,109	5,967,008	28,700,000	0	282,269	47,153,386	3,700,000
566,133,504	20/01/2006	65,569,880	5,851,777	28,700,000	0	348,729	71,770,385	3,700,000
527,146,459	20/04/2006	38,987,045	4,931,929	28,700,000	0	268,315	44,187,289	3,700,000
464,256,515	20/07/2006	62,889,944	4,900,476	28,700,000	0	335,215	68,125,635	3,700,000
428,209,309	20/10/2006	36,047,206	4,061,560	28,700,000	0	263,963	40,372,729	3,700,000
402,480,949	20/01/2007	25,728,359	4,010,907	28,700,000	0	235,892	29,975,158	3,700,000
363,885,627	20/04/2007	38,595,322	3,500,180	28,700,000	0	263,486	42,358,988	3,700,000
331,818,254	20/07/2007	32,067,373	3,395,043	28,700,000	0	248,652	35,711,069	3,700,000
311,552,370	20/10/2007	20,265,885	2,892,425	28,700,000	0	218,077	23,376,387	3,700,000
289,733,452	20/01/2008	21,818,918	2,908,933	22,400,000	6,300,000	188,217	31,216,068	3,700,000
270,412,524	20/04/2008	19,320,927	2,528,782	22,400,000	0	178,464	22,028,174	3,700,000
250,090,824	20/07/2008	20,321,700	2,526,697	22,400,000	0	181,138	23,029,535	3,700,000
232,087,048	20/10/2008	18,003,776	2,192,187	22,400,000	0	175,949	20,371,911	3,700,000
212,409,303	20/01/2009	19,677,745	2,162,030	22,400,000	0	180,398	22,020,173	3,700,000
196,330,441	20/04/2009	16,078,862	1,865,877	22,400,000	0	166,162	18,110,901	3,700,000
180,495,582	20/07/2009	15,834,859	1,840,185	22,400,000	0	167,286	17,842,330	3,700,000
166,692,176	20/10/2009	13,803,406	1,632,318	22,400,000	0	163,062	15,598,787	3,700,000
152,689,247	20/01/2010	14,002,929	1,565,131	22,400,000	0	163,420	15,731,480	3,700,000
140,455,784	20/04/2010	12,233,463	1,389,571	22,400,000	0	154,717	13,777,752	3,700,000
127,975,349	20/07/2010	12,480,435	1,325,404	22,400,000	0	156,926	13,962,764	3,700,000
116,785,318	20/10/2010	11,190,031	1,209,521	22,400,000	0	154,843	12,554,395	3,700,000
105,650,140	20/01/2011	11,135,178	1,142,721	22,400,000	0	154,514	12,432,412	3,700,000
96,081,266	20/04/2011	9,568,874	970,530	22,400,000	0	146,551	10,685,955	3,700,000
86,435,127	20/07/2011	9,646,139	927,462	22,400,000	0	148,271	10,721,872	3,700,000
77,435,366	20/10/2011	8,999,762	835,519	22,400,000	0	147,901	9,983,183	3,700,000
0	20/01/2012	77,435,366	759,636	0	22,400,000	211,679	100,806,681	3,700,000
		800,000,000	88,528,924			6,163,226	923,392,150	



FUND CASH FLOWS																		
PAYMENTS – ERR: 2,5%																		
Cur. Exp.	Int.SWAP	Int.A	Int.B	Int.C	Int.D	Am.A	Am.B	Am.C	Am.D	R.F. Allowance	Int.PS	Int.PP	Am.PS	Am.PP	FEI C.	Adm. Acct.	V.Int.Part.L.	Total
36.764	924.965	3.098.969	1.177.929	235.191	243.810	38.171.259	0	0	0	28.700.000	4.477	438.178	59.698	0	61.947	20.444	1.600.067	46.073.700
34.464	542.460	2.813.260	1.152.322	230.078	238.510	36.736.980	0	0	0	28.700.000	4.156	428.790	58.400	0	60.600	19.046	1.471.153	43.790.220
33.387	813.859	2.632.048	1.165.126	232.634	241.160	52.484.269	0	0	0	28.700.000	3.981	433.702	59.049	0	61.273	18.329	1.444.015	59.622.833
31.644	323.046	2.354.091	1.177.929	235.191	243.810	40.904.109	0	0	0	28.700.000	3.798	438.710	59.698	0	61.947	17.189	1.302.225	47.153.386
30.000	546.291	2.114.920	1.177.929	235.191	243.810	65.569.880	0	0	0	28.700.000	3.569	438.926	59.698	0	61.947	16.144	1.272.081	71.770.385
26.769	272.569	1.693.884	1.152.322	230.078	238.510	38.987.045	0	0	0	28.700.000	3.268	429.787	58.400	0	60.600	14.153	1.019.905	44.187.289
25.517	508.451	1.487.221	1.165.126	232.634	241.160	62.889.944	0	0	0	28.700.000	3.083	434.852	59.049	0	61.273	13.325	1.004.000	68.125.635
23.269	141.678	1.135.839	1.177.929	235.191	243.810	36.047.206	0	0	0	28.700.000	2.890	440.208	59.698	0	61.947	11.864	791.199	40.372.729
21.820	389.312	925.067	1.177.929	235.191	243.810	25.728.359	0	0	0	28.700.000	2.662	440.615	59.698	0	61.947	10.943	677.805	29.975.158
20.334	165.587	757.791	1.152.322	230.078	238.510	38.595.322	0	0	0	28.700.000	2.380	431.364	58.400	0	60.600	10.062	636.239	42.358.988
19.025	339.299	542.993	1.165.126	232.634	241.160	32.067.373	0	0	0	28.700.000	2.185	436.742	59.049	0	61.273	9.198	535.011	35.711.069
17.946	68.456	361.458	1.177.929	235.191	243.810	20.265.885	0	0	0	28.700.000	1.982	442.137	59.698	0	61.947	8.480	431.468	23.376.387
17.131	252.662	242.961	1.177.929	235.191	243.810	21.818.918	0	0	0	22.400.000	1.754	442.577	59.698	6.300.000	61.947	7.962	353.528	31.216.068
16.077	79.970	114.130	1.165.126	232.634	241.160	19.320.927	0	0	0	22.400.000	1.508	342.090	59.049	0	61.273	7.324	386.905	22.028.174
15.309	236.025	2.386	1.165.126	232.634	241.160	412.524	19.909.176	0	0	22.400.000	1.284	342.518	59.049	0	61.273	6.835	344.235	23.029.535
14.661	41.603	0	1.064.417	235.191	243.810	0	18.003.776	0	0	22.400.000	1.072	347.068	59.698	0	61.947	6.391	292.277	20.371.911
13.937	157.805	0	961.769	235.191	243.810	0	19.677.745	0	0	22.400.000	843	347.884	59.698	0	61.947	5.931	253.614	22.020.173
12.861	61.710	0	831.107	230.078	238.510	0	16.078.862	0	0	22.400.000	601	341.350	58.400	0	60.600	5.310	191.512	18.110.901
12.365	145.261	0	749.664	232.634	241.160	0	15.834.859	0	0	22.400.000	386	346.146	59.049	0	61.273	4.963	154.569	17.842.330
11.864	47.494	0	667.620	235.191	243.810	0	13.803.406	0	0	22.400.000	164	351.127	42.827	0	61.947	4.613	128.724	15.598.787
11.310	92.518	0	588.920	235.191	243.810	0	14.002.929	0	0	22.400.000	0	352.334	0	0	61.947	4.260	138.261	15.731.480
10.513	60.331	0	498.015	230.078	238.510	0	12.233.463	0	0	22.400.000	0	346.092	0	0	60.600	3.817	96.332	13.777.752
10.144	79.762	0	434.558	232.634	241.160	0	12.480.435	0	0	22.400.000	0	351.423	0	0	61.273	3.550	67.824	13.962.764
9.754	51.648	0	368.176	235.191	243.810	0	11.190.031	0	0	22.400.000	0	357.112	0	0	61.947	3.270	33.455	12.554.395
9.304	75.815	0	304.376	235.191	243.810	0	11.135.178	0	0	22.400.000	0	359.083	0	0	61.947	2.985	4.724	12.432.412
8.664	15.370	0	235.652	230.078	238.510	0	9.568.874	0	0	22.400.000	0	328.205	0	0	60.600	0	0	10.685.955
8.380	38.632	0	184.307	232.634	241.160	0	9.646.139	0	0	22.400.000	0	309.346	0	0	61.273	0	0	10.721.872
8.085	15.338	0	131.335	235.191	243.810	0	8.999.762	0	0	22.400.000	0	287.716	0	0	61.947	0	0	9.983.183
7.723	12.616	0	80.023	235.191	243.810	0	14.035.366	40.400.000	23.000.000	0	0	330.005	0	22.400.000	61.947	0	0	100.806.681
519.022	6.500.535	20.277.018	24.628.037	6.769.406	7.017.494	530.000.000	206.600.000	40.400.000	23.000.000		46.045	11.116.088	1.168.000	28.700.000	1.782.987	236.389	14.631.130	923.392.150

FUND CASH FLOWS								
Collections – ERR: 5%								
Outstanding Balance	Date	Am.Ppal.	Int.Loans.	Reserve Fund	R.F. Network	Int.C.C.	Total	Liq. Lline
756,717,630	20/01/2005	43,282,370	7,623,087	28,700,000	0	293,190	51,198,647	3,700,000
715,283,109	20/04/2005	41,434,520	6,740,447	28,700,000	0	279,586	48,454,553	3,700,000
658,340,633	20/07/2005	56,942,476	6,733,716	28,700,000	0	324,199	64,000,391	3,700,000
613,321,609	20/10/2005	45,019,025	5,840,440	28,700,000	0	293,066	51,152,531	3,700,000
543,950,725	20/01/2006	69,370,884	5,681,497	28,700,000	0	358,558	75,410,939	3,700,000
501,702,630	20/04/2006	42,248,094	4,738,682	28,700,000	0	276,439	47,263,215	3,700,000
435,802,995	20/07/2006	65,899,635	4,663,944	28,700,000	0	342,641	70,906,220	3,700,000
397,153,279	20/10/2006	38,649,717	3,812,633	28,700,000	0	270,334	42,732,684	3,700,000
369,085,965	20/01/2007	28,067,314	3,720,014	28,700,000	0	241,436	32,028,764	3,700,000
328,392,574	20/04/2007	40,693,391	3,209,760	28,700,000	0	268,273	44,171,424	3,700,000
294,474,239	20/07/2007	33,918,336	3,063,894	28,700,000	0	252,722	37,234,951	3,700,000
272,565,578	20/10/2007	21,908,661	2,566,901	28,700,000	0	221,643	24,697,205	3,700,000
249,254,351	20/01/2008	23,311,227	2,544,918	22,400,000	6,300,000	191,271	32,347,415	3,700,000
228,614,080	20/04/2008	20,640,271	2,175,482	22,400,000	0	181,051	22,996,804	3,700,000
207,111,809	20/07/2008	21,502,271	2,136,138	22,400,000	0	183,254	23,821,663	3,700,000
188,059,406	20/10/2008	19,052,403	1,815,451	22,400,000	0	177,767	21,045,621	3,700,000
167,461,459	20/01/2009	20,597,948	1,751,886	22,400,000	0	181,779	22,531,613	3,700,000
150,616,886	20/04/2009	16,844,572	1,471,039	22,400,000	0	167,144	18,482,756	3,700,000
134,119,097	20/07/2009	16,497,790	1,411,717	22,400,000	0	167,914	18,077,420	3,700,000
119,755,113	20/10/2009	14,363,984	1,222,161	22,400,000	0	163,469	15,749,614	3,700,000
105,286,958	20/01/2010	14,468,155	1,124,423	22,400,000	0	163,487	15,756,065	3,700,000
92,691,715	20/04/2010	12,595,243	969,045	22,400,000	0	154,561	13,718,849	3,700,000
79,927,363	20/07/2010	12,764,352	876,381	22,400,000	0	156,483	13,797,217	3,700,000
68,533,658	20/10/2010	11,393,705	780,940	22,400,000	0	154,234	12,328,879	3,700,000
0	20/01/2011	68,533,658	689,594	0	22,400,000	187,392	91,810,644	3,700,000
		800,000,000	77,364,190			5,651,894	911,716,085	

FUND CASH FLOWS																		
PAYMENTS – ERR: 5%																		
Cur.Exp.	Int.SWAP	Int.A	Int.B	Int.C	Int.D	Am.A	Am.B	Am.C	Am.D	R.F. Allowance	Int.PS	Int.PP	Am.PS	Am.PP	FEI C.	Adm.Acct.	V.Int.Part.L.	Total
36.764	924.965	3.098.969	1.177.929	235.191	243.810	43.282.370	0	0	0	28.700.000	4.477	438.178	59.698	0	61.947	20.444	1.613.903	51.198.647
34.263	538.308	2.784.025	1.152.322	230.078	238.510	41.434.520	0	0	0	28.700.000	4.156	428.810	58.400	0	60.600	18.918	1.471.643	48.454.553
32.997	801.803	2.575.320	1.165.126	232.634	241.160	56.942.476	0	0	0	28.700.000	3.981	433.744	59.049	0	61.273	18.081	1.432.747	64.000.391
31.070	314.535	2.270.671	1.177.929	235.191	243.810	45.019.025	0	0	0	28.700.000	3.798	438.782	59.698	0	61.947	16.824	1.279.251	51.152.531
29.261	528.119	2.007.440	1.177.929	235.191	243.810	69.370.884	0	0	0	28.700.000	3.569	439.032	59.698	0	61.947	15.674	1.238.385	75.410.939
25.897	258.891	1.566.998	1.152.322	230.078	238.510	42.248.094	0	0	0	28.700.000	3.268	429.945	58.400	0	60.600	13.599	976.614	47.263.215
24.505	480.176	1.340.065	1.165.126	232.634	241.160	65.899.635	0	0	0	28.700.000	3.083	435.066	59.049	0	61.273	12.682	951.766	70.906.220
22.125	128.202	969.469	1.177.929	235.191	243.810	38.649.717	0	0	0	28.700.000	2.890	440.523	59.698	0	61.947	11.137	730.047	42.732.684
20.572	355.405	743.479	1.177.929	235.191	243.810	28.067.314	0	0	0	28.700.000	2.662	441.024	59.698	0	61.947	10.149	609.585	32.028.764
19.021	145.500	566.772	1.152.322	230.078	238.510	40.693.391	0	0	0	28.700.000	2.380	431.857	58.400	0	60.600	9.227	563.367	44.171.424
17.614	298.659	337.717	1.165.126	232.634	241.160	33.918.336	0	0	0	28.700.000	2.185	437.401	59.049	0	61.273	8.301	455.497	37.234.951
16.444	51.950	143.104	1.177.929	235.191	243.810	21.908.661	0	0	0	28.700.000	1.982	442.995	59.698	0	61.947	7.525	345.969	24.697.205
15.564	211.258	15.001	1.177.929	235.191	243.810	2.565.578	20.745.649	0	0	22.400.000	1.754	443.608	59.698	6.300.000	61.947	6.966	263.464	32.347.415
14.468	55.001	0	1.048.130	232.634	241.160	0	20.640.271	0	0	22.400.000	1.508	343.330	59.049	0	61.273	6.301	293.678	22.996.804
13.648	181.623	0	931.729	232.634	241.160	0	21.502.271	0	0	22.400.000	1.284	344.273	59.049	0	61.273	5.779	246.938	23.821.663
12.934	14.256	0	819.372	235.191	243.810	0	19.052.403	0	0	22.400.000	1.072	349.252	59.698	0	61.947	5.293	190.393	21.045.621
12.168	105.574	0	710.745	235.191	243.810	0	20.597.948	0	0	22.400.000	843	350.540	59.698	0	61.947	4.806	148.344	22.531.613
11.094	24.322	0	580.408	230.078	238.510	0	16.844.572	0	0	22.400.000	601	344.604	58.400	0	60.600	4.187	85.379	18.482.756
10.548	84.371	0	491.862	232.634	241.160	0	16.497.790	0	0	22.400.000	386	350.172	59.049	0	61.273	3.807	44.368	18.077.420
10.001	14.344	0	403.205	235.191	243.810	0	14.363.984	0	0	22.400.000	164	356.170	42.827	0	61.947	3.427	14.545	15.749.614
9.424	33.374	0	321.308	235.191	243.810	0	14.468.155	0	0	22.400.000	0	358.524	0	0	61.947	3.060	21.271	15.756.065
8.650	16.774	0	233.627	230.078	238.510	0	12.595.243	0	0	22.400.000	0	335.367	0	0	60.600	0	0	13.718.849
8.246	14.806	0	165.191	232.634	241.160	0	12.764.352	0	0	22.400.000	0	309.553	0	0	61.273	0	0	13.797.217
7.823	13.662	0	94.231	235.191	243.810	0	11.393.705	0	0	22.400.000	0	278.510	0	0	61.947	0	0	12.328.879
7.651	14.938	0	29.270	235.191	243.810	0	5.133.658	40.400.000	23.000.000	0	0	284.179	0	22.400.000	61.947	0	0	91.810.644
452.752	5.610.814	18.419.028	21.026.924	5.836.312	6.050.204	530.000.000	206.600.000	40.400.000	23.000.000		46.045	9.685.443	1.168.000	28.700.000	1.537.220	206.188	12.977.155	911.716.085

### **V.1.3. Fund Calendar**

- Date of Formation: 28 October 2004. Formation of the Fund and Issue of the Securitisation Notes.
- Date of Disbursement: 4 November 2004. Disbursement of the Notes and payment of the Loans. Start of accrual of Loans and Notes.
- Subscription period: The subscription period shall last two (2) hours, from 12:00 hours to 14:00 hours on the second (2<sup>nd</sup>) Business Day prior to the Disbursement Date, which shall be the same date as the interest rate setting date.
- Collection Periods of the Assignor, as administrator of its loans: Calendar months. Payments to the Fund of the amounts collected from the borrowers shall be made over these months.

Collection Date of the Fund: Before the 7th of each calendar month. Transfers from the Assignor, as administrator of its Loans to the Amortisation Account.

- Payment Date of the Fund: 20 January, 20 April, 20 July and 20 October of each year. Payment to the holders of the Notes, payment of the accrued interest that corresponds to the Subordinated Loan and to the Participative Loan, commission to the Fund Manager, and amortisation of principal of the Subordinated Loan. Should the date not fall on a Business Day, the Business Day that immediately follows shall be used.
- Date of Setting: The rate of interest applicable to each period of accrual for all Class of Notes shall be set on the second business day prior to the Payment Date that starts the corresponding accrual period. The first Setting Date shall be the second Business Day prior to the Disbursement Date.
- Date of Determination: Five business days prior to the Payment Date. Notification of amounts to be paid as principal and interest to the holders of the Notes.

### **V.2. Accounting criteria of the Fund**

For and on behalf of the Fund, the Fund Manager shall carry out the temporary imputation of revenue and expenses in accordance with the accounting criteria generally accepted in Spain and set forth in the General Accounting Plan specifically Royal Decree 1643/1990, dated 20 December.

### **V.3. Description of the financial and service operations, contracted by the Fund Manager and charged to the Fund**

On behalf of the Fund, the Fund Manager may extend or amend the contracts that it has signed on behalf of the Fund and replace each one of the suppliers that provides a service to the Fund. Moreover, the Fund Manager may sign additional contracts including new credit lines, providing that such actions are in full accord with the legal provisions in force at any given time. In any case, such actions shall require the Fund Manager to give prior notice to the CNMV or the authorisation of the latter, if appropriate, or competent administrative body. Notification must also be given to the Ratings Agencies and said actions must not jeopardise the rating awarded to the Notes by said Agencies.

#### **V.3.1. Subordinated Loan**

Banco Pastor shall extend a subordinated loan to the Fund for a maximum amount of 1,168,000 euros

(hereinafter, the "**Subordinated Loan**").

The deposit of the amount of the Subordinated Loan shall be made on the Disbursement Date through deposit in to the Treasury Account opened in Caixa d'Estalvis i Pensions de Barcelona.

The amount of the Subordinated Loan shall be set aside by the Fund Manager for the payment of the initial expenses of the Fund and to cover the difference between the value of the Assets and the total nominal value of the Note Issue at the moment of subscription.

The remuneration of the Subordinated Loan shall be made over the base of a variable interest rate equal to the Reference Interest Rate of the Notes in force at each moment plus a differential of 1.5%. Payment of said interests shall be subject to the Priority Payment Rules set forth in section V.4. of this Prospectus.

The amortisation shall be made on each one of the Payment Dates. The part of the Subordinated Load targeted at financing the formation expenses of the Fund and the issue of the Notes shall be amortised quarterly on each Payment Date, for the amount that said formation expenses had been amortised. This is in accordance with the official accounting procedure of the Fund, and shall be for a maximum period of five (5) years from the formation of the Fund, and in accordance with accounting and tax regulations in force at any given time.

The part of the Subordinated Loan set aside for the financing of the difference between the nominal value of the Notes issue and the total value of the Assets at the moment of Note subscription shall be fully amortised for said amount on the first Payment Date following the Disbursement Date, namely 20 January 2005 or, should there be insufficient liquidity in the Fund, the amortisation shall continue on the following Payment Dates, until it has been totally repaid.

The total of the amounts that must be paid to the lenders, both as amortisation as well as interest accrues by the Subordinated Loan shall be subject to the Priority Payment Rules set forth in section V.4 of this Prospectus. As a consequence, they shall only be paid to the Assignor on a specific Payment Date if the Available Funds on said Payment Date are sufficient to meet the obligations of the Fund set forth in sections (i) to (xxii) of the aforementioned section for interest and (i) to (xxiv) for the principal.

All the amounts which, by virtue of the provisions set forth in the previous paragraphs, have not been surrendered to the Assignor shall be made effective on the following Payment Dates on which the Available Funds allow said payment in accordance with the established Payment Priority Order.

Amounts owed to the Assigned and unpaid by virtue of the provisions set forth in the previous paragraphs shall not accrue late-payment interest in favour of said party.

### **V.3.2. Participative Loan**

Banco Pastor, as assignor shall extend a loan to the Fund (hereinafter, the "**Participative Loan**") targeted by the Fund Manager to the endowment of the Initial Reserve Fund of the Fund. Said loan shall be made in accordance with the provisions stipulated in the Participative Loan Contract.

The total amount of the Participative Loan (hereinafter, the "**Total Amount of the Participative Loan**") shall be 28,700,000 euros.

The payment of the amount of the Participative Loan shall be made on the Disbursement Date. The Assignor shall deposit said amount in the Amortisation Account.

The amortisation of the Participative Loan shall be made on the Legal Maturity Date of the Fund, in accordance with the Priority Payment Rules described in section V.4 of this Prospectus.

Given the subordinate nature of the Participative Loan with regard to the other obligations of the fund and that the repayment of same depends on the Loans extended to the Fund and the trend of the interest rates paid to the Notes issued by the Fund, the remuneration of the Participative Loan shall have two components; one of a fixed nature and the other of a variable nature related to the trend of the Fund's risks.

- (i) "Fixed Remuneration": The Outstanding Balance of the Participative Loan shall accrue interest calculated on the basis of the variable interest rate equal to the reference rate of interest of the Notes in force at any moment in accordance with the description given in section II.10. of this Prospectus plus a differential of 1.50%.
- (ii) "Variable Remuneration": shall be equal to the positive difference between the interest and other amounts received from the Credit Rights pooled in the Fund and the expenses (including taxes) of the Fund, net of returns generated through the investments attributable to the Credit Rights, and which shall be calculated in accordance with the provisions set forth in the Deed of Incorporation of the Fund.

### V.3.3. Reserve Fund

As a guarantee mechanism against possible losses due to Defaulted Loans and for the purposes of permitting the payments to be made by the Fund in accordance with the Priority Payment Rules described in section V.4 of this Prospectus, a deposit shall be formed and shall be called the Reserve Fund (hereinafter, the "**Reserve Fund**").

The Initial Reserve Fund shall be formed on the Disbursement Date with all costs being charged to the Participative Loan, for an amount equal to 3.588% of the Total Amount of the Note Issue on said Disbursement Date.

On each payment date the Reserve Fund shall be applied to the satisfaction of the payment obligations contained in the Payment Priority Order, in accordance with the priority set forth in section V.4. of this Prospectus .

The Minimum Level of the Reserve Fund shall be the lower of the following amounts:

- 3.588% of the Total Amount of the Note Issue.
- 7.176% of the Outstanding Balance of the Principal of the Notes

The Reserve Fund cannot be reduced in the concurrence of the following circumstances:

1. During the first three years of the life of the Fund.
2. That on the previous Payment Date, the Reserve Fund had not been reached the Reserve Fund amount required on that Payment Date.
3. The Outstanding Balance of the Assets with an unpaid amount equal to or greater than ninety (90) days and less than eighteen (18) months is greater than 1% of the Outstanding Balance of the Assets.

The Minimum Level of the Reserve Fund can be less than 2.80% of the total amount of the Notes issue.

The amounts that make up the Reserve Fund shall be deposited in the Collection Account, except under the circumstances described in section V.3.5.1 of this Prospectus.

Every quarter, two business days immediately prior to each Payment Date, the Fund Manager shall order the transfer to the Treasury Account of those amounts that are deposited in the Receivables Account.

#### **V.3.4. Interest Rate Swap Contract.**

The Fund Manager, in representation and for the account of the Fund, will sign with Caixa d'Estalvis I Pensions de Barcelona an Interest Rate Swap Contract (hereinafter, the "**Interest Swap Contract**" or the "**Interest Swap Contract**") in accordance with the form of Master Financial Operations Contract (MFOC) of the Spanish Banking Association, the most relevant characteristics of which are described below.

Under the Interest Swap Contract, the Fund will make payments to Caixa d'Estalvis i Pensions de Barcelona calculated on the interest rate of the Mortgage Loans and in exchange Caixa d'Estalvis i Pensions de Barcelona will make payments to the Fund calculated on the weighted average nominal interest rate of the Note Series, all as described below.

Part A: The Fund, represented by the Fund Manager.

Part B: Caixa d'Estalvis i Pensions de Barcelona.

- a) Settlement Dates: The settlement dates will coincide with the Payment Dates of the Notes, i.e., the 20<sup>th</sup> of January, April, July and October of each year, or if any of these dates falls on a non-business day, the next business day.
- b) Settlement Periods:

Part A: The settlement periods for Part A will be the days actually lapsed between two consecutive settlement dates, including the first and excluding the last. As an exception, the first settlement period for Part A will have a duration equivalent to the days elapsed between the Disbursement Date, included, and 20 January 2005, excluded.

Part B: The settlement periods for Part B will be the days actually lapsed between two consecutive settlement dates, including the first and excluding the last. As an exception, the first settlement period for Part B will have a duration equivalent to the days elapsed between the Disbursement Date of the Note Issue, included, and 20 January 2005, excluded.
- c) Swap Notional: The amount resulting from adding the Outstanding Balance of the Payment Principal of the Notes of each series on the Liquidation Dates in progress.
- d) Amounts to be paid by Part A: Shall be the amount of matured interest of the loans not in default.
- e) Accrued interest: The interest matured in the settlement period for Part A, collected or not.
- f) Amounts to be paid by Part B: Calculated by applying the Interest Rate payable by Part A to the Notional of the Swap for the number of days in the settlement period.
- g) Interest rate payable by Part B: Average weighted nominal interest rate of the Notes plus a margin of 0.95% calculated on a basis of 360 days.
- h) Net Amount Payable: The positive or negative result of the difference between the amount payable by part A (The Fund) and the amount payable by Part B (Caixa d'Estalvis i Pensions de Barcelona).

If the amount payable by Part A and the amount payable by Part B are equal, neither of the parties

will be obliged to make any payment in relation to the Net Amount.

If on any settlement date the Fund (Part A) did not have sufficient liquidity to pay the entire net amount to Part B, the unpaid amount will be paid on the next Payment Date, provided the Fund has sufficient liquidity according to the Payment Priority Order, without interest. If this non-payment circumstance were to occur on two consecutive Payment Dates, the Interest Swap Contract will be cancelled. If the Contract is cancelled, the Fund will assume the obligation to pay the settlement amount set forth in the terms of the Interest Swap Contract, all in conformity with the Payment Priority Order.

If on any settlement date Part B did not have sufficient liquidity to pay the entire net amount to Part A, the Fund Manager may cancel the Interest Swap Contract early. Part B shall be obliged to pay the Fund the amount corresponding to the final settlement payment of the Financial Swap Contract. If the Fund Manager were to exercise the early cancellation option, it must look for an alternative financial entity with sufficient creditworthiness to maintain the ratings assigned to all of the Note series to replace Part A as quickly as possible.

The events referred to in the above paragraphs, relating to the termination of the Swap Contract, do not imply the advanced termination of the Notes issue, save in the event that in conjunction with other events or circumstances relating to the patrimonial situation of the Fund a substantial or permanent alteration of its financial balance occurs, according to the criteria of the Fund Manager.

In the event that at any time during the life of the Notes, the long-term unsubordinated and unsecured debt of Part B were awarded a credit rating below A1 in accordance with the rating scale awarded by Moody's for long-term risks or less than A-1 according to the rating given by S&P for short-term risks, it must opt for one of the following alternatives within a period of thirty (30) Business Days from the moment of the downward shift:

1. Find an entity that secures its obligations under the Swap Contract whose unsubordinated and unsecured long term debt has at least a rating of A1 based on the scale of Moody's for the long-term risks and of A-1 based on the scale of S&P for short-term risks, or
2. Replace Part B as counterpart in the Interest Swap Contract with another credit institution whose unsubordinated and unsecured long term debt has at least a rating of A1 based on the scale of Moody's for the long-term risks and of A-1 based on the scale of S&P for short-term risks, or
3. To make a cash deposit, pledged in favour of the Fund, in a Financial Institution whose unsubordinated and unsecured long term debt has at least a rating of A1 based on the scale of Moody's for the long-term risks and of A-1 based on the scale of S&P for short-term risks, designated by the Fund Manager, with the prior consent of Banco Pastor, for an amount that allows the ratings awarded to each Series of the Notes to remain unchanged. This alternative is not viable in the event that the short-term risk rating of Part B is shifted down to a rating below the P-1 rating on Moody's scale and below A-3 on the S&P scale. In these circumstance it would be necessary to replace Part B for an entity that had a short-term risk rating at least equal to P-1 on Moody's scale and A-1 on the S&P scale.

Should the short-term risk rating of the Financial Institution that holds the pledged deposit fall below an A-1 rating on the S&P scale, and P-1 on Moody's scale, the Fund Manager must carry out one of the following options within 30 days of said downward shift, following consultation with the Ratings Agencies:

- (i) Obtain an unconditional and irrevocable guarantee or similar undertaking from a financial institution of institutions with a credit rating for their short-term risk that is equal to or greater than A-1 of the S&P scale, and P-1 on Moody's scale, which guarantees the commitments assumed by Caixa d'Estalvis i Pensions de Barcelona in



the Financial Interest Swap Contract.

- (ii) Replace the Financial Institution for another entity that has a rating for its short-term risk at least equal to A-1, on the S&P scale and P-1 on Moody's scale to take on, under the same conditions, the functions of Caixa d'Estalvis i Pensions de Barcelona with regard to the Financial Swap.

Any of the three alternatives, sections 1) to 3) previous, must be carried out pursuant to the terms and conditions that allow the Notes issued to keep the ratings awarded to them by the Rating Agencies. All costs, expenses and taxes incurred in the fulfilment of the above obligations will be charged to Part B.

Should Banco Pastor obtain a rating of the unsubordinated and unsecured Debt on Moody's long-term scale equal to or greater than A1 and a rating on the short-term scale of S&P equal to or greater than A-1, Banco Pastor may subrogate Caixa d'Estalvis i Pensions de Barcelona as Part B of the Financial Swap Contract.

The occurrence, if applicable, of the early termination of the Swap Contract will not in itself constitute a cause for Early Amortisation of the Notes Issue or for Early Liquidation of the Fund referred to in sections III.9 of this Prospectus, save in the event that in conjunction with other events or circumstances relating to the equity situation of the Fund, a substantial or permanent alteration of its financial balance will occur.

The Interest Swap Contract will be terminated for all legal purposes in the event that prior to the Subscription Period the Rating Agencies do not confirm the ratings assigned on a provisional basis to each of the Series as final, or in the event of the termination of the Management, Underwriting and Placement Contract of the Note Issue.

### **V.3.5. Deposit of the Fund resources**

#### **V.3.5.1. Amortisation Account**

In accordance with the Deposit at a Guaranteed Rate of Interest Contract, the Fund shall have a bank account set up through the Assignor in the name of the Fund (hereinafter, the "**Amortisation Account**"), through which it shall receive all Fund revenue from the Assignor. Although said deposits shall be made monthly they shall have a value date of the day that the Assignor received said amounts. Said revenue shall comprise the following concepts in the main:

- (i) Principal and interest of the Assigned Assets.
- (ii) Any other amounts corresponding to the Assigned Assets, either for the sale or exploitation of the real estate or goods assigned or in administration and interim possession in executive procedures.
- (iii) If applicable, the disposition of the principal of the Participative Loan and the amounts making up the Reserve Fund at all times.

The Assignor shall provide the Fund with typical maintenance and administrative services of said account, in accordance with customary banking practices. The expenses that may accrue through the maintenance of said Amortisation Account shall be borne by the entity that provides this Account, unless the costs are caused by negligence of the Fund Manager.

The Fund Manager shall give the opportune instructions to make the necessary payments from the Amortisation Account in order to meet the obligations of the Fund, via the Treasury Account maintained with the Paying Agent. Every quarter, two business days immediately prior to each

Payment Date, the Fund Manager shall order the transfer to the Treasury Account of those amounts that are deposited in the Receivables Account.

Positive balances in the Amortisation Account in favour of the Fund shall accrue a variable annual interest payable monthly in favour of the Fund. This shall be equal to the Rate of Reference Interest applicable to the Notes, in full accordance with the terms set forth in the Deposit at a Guaranteed Interest Rate Contracts.

The balance of the Amortisation Account shall be maintained in cash.

Throughout the life of the Fund, the balance of the Amortisation Account can never exceed 4% of the Balance of the Principal Pending Payment of the Notes. Should this limit be exceeded the Fund Manager must immediately transfer the excess to the Treasury Account. In the event that the rating awarded by S&P is equal to or greater than A-1, the aforementioned transfer shall not be made while said rating level is maintained.

The Assignor currently has a Moody's short-term scale of P-1 and a rating of A2 on its long-term debt unsubordinated and unsecured, and a short-term rating of A-2 on the S&P scale. Should the rating awarded by the Ratings Agencies fall to a short-term rating below P-1 or long-term below A3, in the case of Moody's, or to A-2 short-term in the case of S&P, the Fund Manager, in the name of the Fund, shall transfer the amounts deposited in the Amortisation Account to the Treasury Account. Likewise, and from that moment, the Assignor shall be obliged to transfer all the amounts which, as administrator of the loans, and in accordance with this Prospectus, it obtains in the future and on the same day that it receives them. However, should the Assignor provide the Fund with a Bank Guarantee payable upon first demand and charged to the Assignor, sufficient in the opinion of the Fund Manager, from a credit institution with a short-term rating that is at least equal to P-1, in the case of Moody's, and A-1, in the case of S&P, or another that is expressly recognised by the Ratings Agencies, which guarantees the full availability of the amounts deposited in the Amortisation Account, it may keep the Amortisation Account, while maintaining the obligation to transfer to the Collection Account all of the amounts payable to the Fund on the date they are received.

#### **V.3.5.2. Treasury Account**

The Fund Manager, in representation and for the account of the Fund, and Caixa d'Estalvis i Pensions de Barcelona, will sign a Guaranteed Interest Rate Contract (Treasury Account) by virtue of which Caixa d'Estalvis i Pensions de Barcelona will guarantee a variable return on the amounts deposited by the Fund through its Fund Manager into a financial account. In particular, the Guaranteed Interest Rate Contract and Treasury Account will determine that all amounts received by the Fund are to be deposited into a financial account in euros (the "**Treasury Account**"), open in Caixa d'Estalvis I Pensions de Barcelona in the name of the Fund by the Fund Manager, amounts which for the most part derive from the following concepts:

- (i) The amounts corresponding to the Amortisation account (including the interest accrued through this)
- (ii) cash amount net of underwriting and Placement commission for the payment of the subscription of the Note Issue;
- (iii) disposition of the principal of the Subordinated Loan;
- (iv) the amounts that are paid to the Fund derived from the Interest Rate Swap Agreement;
- (v) the amounts of the returns obtained for the balances of the Treasury Account itself and of the Amortisation Account; and

- (vi) the amounts of the withholdings on account for the yield of the movable capital that on each Payment Date has to be made for the interest of the Notes paid by the Fund, until the moment on which they must be paid to the Tax Authority.

Caixa d'Estalvis i Pensions de Barcelona guarantees an annual nominal rate of interest, variable quarterly and paid monthly, except for the first interest accrual period which shall have a lesser duration, applicable for each interest accrual period (different to the Interest Accrual Period established for the Notes) for the positive balances in the Treasury Account, which is the same as the one that results from decreasing the Reference Rate of Interest of the Notes for each Interest Accrual Period by a margin of 15%. The accrued interest, which must be paid by the fifth day of each month, will be calculated on the basis of: (i) the effective days of each interest accrual period, and (ii) a three-hundred-and-sixty-five (365) day year.

Every quarter, two business days immediately prior to each Payment Date, the Fund Manager shall order the transfer to the Treasury Account of those amounts that are deposited in the Amortisation Account.

All payments of the Fund shall be made through the Treasury Account, in accordance with the instructions given by the Fund Manager.

The Treasury Account cannot have a negative balance against the Fund. The balance of the Amortisation Account shall be maintained in cash.

In the event that the unsubordinated and unsecured short term debt of Caixa d'Estalvis i Pensions de Barcelona, at any time during the life of the issue of the Notes, experiences a fall to below P-1 according to the rating scales of Moody's or A-1 in the case of S&P, respectively, or an equivalent rating specifically recognized by the Rating Agencies, the Fund Manager, within a maximum term of thirty (30) Business Days counting from the moment said situation occurred, shall exercise one of the options described below that allow the maintenance of an adequate guarantee level regarding the commitments derived from this Contract:

- a) Obtain from a financial entity with a minimum credit rating for its unsecured and unsubordinated short term debt, of P-1 and A-1, according to the rating scales of Moody's and S&P, respectively, and which does not impair the rating granted to the Notes by the Rating Agencies, a first-demand guarantee to secure the Fund, at the simple demand of the Fund Manager, the timely payment by Caixa d'Estalvis I Pensions de Barcelona of refunds of the amounts deposited in the Treasury Account while the P-1 or A-1 ratings loss by Caixa d'Estalvis I Pensions de Barcelona remains.
- b) Move the Treasury Account of the Fund to an entity whose unsecured and unsubordinated short-term debt has a minimum credit rating of P-1 and F1, according to the rating scales of Moody's and S&P, respectively, and arrange the maximum return for its balances, although it may be different than that agreed with Caixa d'Estalvis i Pensions de Barcelona by virtue of this Contract.
- c) Should options a) and b) above not be possible, to obtain from Caixa d'Estalvis i Pensions de Barcelona or from a third party a pledge guarantee in favour of the Fund over financial assets with a credit quality no lower than that of the Spanish State Public Debt, for an amount sufficient to guarantee the commitment assumed in this Contract and which do not impair the ratings assigned to the Notes by the Rating Agencies.
- d) If neither of the aforementioned options is possible, the Fund Manager will be entitled to invest the balances, for a maximum period no to exceed the next Determination Date, in short-term fixed-rate assets in euros issued by entities with a minimum credit rating of P-1 and A1 for short term debt, according to the rating scales of Moody's and S&P, respectively, including short-term securities issued by the Spanish State. In this case it is possible that the

return obtained is different from that initially obtained from by Caixa d'Estalvis i Pensions de Barcelona virtue of this Contract.

- e) In both situation, b) and d), the Fund Manager shall be later entitled to move the balances back to Caixa d'Estalvis I Pensions de Barcelona under the Guaranteed Interest Rate Contract (Treasury Account), in the event that the latter's rating for its short term, unsubordinated and unsecured debt once again reaches the P-1 and A-1 ratings, in accordance with Moody's and S&P scales, respectively.

As long as Caixa d'Estalvis I Pensions de Barcelona maintains a credit rating of A-1 on the S&P scale for its short-term debt, the sum of the balances in the Treasury Account may not exceed twenty percent (20%) of the Outstanding Principal Balance of the Notes (hereinafter, the "**Current Account Balance Limit**").

Should the Treasury Account Balance Limit be exceeded, the Fund Manager must notify same in writing to S&P on the Business Day on which said percentage is reached and S&P shall have a period of thirty (30) Business Days to notify the Fund Manger whether any of the ratings awarded to the Notes could be affected by said circumstance and should this be the case, the Fund Manager must proceed to open a new current account (hereinafter, the "**The Treasury Surplus Account**") with a financial institution with a rating for its short-term debt of at least A-1+ on the S&P scale and P-1 on Moody's scale, and transfer whatsoever of the amounts deposited in the Treasury Account and which exceed the Treasury Account Balance Limit. Likewise, the Fund Manager shall transfer from the Treasury Surplus Account any amounts deposited therein until the sum of the balances of the Treasury Account equals the Current Account Balance Limit.

In the event that the unsubordinated and unsecured short term debt of the financial institution where the Treasury Surplus Account is to be opened experiences a decrease to below P-1 according to the rating scales of Moody's or A-1+ in the case of S&P, respectively, or an equivalent rating specifically recognized by the Rating Agencies, during the life of the Notes, the Fund Manager, within the maximum term of thirty (30) Business Days counting from the moment of occurrence of such situation, shall exercise any of the options described below that allow the maintenance of an adequate guarantee level regarding the commitments derived from this Contract:

- a) Obtain from a financial entity with a minimum credit rating for its unsecured and unsubordinated short-term debt, of P-1 and A-1, according to the rating scales of Moody's and S&P, respectively, and which does not impair the rating granted to the Notes by the Rating Agencies, a first-demand guarantee to secure the Fund, at the simple demand of the Fund Manager, the timely payment by the financial institution of its refund obligation of the amounts deposited in the Treasury Surplus Account during the time that the situation of loss of the P-1 or A-1 ratings by said financial institution remains.
- b) Move the Treasury Surplus Account of the Fund to an entity whose unsecured and unsubordinated short-term debt has a minimum credit rating of P-1 and A-1+, according to the rating scales of Moody's and S&P, respectively, and arrange the maximum return for its balances, although it may be different than that agreed with the financial institution where the Treasury Surplus Account was first opened by virtue of this Contract.

The Guaranteed Interest Rate Contract (Treasury Account) will be terminated for all legal purposes in the event that the Rating Agencies did not confirm before the start of the Subscription Period, as final, the ratings assigned on a provisional basis to each of the Series or in the event of the termination of the Direction, Underwriting and Placement Contract for the Note Issue.

### V.3.6. State Warrantee

The Ministry of Economy has granted by means of an Order, a warrantee to the Fund by virtue of which the Spanish State will secure with a waiver to the benefit of discussion established in article 1830 of the Civil Code, the payment of the economic obligations enforceable against the Fund derived from the Series BG Notes, under the concept of reimbursement of the principal and payment of the ordinary interest.

The amount of the state warrantee is (i) one hundred a sixty four million six hundred thousand euros (€164,600,000), extendable to the sum of the nominal amount issued of the Series BG Notes, plus (ii) the ordinary interest corresponding to said nominal amount of this Series.

The terms and conditions of the Warrantee are described in detail in section II.15.2.1.

### V.3.7. State Warrantee Liquidity Line Contract

The Fund Manager, in representation and on behalf of the fund, shall sign a credit contract (hereinafter, the "**State Warrantee Liquidity Line**") with Caixa d'Estalvis i Pensions de Barcelona for a maximum amount of 3,700,000 euros for each Interest Accrual Period.

The purpose of the State Warrantee Liquidity Line is to allow the Fund to meet the payment of the interests of the BG Series Notes, when the Available Funds are not sufficient to make such payments on each Payment Date.

The Fund Manager, in representation and on behalf of Fund, will make withdrawals against the Liquidity Line when, on the corresponding Payment Date, having requested the execution of the Warrantee, according to that established in section II.15.2.1 of the Prospectus, the required amounts were not paid to the Fund on the same Payment Date, and for the amounts required upon each execution of the Warrantee corresponding to the interest.

The State Warranty Liquidity Line shall accrue interest equal to the reference rate of interest of the Notes for the Interest Accrual Period applicable, Euribor at three (3) months, plus a margin of 0.05% on the daily average of the amounts used, payable providing there is an available balance, and an annual availability commission of 0.02% calculated on the daily average of the amounts not used and payable quarterly on the Payment Dates.

The repayment of the principal used of the State Warrantee Liquidity Line shall be made at the moment when the Fund receives the payment of the equivalent amount in execution of the State Warrantee without waiting for the following Payment Date.

If at any time during the term of the State Warrantee Liquidity Contract, the unsecured and unsubordinated short-term credit rating of Caixa d'Estalvis i Pensions de Barcelona falls from A-1 in the case of S&P or P-1 in the case of Moody's, for short-term risks at thirty (30) days:

- (a) it must obtain a first-demand guarantee of its obligations under the State Warrantee Liquidity Line from a credit institution with a short-term credit rating equal to or greater than A-1 on the S & P and P-1 on the Moody's scale within thirty (30) Business Days of said fall, or
- (b) should the foregoing not be possible, the Fund Manager shall replace the Caixa d'Estalvis i Pensions de Barcelona with another credit institution whose unsubordinated and unsecured short-term debt has a minimum rating of A-1 in the case of S & P and P-1 in the case of Moody's, taking out a State Warrantee Liquidity Line with same under the most advantageous terms for the Fund.

- (c) have a State Warrantee Liquidity Line and maintain it in an account opened in the name of the Fund with a credit institution with a minimum short-term rating of A-1 in the case of S & P and P-1 in the case Moody's.

Should Banco Pastor obtain a rating of the unsubordinated and unsecured Debt on Moody's long-term scale equal to or greater than A1 and a rating on the short-term scale of S&P equal to or greater than A-1, Banco Pastor may subrogate Caixa d'Estalvis i Pensions de Barcelona as Part B of the State Warrantee Liquidity Line Contract.

The State Warrantee Liquidity Line shall remain in force during the period of enforceability of the obligations derived from the issue of the BG Series Notes; in any case, the State Warrantee Liquidity Line shall expire on the Legal Expiry Date (31 October 2037 or following Business Day).

### **V.3.8. EIF Warrantee**

On or before the Issue Date, the EIF will issue a warrantee to the Fund whereunder it irrevocable and unconditionally undertakes to pay the Fund Manager, acting on behalf of the Noteholders of the Series C Notes as their representative, certain interest and principal amounts not covered by the Available Funds.

The amount of the warrantee is (i) forty million four hundred thousand euros (€40,400,000), extendable to the sum of the nominal amount issued of the Series C Notes, plus (ii) the interest corresponding to said nominal amount of this Series.

The terms and conditions of the EIF Warrantee are described in detail in section II.15.2.2.

### **V.3.9. Counter guarantee Contract with the EIF**

In accordance with the provisions set forth in a guarantee provision commitment contract and counter guarantee which shall be signed by the Fund, the Fund Manager, acting in representation of the holders of the C series Notes, and the EIF, on or before the Issue Date (the "**EIF Counter guarantee Contract**"), the EIF shall undertake to grant the guarantee of the EIF in favour of the holders of the Series C Notes. As a consideration for this undertaking, the Fund shall pay a commission to the EIF. Said commission shall comprise an initial fixed sum and a variable periodic sum, which shall accrue quarterly on each Payment Date and shall be calculated in accord with the Outstanding Balance of the Series C Notes or, if applicable, in accord with the principal paid by the EIF in execution of the EIF Guarantee on the Payment Date prior to the one on which payment of same is due. The variable periodic remuneration shall be equal to, on each Payment Date, 0.60% annual on the Outstanding balance of the Series C Notes or, if applicable, on the amount of principal paid by the EIF in execution of the EIF Guarantee, proportional to the days of the Accrual Period.

Through the EIF Counter guarantee Contract, the Fund shall be obliged to indemnify and refund EIF with any amount paid by the EIF on any Payment Date in accordance with the provisions of the EIF warrantee in favour of the holders of the C series Notes. Said repayment shall occur on the Payment Date immediately following the one on which the payment was made by EIF or, if the full amount is not repaid on said Payment Date, on subsequent Payment Dates.

In accordance with the EIF Counter guarantee Contract, whatsoever amounts paid by the EIF in accord with the EIF warrantee, for principal or interest, shall accrue interest at the interest rate applicable to the Series C notes, from the Payment Date on which they were satisfied by the EIF up to the Payment Date on which said amounts are fully reimbursed by the Fund to the EIF. Said interest payment shall be charged to the Available Funds and in Accordance with the Priority Payment Rules applicable.

In accordance with the provisions set forth in the EIF Counter guarantee, the Fund Manager, acting as Representative of the Holders of the Series C Notes, shall recognise and accept, in representation of the holders of the Series C Notes that, as a consequence of the payment made by the EIF of any amount of interest or principal of the Series C Notes in accordance with the EIF warrantee, the EIF shall have the right to subrogate *pro quota* in all rights, monetary and non-monetary, which the holders of the Series C Notes have against the Fund, the Fund Manager or any third-party, undertakes to carry out any activity and to sign any document, in representation of the holders of the Series C Notes, which the EIF may reasonably request to make subrogation effective against the Fund and whatsoever third parties.

The EIF Counter guarantee shall be subject to Spanish legislation and the Courts and Tribunals of the City of Madrid shall hold exclusive jurisdiction for the ruling of whatsoever disputes that may arise with regard to the EIF Counter guarantee Contract.

### **V.3.10. Payment Agency Contract**

The Fund Manager, in representation and for the account of the Fund, will sign with Caixa d'Estalvis I Pensions de Barcelona as Paying Agent, a payment agency contract to carry out the financial services of the Notes issued against the Fund.

The obligations contained in the Paying Agency Contract are basically the following:

- (i) to surrender the information statements to the Fund Manager, duly completed by each one of the Underwriting Entities, on the diffusion reached with the placement of the Notes Issue, using the model established for the purposes by the CNMV;
- (ii) on each of the Payment Dates of the Notes, pay the interest and, if applicable, the part corresponding to the principal of the Notes to the holders thereof, once deducted the total amount of the interim tax retention of the income from the movable assets that, if applicable, may have to be made in accordance with the applicable tax legislation, and make payment of the rest of amounts payable at the charge of the Fund in accordance with the Prospectus and with the Deed of Incorporation; and
- (iii) Provide the Fund Manager with all necessary or convenient information so that this party may fulfil the tax obligations of the Fund, in representation and on behalf of same.

If at any time during the issue of the Notes, the short-term debt of the Paying Agent receives a credit rating from the Ratings Agencies of less than A-1 on the S & P scale and P-1 on Moody's scale, the Fund Manager, within a maximum period of thirty (30) Business Days from the moment said rating drop occurred, shall proceed to replace "Caixa d'Estalvis i Pensions de Barcelona" as paying agent during the time that the loss of A-1 and P-1 credit ratings with S & P and Moody' respectively, remains, with another entity whose short-term unsubordinated and unsecured debt has a minimum rating of A-1 and P-1 with S&P and Moody's, respectively.

As consideration for the services to be carried out by the Paying Agent, the Fund shall pay a Paying Agent Commission which shall accrue quarterly on each Payment Date, in accordance with a variable periodic remuneration of an annual 0.01% on the amounts paid through principal and interest of the Notes on each Payment Date.

### **V.3.11. Management, Underwriting and Placement Contract of the Note Issue**

The Fund Manager, in representation and on behalf of the Fund, shall sign a Management, Underwriting and Placement of the Note Issue Contract with BANCO PASTOR, BNP Paribas Spanish

Branch and Dresdner Bank AG London Branch as Managing Entities and Underwriting and Placement Entities.

The terms of the Direction, Underwriting and Placement Contract of the Note Issue are described in section II.19.3 of this Prospectus.

The underwriting commitments of each Underwriting and Placement Entity, and the underwriting and Placement commission are specified in section II.19.1 of this prospectus.

BANCO PASTOR, S.A., BNP Paribas and Dresdner Bank AG London Branch shall intervene in the Note Issue as Management Entities. They shall not receive any remuneration for the management of the Notes Issue.

The management, underwriting and Placement contract shall be terminated for all legal purposes in the event that the rating agencies do not confirm the ratings assigned on a provisional basis to each of the series as final, before the start of the subscription period. Or pursuant to article 1,105 of the Civil Code in the event of force majeure.

#### **V.4. Ordinary rules governing priority and fund allocation**

##### **V.4.1. Ordinary rules governing priority and fund allocation**

###### **a) On the date of formation of the Fund and of the Note Issue**

- 1. Origin:** On the date of formation of the Fund, the Fund shall have assets available for the following items:
  - a) Funds received through the issue and placement on the market of the Notes.
  - b) Funds received under the concept of Subordinated Loan A.
  - c) Amount of the Participative Loan.
- 2. Application:** On the date of its formation, the Fund shall allocate the previously mentioned funds to payment of the following:
  - a) Payments for the purchase of the Loans that are pooled into the Fund.
  - b) Payment of the initial expenses of the Fund in accordance with that set forth in section III.4.3. of this Prospectus.

###### **b) From the date of the formation of the Fund and up to the total amortisation of the Notes**

- 1. Fund origin:** The funds available (“**Funds Available**”) on each Payment Date for the distribution of the amounts corresponding to the Holders of the Notes and for the payment of the corresponding commissions originate from:
  - a) Revenue obtained from the Loans in the form of current principal and interests and from recoveries.
  - b) Returns on the balances of the Treasury Account and the Collection Account and the Treasury Surplus Account, where applicable.
  - c) Amount of the Reserve Fund



- d) If applicable, other revenue from the borrowers which is different from current principal and interests of the Loans pooled into the Fund.
- e) The product of the liquidation, if applicable, and whenever appropriate, of the Fund assets.
- f) The amounts received by virtue of the Interest Rate Swap Contract.
- g) Any other amounts received by the Fund between the previous Payment Date and the current Payment Date, inclusive, including the proceeds from the disposal or exploitation of the assets or rights adjudicated to the Fund.

In addition, although not integrated in the Available Funds, the following amounts shall be available to the Fund:

- a) The amount of the Liquidity Line (which shall only be used to repay the interest of the of the State-guaranteed Notes in the event of insufficient funds requiring the State Warrantee to be executed and the Treasury had yet to make payment.
- b) The amounts received, if appropriate, through the execution of the State Warrantee. Said amounts shall be set aside solely for the payment of interest and for the repayment of principal of the BG Series or, if appropriate, to repayment of the early amounts as interest drawn against the Liquidity Line.
- c) The executed portion of the EIF Warrantee paid before the Payment Date in order to pay the principal and interest on the Series C Notes.

**2. Application of Funds:** The Available Funds shall be allocated on each Payment Date to the following items. The following Priority Order shall be used in the event of lack of funds:

- (i) Expenses and taxes: Expenses that are charged to the Fund, including the Fund Manager Commission, the Commission and interest, if applicable, of the Liquidity Line and the extraordinary costs, among others and without the list being exhaustive, those that arise as a consequence of the defence of the interests of the Fund and of the holders of the Notes as well as the taxes for which the Fund is the taxpayer.
- (ii) Payment of the accrued amount of the Interest Swap Contract and only in the event of the termination of said Contract due to a breach by the Fund, the payment of the amount to be paid by the Fund corresponding to the settlement payment.
- (iii) Payment of the interest of the Series A Notes
- (iv) Payment of the interests of the Notes of the BG and BS Series due and unpaid on previous Payment Dates and repayment to the State of the amounts that the latter has paid to the Fund in execution of the Warrantee for the payment of interests of the BG Notes not returned on previous Payment Dates (pro rata) (save downgrading as described in section V.4.1.1 of this Prospectus).
- (v) Payment of the Interests of the BG and BS Series, pro rata (save downgrading as described in section V.4.1.1 of this Prospectus).
- (vi) Payment of the Interests of the C Series (save downgrading as described in section V.4.1.2 of this Prospectus).
- (vii) Repayment to the European Investment Fund of (a) the amounts that paid into the Fund in execution of the EIF warrantee for the payment of interests of the C notes not refunded

on previous Payment Dates, together with the interest accrued during said period and (b) the commissions on the EIF warrantee due and unpaid on previous Payment Dates, together with the interests accrued from said commissions during this period (save downgrading as described in section V.4.1.2 of this Prospectus).

- (viii) Payment to the European Investment Fund of the commission on the EIF Warrantee (save downgrading as described in section V.4.1.1 of this Prospectus).
- (ix) Payment of the Interests of the D Series (save downgrading as described in section V.4.1.1 of this Prospectus).
- (x) Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the Series A
- (xi) Interest payment of the Series BG and BS Notes, due and unpaid on previous Payment Dates and reimbursement to the State of the amounts that the State had paid to the Fund in execution of the State Warrantee for the interest payment of BG Notes not repaid on previous Payment Dates (pro-rata) when downgrading occurs.
- (xii) Interest payment accrued from the BG and BS Series of Notes, pro-rata, when downgrading occurs.
- (xiii) Payment of the Accrued Amount of the Notes of the BG and BS Series due and unpaid on previous Payment Dates and repayment to the State of the amounts that the latter has paid to the Fund in execution of the Warrantee for the payment of principal of the BG Notes not refunded on previous Payment Dates (pro rata).
- (xiv) Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the BG and BS Series (pro rata).
- (xv) Interest payment accrued from the C Series of Notes when downgrading occurs.
- (xvi) Repayment to the European Investment Fund of (a) the amounts that paid into the Fund in execution of the EIF warrantee for the payment of interests of the C notes not refunded on previous Payment Dates, together with the interest accrued during said period and (b) the commissions on the EIF warrantee due and unpaid on previous Payment Dates, together with the interests accrued from said commissions during this period when downgrading occurs.
- (xvii) Payment to the European Investment Fund of the Commission for the EIF Warrantee when downgrading occurs.
- (xviii) Payment of the Principal for Amortisation of the Series C Notes or reimbursement of the EIF of the amounts paid into the Fund when exercising the Early Payment Option.
- (xix) Interest payment accrued from the D Series of Notes when downgrading occurs.
- (xx) Payment of the Accrued Amount of Principal for the Amortisation of the Notes of the D Series.
- (xxi) Endowment of the Reserve Fund up to its Minimum Level, if appropriate.
- (xxii) In the event of termination of the Financial Swap Contract, payment of the amount payable, by the Fund, if said termination is attributable to the counterpart.
- (xxiii) Payment of the interest accrued through the Subordinated Loan.

- (xxiv) Payment of the fixed remuneration of the Participative Loan.
- (xxv) Amortisation of the Principal of the Subordinated Loan.
- (xxvi) Amortisation of the Principal of the Participative Loan.
- (xxvii) Payment of the Administration Commission to the Assignor as set forth in the Administration Contract.
- (xxviii) Payment of the variable remuneration of the Participative Loan.

#### **V.4.1.1. Other Rules of the Priority Payment Rules**

- a) The amounts received at the charge of the State Warrantee will be used only to cover the deficiencies in the payments of principal and interests of the BG Notes. In no case will they be subject to the priority order established in the previous section
- b) The amounts received at the charge of the EIF warrantee will be used only to cover the deficiencies in the payments of principal and interests of the C Notes.
- c) In the event that the Available Funds were not sufficient on a Payment Date to cover any of the amounts mentioned in the preceding paragraphs, the following rules will apply:
  - (i) The Available Funds of the Fund will be applied to the different concepts mentioned in the previous section, in accordance with the priority order established and pro rata of the amount due among those entitled to receive the payment.
  - (ii) The amounts that remain unpaid will be placed, on the following Payment Date, in a priority position immediately before that of the concerned concept itself.
  - (iii) The amounts owed by the Fund which are not paid on their respective Payment Dates will not be subject to additional interest, except in respect of the amortisation of the Note principal, which shall be subject to the interest accrued by the Notes as established in section II.10. of this Prospectus and in respect of the repayment of EIF commissions and any amounts paid by the EIF as a result of the execution of the EIF Warrantee, which shall be subject to the same interest as the Series C Notes as established in section II.10 of this Prospectus.
- d) In the event that Banco Pastor needs to be substituted as Administrator of the portfolio, the remuneration of the new Administrator will be added to the ordinary expenses of the Fund, included in the first paragraph of the Payment Priority Order.
- e) If on a Payment Date there were an Amortisation Deficit in an amount equal to or greater than 100% of the outstanding balance of the Series D Notes issued, heading (ix) "Payment of Interest on Series D Notes" will be downgraded on that Payment Date only to the place immediately behind the heading of "Repayment to EIF of the amounts paid by the latter into the Fund as a result of the execution of the EIF Warrantee for the payment of C Note principal not repaid on previous Payment Dates as well as the interest accrued on said amounts during that period".
- f) If on a Payment Date, the sum of the Defaulted Amounts is equal to or greater than 9.30% of the Total Amount of the Note Issue, the headings (vi) "Payment of Interests of the Series C Notes", (vii) "Repayment to the EIF" and (viii) "Payment to the European Investment Fund of the commission on the Warrantee" shall be downgraded in the same order to the heading

immediately after the one entitled "Payment of the Principal Amount Due for the Amortisation of the Series BG and BS Notes (pro rata)". This down-ranking shall be maintained until the total amortisation of the A, BG and BS Series Notes.

- g) In the event that on a Payment Date the sum of the Defaulted Amounts is equal to or greater than 18% of the Total Amount of the Note Issue, the headings (iv) "Payment of the interest of the BG and BS Series Notes due and unpaid on previous Payment Dates and repayment to the State" and (v) "Payment of the interest of the BG and BS Series Notes" shall be down-ranked in the same order to the heading immediately after the one entitled "Payment of the Principal Amount Due for the Amortisation of the Series A Notes". This downgrading shall be maintained until the total amortisation of the A Series Notes.

## VI. CHAPTER VI

### INFORMATION OF A GENERAL NATURE ABOUT THE FUND MANAGER

In accordance with Royal Decree 926/1998 and Law 19/1992, the Mortgage Securitisation Funds have no legal personality of their own, it being entrusted to the Mortgage Securitisation Funds Management Companies the formation, administration and legal representation thereof, as well as the quality of managers of unrelated businesses, the representation and defence of the interests of the holders of the securities issued against the Funds that they may administer and of those of the remaining creditors of same.

By virtue of the above, this Chapter contains information on GESTCAIXA S.G.F.T, S.A., as the Fund Manager that forms, administers and represents GC FTPYME PASTOR 2 FTA.

#### VI.1. Relating to the Company, except its equity

##### VI.1.1. Name and Registered Office

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. has its registered office at Avenida Diagonal, 621 in Barcelona.

##### VI.1.2. Formation and inscription in the Mercantile Registry, as well as data relative to the administrative authorisations and inscription with the National Securities Market Commission.

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., is a limited liability company of Spanish nationality, with CIF A-58481227, incorporated by public deed before the Notary Public of Barcelona, Mr Wladimiro Gutiérrez Álvarez, on November 6, 1987 under the name "Caixa 92, S.A.", having changed its initial name to that of GestiCaixa, Compañía Gestora de Fondos de Titulización Hipotecaria, S. A. and having been transformed into mortgage securitisation funds Fund Manager on September 6, 1993, by means of deed authorized by the Notary Public of Barcelona, Mr Roberto Follia Camps, under number 2,129 of his protocol, and in conformity with the dispositions of article six of Law 19/1992 governing the regulation of Real Estate Investment Funds and Companies and Mortgage Securitisation Funds, by virtue of the authorization granted in the Ministerial Order of 24 August 1994. It is registered in the Mercantile Registry of Barcelona, sheet 110,65, folio 141, tome 9,173, book 8,385, section 2<sup>a</sup>, inscription 1st and was adapted to the Limited Liability Companies Act (Ley de Sociedades Anonimas) by public deed before the Notary of Barcelona, Mr. Wladimiro Gutiérrez Álvarez, registered as inscription 3rd of sheet number B-50.432, folio 143, tome 9.173. On June 10, 2002, it was transformed into a Securitisation Funds Fund Manager by means of a deed authorized by the Notary of Barcelona, Mr. Joaquín Viola Tarragona, under number 424 of his protocol, in accordance with the Only Transitional Provision (Disposición Transitoria Unica) of Royal Decree 926/1998, of May 11, by which the assets securitisation funds and the management companies of securitisation funds are regulated, and by virtue of the authorisation of the Ministry of Economy by Ministerial Order dated May 9, 2002, having adopted as new company name that of GestiCaixa, Compañía Gestora de Fondos de Titulización, S.A. The said deed has been registered in the Mercantile Registry of Barcelona, Tome 34187, Folio 192, sheet B-50432, Inscription 14th.

GestiCaixa, Compañía Gestora de Fondos de Titulización, S.A. is registered in the Special Registry of Securitisation Funds Management Companies of the National Securities Market Commission under number 7.

The duration of the Fund Manager is indefinite, save the concurrence of any of the dissolution causes that the legal or regulatory dispositions may establish.

### **VI.1.3. Corporate Purpose**

The exclusive purpose of the Fund Manager is the formation, administration and legal representation of the assets of both securitisation funds and mortgage securitisation funds, as established by Royal Decree 926/1998, of May 11 which regulates the securitisation fund assets and the managers of securitisation funds.

### **VI.1.4. Place where the documents mentioned in the Prospectus or whose existence derives from its contents can be consulted.**

The Fund Manager will have available for the public all the documentation and information necessary in accordance with the Deed of Incorporation.

The present Informative Prospectus has been registered in the Official Registries of the CMNV on 26 October 2004. It is freely available for the public at the registered offices of the Fund Manager and the Management Entities. Likewise, it may be consulted at the Comisión Nacional del Mercado de Valores, in Madrid, Paseo de la Castellana 19 or, alternatively, in Barcelona, Paseo de Gracia 19, 3<sup>a</sup> planta.

Likewise, all information of a public nature detailed in this Prospectus may be found at the registered office of the Fund Manager and in the Official Registry of the National Securities Market Commission.

## **VI.2. Relating to the company equity**

### **VI.2.1. Face value subscribed and disbursed**

The share capital of the Fund Manager at the moment of formation of the Fund is one-million-five-hundred-two-thousand-five-hundred (€1,502,500) euros, represented by two-hundred-fifty-thousand (250,000) nominative shares with a face value of six euros and (€6.01) one cent each. On 29 June 2001, the Board of Directors of the Fund Manager agreed to rename the share capital in euros by reducing the share capital by the amount of €30.26 to adjust it to the unitary value of the shares.

### **VI.2.2. Classes of shares**

All shares issued by the Company up to the date of publication of this Prospectus are ordinary nominative of a single class and series, and confer identical political (voting) and economic rights.

### **VI.2.3. Evolution of the equity over the last three years**

There has been no capital increase by the Fund Manager in the last three years

## **VI.3. Data relating to participations**

### **VI.3.1. Existence or not of participations in other companies**

There are no participations of the Company in any other companies.

### VI.3.2. Group of companies of which the company forms part

To the effects of article 42 of the Commercial Code, the Fund Manager forms part of the Companies Group of Caixa d'Estalvis i Pensions de Barcelona.

### VI.3.3. Holders of significant participations

At the date of registration of the present Prospectus, holding of the shares of the Fund Manager is distributed among the below listed companies, with an indication of the participation quota corresponding to each of them:

Name of the shareholding company	%
CaixaHolding, S.A.	80%
VidaCaixa, S.A. de Seguros y Reaseguros	9%
Caixa Barcelona Seguros Vida, S.A., Seguros y Reaseguros	6%
HipoteCaixa, E.F.C., S.A.	5%

### VI.4. Company organs

The government and administration of the Fund Manager is statutorily entrusted to the general shareholders' meeting and to the board of directors. Their competences and faculties are those corresponding to such bodies in accordance with the Limited Liability Companies Act and Law 19/1992 of 7 July in relation to the company's object.

#### VI.4.1. Board of Directors

At the date of registration of this Prospectus, the board of directors is formed by the following persons:

Office	Name
Chairman:	Juan San Miguel Chápuli
Directors:	Xavier Jaumandreu Patxot
	Hernán Cortés Lobato
	José Ramón Montserrat Miró
	Fernando Cánovas Atienza
	Mark Hall
	Ernest Gil Sánchez
Secretary (non-director):	Félix López Antón
Vice-secretary (non-director):	Roser Vilaró Viles

#### VI.4.2. Director General

The Director General of the Fund Manager is Xavier Jaumandreu Patxot.

### VI.5. Grouped Interests in the Fund Manager of the individuals forming the organs of the company

The persons that form the board of directors of the Fund Manager are not holders or representatives, directly or indirectly, of any share or convertible Note.

**VI.6. Identification of the persons or entities that may be creditors of the Fund Manager and participate in the liabilities of the same by more than 10%, quantifying the said interests in each case**

There are not any.

**VI.7. Mention whether the fund manager is involved in a situation of bankruptcy and the possible existence of claims or significant controversies that may effect the economic-financial situation or its future capacity to carry out the management and administration functions of the Fund provided for in this informative prospectus**

At the date of registration of this Prospectus, there are no claims or controversies that may significantly effect the economic-financial situation of the Fund Manager or its future capacity to carry out the management and administration functions of the Fund provided for in this informative Prospectus.



## **VII. CHAPTER VII**

### **FINANCING TO SMALL AND MEDIUM ENTERPRISES**

#### **VII.1. Financing to small and medium enterprises.**

All loans that are extended to the Fund are loan operations granted by Banco Pastor, documented in public deeds or private contract of formalisation of the operation, to small and medium enterprises domiciled in Spain. Said SMEs have requested the funds for financing projects that are associated to their activity. At least 98% of these operations and of the total volume with which the fund is made up has been extended to companies that satisfy the following requirements: staffing levels below 250 workers, annual turnover less than 40 million euro or an annual general balance sheet of less than 27 million euros and no more than 25% may be held in said company by a company that cannot be defined as small or medium.

The characteristics of these loans are set forth in Chapter IV of this Prospectus.

#### **VII.2. GC FTPYME PASTOR 2 and the State Warrantee of the Order dated 28 December 2001**

The Ministerial Order of December 28, 2001, establishes the requirements to be entitled to the benefits of the State Warrantee to secure fixed-rate securities issued against Assets Securitisation Funds, to the end of promoting the formation of Assets Securitisation Funds to favour the entrepreneurial financing, according to the dispositions of article 52 of Law 52/2003, of December 28, of the Annual State Budget for the year 2003.

Once verified the requirements mentioned in the paragraph above, the Ministry of Economy has granted a Warrantee to the Series BG Notes that will cover both the principal and the interest corresponding to the Notes of the said Series.

### **VII.3. Implications that may derive from the trends mentioned in the foregoing point VII.1.**

The loans extended to GC FTPYME PASTOR 2, are of a variable type of interest, with the distribution that has been placed on record in Chapter IV of this Prospectus.

Both the geographic spread as well as the sectorial dispersion of the portfolio may be checked in the graphs and tables included in Chapter IV of this Prospectus.

Given the nature of the Loans, that the debtors are companies, the fact that a high proportion of same have a variable rate of interest, and the period of the loans, lead to the Early Amortisation Fees of the Fund Assets being kept relatively low and without variations through changes in interest rate levels. This appreciation is, however, merely subjective through lack of adequate empirical support and has no statistical basis whatsoever. In the Fund Manager's opinion, there is no public information currently available on early repayments that would make it possible to predict the medium and long term ERR behaviour of this type of securitised assets.

As a consequence of the change of the early amortisation, the medium term and the duration of the Note issue by the Fund may be significantly modified with regard to initial estimations as given in section II.11.

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**Xavier Jaumandreu Patxot**  
**Director General**  
**GESTICAIXA, S.G.F.T., S.A.**

**Annexe 1**  
**Certification of the minutes of the Board of Directors of Banco Pastor**

**Annexe 2**  
**Certification of the minutes of the Board of Directors of the Fund Manager**

**Annexe 3**  
**Provisional Rating Charts from Moody's and S & P**

**Annexe 4**  
**Deloitte & Touche Audit Report**

**Annexe 5**  
**Letters Management Entities**

**Annexe 6**  
**Declaration of the Fund Manager on links of intervening entities**



**Annexe 7**  
**Declaration of the Assignor**

## Annexe 8 Description of the European Investment Fund

The European Investment Fund ("EIF") is an international financial institution whose main objective is to support the creation, growth and development of Small and Medium Enterprises ("SMEs"). As part of the European Investments Bank ("EIF") the EIF is specialised in the granting of guarantees and instruments of venture capital, which it provides through its own resources, or those placed at the disposal of the BEE or the European Community or other third-parties (currently, the German Government. The EIF has also recently developed independent consultancy services as a new, complementary activity.

59.45% of the EIF belongs to BEI, 30% to the European Community and the remaining 10.55% to 32 European financial institutions.

The long-term, unsecured and unsubordinated obligations of the EIF have been assigned a rating of AAA (Fitch), Aaa (Moody's) and AAA (Standard & Poor's).

The registered office of the EIF is at Avenida J.F. Kennedy, 43, L-2968 Luxembourg. It operates independently and under market conditions and carries out its activity in the European Union and in those countries that have applied to become members of the European Union and with respect to those that have initiated the admissions procedure (candidate countries). In accordance with its articles of association, the EIF "must . . . contribute to achieving the aims of the Community" and work "to generate adequate returns on its resources", at the same time that it independently selects the activities that it supports. Its activity as a promoter of growth, jobs, the knowledge-based economy, the enterprising spirit, innovation and regional development has been underlined by the European Council and the European Parliament.

The financial institutions that benefit from the EIF warrantees may assign regulatory capital at the reduced rate of 20% for the EIF rating as Multilateral Development Bank under the European Community directive governing the ratio of solvency. Under the current Basle agreement, the national regulators may permit the financial institutions to assign regulatory capital at the reduced rate of 20%.

At 31 December 2003, the subscribed capital of the EIF reached 2,000 million euros, with a capital outlay of 400 million euros, and reserves of 147.5 million. Net profit in 2003 reached 19.7 million euros, generated through its own risk activities, as well as through the management of third-party resources.

At 31 December 2003, the EIF had undertaken guarantees for 3,000 million euros and 192 million euros through venture capital undertakings. The fiduciary activities, including guarantees in the name of the European Community, reached 4,400 million euros and investments in venture capital, in the name of the BEI and of the European Community, 2,300 million euros. The assets under management, including the funds managed in accordance with mandates, was close to 7,000 million euros.

The EIF has participated in 31 European securitisations of SMEs.

Additional information on the EIF activities is available on the web page [www.eif.org](http://www.eif.org), but said information does not form part of this Informative Prospectus.

**Annexe 9**  
**List of definitions**

**“Administration Contract”**, means the contract of administration and management of the loans and deposit of the mortgage transfer certificates signed between the Fund Manager, in name and representation of the Fund, and Banco Pastor.

**“Administrator”**, refers to Banco Pastor, in accordance with Royal Decree 926/1998, with regard to the Administration Contract.

**“AIAF”**, means AIAF Fixed Rate Market.

**“Amortisation Account”**, means the account opened with Banco Pastor in the name of the Fund, through which all deposits that the Fund is due from the Assignor shall be made on each Collection Date.

**“Amortisation Deficit”** means on any given Payment date the positive difference, if any, between (i) the positive difference between the Outstanding Principal of the Note Issue and the Outstanding Balance of the Loan on the Determination Date immediate prior to the current Payment Date and (ii) the amount actually applied in the distribution of the Available Funds according to the Payment Priority Order, based on the Liquidity of the Fund on said Payment Date.

**“Amount Accrued for Amortisation”** means the positive difference between the Awaiting Payment Balance of Principal of the Notes and the Outstanding Balance of the Assets.

**“Asset Amount”** means the minimum amount of 800,026,000 euros.

**“Assets”**, refers to the Mortgage Transfer Certificates and the Non-Mortgage Loans.

**“Assigned Assets”**, refers to the Mortgage Loans to which the Mortgage Transfer Certificates issued by Banco Pastor and the Non-Mortgage Loans correspond, and which, in all instances, must satisfy the provisions set forth in the Order dated 28 December.

**“Assigned Debtors”**, means the small and medium enterprises, defined in accordance with the Recommendation of the European Commission 96/280/CE, dated 3 April 1996, governing the definition of non-financial small and medium enterprises (SMEs) domiciled in Spain that are borrowers of the Loans.

**“Assignor”**, means Banco Pastor.

**“Available Funds”**, means the amount that shall be targeted at paying the different obligations of the Fund on each Payment Date, in accordance with the Priority Payment Rules.

**“Balance of Principal of the Notes Pending Payment”**, means the amount of principal of the Notes awaiting amortisation at any given moment.

**“Banco Pastor”**, means Banco Pastor, S.A.

**“Bankruptcy Law”**, means Law 22/2003, dated 9 July, governing Bankruptcy.

**“Business Day”**, means all days that are not: (i) Saturday; (ii) Sunday (iii) non-business day according to the TARGET calendar.

**“Cases of Early Settlement”**, means the cases of early settlement contained in section III.9.1. of the Informative Prospectus.

**“Civil Procedure Code”**, means Law 1/2000, dated 7 January, governing Civil Procedure.

**“Class A Notes”**, means the Class A Notes issued and charged to the Fund

**“Class B Notes”** means the Class B Notes issued and charged to the Fund

**“Class C Notes”**, means the Class C Notes issued and charged to the Fund

**“Class D Notes”**, means the Class D Notes issued and charged to the Fund

**“CNMV”** means the National Securities Market Commission.

**“Collection Date”**, means before the 7<sup>th</sup> day of each calendar month.

**“Date of Setting the Interest Rate”**, means the date that corresponds to the second Business Day on the TARGET calendar before each Payment Date, except those days which, although business days on the TARGET calendar, are not Business Day. In this case, the next Business Day shall be used.

**“Defaulted Amounts”** refers to unpaid amounts, viz. amounts due but not paid, including the principal awaiting maturity, of those assets that satisfy one of the following conditions: (i) the corresponding Assigned Debtor has been declared insolvent; (ii) the Fund Manager believes, in accordance with the information supplied by the Administrator, that the possibilities of recovering same are slim or, in any case when; (iii) the amounts remain unpaid for a period of eighteen (18) months.

**“Defaulted Assets”**, refers to the Loan that has Defaulted Amounts.

**“Determination Date”**, means five business days before the Payment Date.

**“Disbursement Date”**, means 4 November 2004

**“Early Liquidation of the Fund”**, means the early liquidation of the Fund on a Payment Date and which the Fund Manager is empowered to do whenever any of the cases listed in section III.9.1. of the Informative Prospectus occur.

**“EIF Counter guarantee Contract”**, means the counter guarantee contract signed between the Fund Manager, on behalf of the Fund, and the EIF.

**“EIF Early Payment Option”**, means that in certain cases, the EIF shall be empowered, but not under the obligation, of requesting the Fund Manager to proceed with the early payment, on a Payment Date and charged to the Fund, of the totality of the Series C Notes.

**“EIF warrantee”**, refers to the guarantee given to the Fund by the European Investment Fund, for a maximum amount of 40,400,000 euros, equivalent to the sum of the nominal value of the Series C Notes.

**“EIF-guaranteed Series”** or **“Series Guaranteed by the EIF”**, means the C Series or the Notes of the C Series.

**“Entities of Reference”** means Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander Central Hispano, S.A., Confederación Española de Cajas de Ahorros and Deutsche Bank, S.A.E.

**“ERR”**, means the Early Repayment Rate.

**“Euribor”** means the Euro Interbank Offered Rate currently offered for inter-bank term deposits denominated in euros and calculated as the daily average of the quotations provided for thirteen maturity dates by a panel composed of 57 Banks, among the most active in the Euro zone. The rate is quoted based on the calculation of the calendar days to maturity and a 360-day year and is fixed at 1100 hours (CET), being expressed to three (3) decimal positions.

**“Final Maturity Date”**, means 31 October 2033. Should this not be a Business Day, the following Business Day.

**“Financial Act”** means Law 44/2002 of 22 November on Financial System Reform Measures.

**“Financial Interest Swap Contract” or “Swap Contract” or “Interest Swap”**, means the financial interest swap contract signed between the Fund manager, on behalf of the Fund, and Caixa d’Estalvis i Pensions de Barcelona.

**“Framework Agreement”**, means the framework agreement on collaboration signed by Banco Pastor with the Ministry of Economy pursuant to annexe II of the Order dated 28 December 2001 (“Framework Agreement of Collaboration between the Ministry of Economy and the Credit Institutions to set the credits susceptible to assignment to the asset securitisation funds that are created to favour business financing”).

**“Fund Formation Deed”**, means the public Deed of Incorporation of the GC FTPYME PASTOR 2, ASSET SECURITISATION FUND, of the issue and subscription of the Mortgage Transfer Certificates and of the assignment of the Non-Mortgage Loans and issue of the Securitisation Notes, under the terms set forth in Royal Decree 926/1998.

**“Fund Manager”** means GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A.

**“Fund”**, means GC FTPYME PASTOR 2, ASSET SECURITISATION FUND.

**“Guaranteed Interest Rate Deposit Contract (Amortisation Account)”** means the guaranteed interest rate deposit contract (amortisation account) signed by the Fund Manager on behalf of the Fund and Banco Pastor.

**“Guaranteed Interest Rate Deposit Contract (Treasury Account)”** means the guaranteed interest rate deposit contract (treasury account) signed by the Fund Manager on behalf of the Fund and Caixa d’Estalvis I Pensions de Barcelona.

**“Iberclear”**, means the entity "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A."

**“Interest Accrual Period”** means the number of days between two consecutive Payment Dates, including the initial Payment Date and excluding the Final Payment Date. The duration of the first Interest Accrual Period shall be equivalent to the days that elapse between the Disbursement Date, which is included, and the first Payment Date, which is excluded.

**“Issue Date”**, means 28 October 2004

**“TYR”** means the internal yield rate.

**“La Caixa”**, means CAIXA D’ESTALVIS I PENSIONS DE BARCELONA.

**“Law 19/1992”** means Law 19/1992 of 7 July on the Regulation of Real Estate Investment Funds and Companies and Mortgage Securitisation Funds.

**“Legal Maturity Date”**, means the date on which forty eight (48) months have elapsed since the Final Maturity Date, and in all cases, 31 October 2037 or the following Business Day.

**“Liquidation Payment Priority Order”**, means the order of priority, in the event of Early Liquidation and Winding-up of the Fund.

**“Liquidity Line Contract”**, means the liquidity line contract signed between the Fund Manager, on behalf of the Fund, and CAIXA D’ESTALVIS I PENSIONS DE BARCELONA for a maximum amount of 3,700,000 for each Interest Accrual Period.

**“Loans”**, refers to the Mortgage Loans to which the Mortgage Transfer Certificates issued by Banco Pastor and the Non-Mortgage Loans correspond, and which, in all instances, must satisfy the provisions set forth in the Order dated 28 December 2001.

**“Management, Underwriting and Placement Contract”** means the direction, underwriting and Placement contract signed by the Fund Manager on behalf of the Fund and by Banco Pastor, BNP Paribas and Dresdner AG Bank London Branch as the management entities and underwriting and placement entities.

**“Managing Entity”**, means the Entity responsible for preparing the placement of the Notes and organising all the operations necessary in the most suitable manner for the Issue of the Notes. The Managing Entity means Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch (jointly, **“Managing Entities”**).

**“Moody's”**, means both Moody’s Investors Service España, S.A. and Moody’s Investors Service Limited, the parent company of Moody’s Investors Service España, S.A.

**“Mortgage Loans”**, means the loans that are guaranteed through a property mortgage and which are extended by Banco Pastor to the Fund through the issue of the Mortgage Transfer Certificates.

**“Mortgage Market Act”** means Law 2/1981 of 25 March on the Regulation of the Mortgage Market.

**“Mortgage Market Regulations”**, means the partial regulation of the implementation of the Mortgage Market Act, approved through Royal Decree 685/1982, dated 17 March, and modified by Royal Decree 1289/1991, dated 2 August.

**“Mortgage Transfer Certificates”** or **“MTC”**, means the Mortgage Transfer Certificates issued by the Assignor and pooled into the Fund’s assets, and the issue of which awards the assignment of the Mortgage Loans.

**“Nominal Rate of Interest”**, means the nominal rate of interest that is reached by adding: (i) the Euribor reference rate of interest at 3 months or, if appropriate, its replacement, and a margin for each one of the Series.

**“Non-Mortgage Loans”**, means the non-mortgage loans extended by Banco Pastor to the Fund with or without personal guarantees –deposit- formalised in a public document.

**“Note Issue”**, means the Issue of the Securitisation Notes issued against the assets of the Fund.

**“Note Placement Subscription and Underwriting Contract”**, means the note Placement subscription and underwriting contract signed between the Fund Manager, on behalf of the Fund, and the Underwriting Entities.

**“Notes”** means the Series A Notes, the Series BG Notes, the Series BS Notes, Series C Notes and the series D Notes issued against the Fund.

**“Order dated 28 December 2001”**, means the Order dated 28 December 2001, governing the Agreements on the Promotion of Asset Securitisation Funds to favour business financing, amended by Order ECO/1064/2003, dated 29 April.

**“Outstanding Balance of the Assets”** means the outstanding capital of each one of the Mortgage Loans not paid into the Fund, not including default amounts.

**“Participative Loan Contract”**, means the contract governing the loan extended by Banco Pastor to the Fund, the total amount of which shall initially be 28,700,000 euros.

**“Payment Agency Contract”**, means the payment agency contract signed between the Fund Manager, charged to the Fund, and Caixa d’Estalvis i Pensions de Barcelona.

**“Payment Agent”** means the entity that provides the financial services for the Notes by virtue of the Payment Agency Contract. The Payment Agent shall be CAIXA D’ESTALVIS I PENSIONS DE BARCELONA.

**“Payment Date”** means the 20<sup>th</sup> of January, 20<sup>th</sup> of April, 20<sup>th</sup> of July and 20<sup>th</sup> of October of each year, or the next business day. The first Payment Date will be 20 January 2005.

**“Payment Priority Order”** means the order of priority for the application of the payment obligations or retentions of the Fund in the application of the Available Funds and the Distribution of the Funds Available for Amortisation.

**“Prospectus”** or **“Informative Prospectus”**, means the Informative Prospectus of Fund formation and the issue of the Notes.

**“Rating Agencies”** mean Moody’s Investors Service España, S.A and Standard & Poor's España, S.A.

**“Reference Rate of Interest”**, means the Euribor reference rate of interest at 3 months, or the rate of interest that replaces this.

**“Representative of the Holders of the Series C Notes”**, means the Fund Manager, with regard to the EIF warrantee.

**“Reserve Fund”**, means the reserve fund formed on the Disbursement Date with all costs being charged to the Participative Loan, for an amount equal to 3.588% of the Total Amount of the Note Issue on said Disbursement Date.

**“Right of Purchase”**, means the right of purchase over the total of the Non-Mortgage Loans and the Mortgage Transfer Certificates remaining in the Fund, that will be exercisable in any moment after the time the amount of the Outstanding Balance of the Assets is less than 10 percent of the initial capital of the Loans on the date of the Fund formation, and providing that all payment obligations derived from the Notes of each Series in accordance with the Priority Payment Rules can be attended to and cancelled in their totality.

**“Royal Decree 116/1992”** means Royal Decree 116/1992 of 14 February on the representation of securities through account entries and the compensation and settlement of stock market operations.

**“Royal Decree 291/1992”** means Royal Decree 291/1992 of 27 March on the Issue and Public Offering of Securities in the wording modified by Royal Decree 2590/1998 of 7 December, the Order dated 12 July 1993 which implemented same.

**“Royal Decree 926/1998”** means Royal Decree 926/1998 of 14 May which regulated asset securitisation funds and the managers of securitisation funds.

**“S&P”**, means Standard & Poors España, S.L.

**“Securities Market Act”** means law 24/1988 of 28 July on the Securities Market, reformed by Law 37/1998 of 16 November and by the Financial Act.

**“Series A Notes”**, means the Notes in Series A issued against the fund with a total face value of 530,000,000 euros composed of 5,300 notes with a face value of one hundred thousand (100,000) euros each.

**“Series B Notes”**, means the Notes in Series B issued against the fund with a total face value of 206,600,000 euros composed of 2,066 notes with a face value of one hundred thousand (100,000) euros each.

**“Series BG Notes”**, means the Notes in Series BG issued against the fund with a total face value of 164,000,000 euros composed of 1,646 notes with a face value of one hundred thousand (100,000) euros each.

**“Series BS Notes”**, means the Notes in Series BS issued against the fund with a total face value of 42,000,000 euros composed of 420 notes with a face value of one hundred thousand (100,000) euros each.

**“Series C Notes”**, means the Notes in Series C issued against the fund with a total face value of 40,400,000 euros composed of 404 notes with a face value of one hundred thousand (100,000) euros each.

**“Series D Notes”** means the Notes in Series D issued against the fund with a total face value of 23,000,000 euros composed of 230 notes with a face value of one hundred thousand (100,000) euros each.

**“SMEs”**, means the small and medium enterprises, in accordance with the recommendation from the European Commission (Recommendation dated 3 April 1996) or any norm that replaces same.

**“State Warrantee Liquidity Line”**, means the credit contract signed between the Fund Manager, on behalf of the Fund, and CAIXA D’ESTALVIS I PENSIONS DE BARCELONA for a maximum amount of 3,700,000 euros for each Interest Accrual Period of the BG Series Notes, whenever the Available Funds are not sufficient for the purposes of making such payments on each Payment Date.

**“State Warrantee”**, refers to the guarantee given to the Fund by the Spanish Ministry of Economy through Ministerial Order, for a maximum amount of 164,600,000 euros, equivalent to the sum of the nominal value of the Series BG Notes.

**“State-guaranteed Series”** or **“Series Guaranteed by the State”**, means the BG Series or the Notes of the BG Series.

▪ **“Subordinated Loan”** or **“Subordinated Loan for Formation Expenses and Difference of Principal”**, means the subordinated contract extended to the Fund by Banco Pastor targeted at the payment of the initial formation expenses of the Fund and the Issue of the Notes and to pay the difference between the Outstanding Balance of the Assets Pending Amortisation at the time of formation and the Total Amount of the Notes Issue.

**“Subscription Period”**, means the period between 12:00 hours and 14:00 hours of the second (2<sup>nd</sup>) Business Day before the Disbursement Date.

**“The Minimum Level of the Reserve Fund”** means the lower of the following amounts: (i) 3.588% of the amount of the Note issue; (ii) 7.176% of the Outstanding Balance Pending Payment of the Notes.

**“The Outstanding Balance of the Assets”** means the sum of the Assets pending maturity and the principal of the Assets matured but not collected, excluding the Defaulted Amounts.

**“Total Amount of the Note Issue”** means 800,000,000 euros

**“Total Amount of the Participative Loan”**, means 28,700,000 euros.

**“Treasury Account Balance Limit”**, the Treasury Account Balance may at no time have a balance greater than twenty per cent (20%) of the Outstanding Principal balance of the Notes.

**“Treasury Account”**, means the account opened in the name of the Fund initially with Caixa d’Estalvis i Pensions de Barcelona which shall guarantee a variable return on the amounts deposited by the Fund through the Fund Manager by virtue of the Guaranteed Interest rate Deposit Account (Treasury Account).

**“Treasury Surplus Account”**, means the current account opened by the Fund Manager to deposit Treasury surpluses. Should the balance of the Treasury Account be in excess of 20% of the Outstanding Principal Balance of the Notes, the surplus shall be transferred to the Treasury Surplus Account.

**“Underwriting and/or Placement Entities”**, means the Banco Pastor, BNP Paribas and Dresdner Bank AG London Branch for the underwriting and/or the Placement of the Note Issue.

**“Variable Remuneration”**, means the positive difference between the interests and other amounts received from the Credit Rights pooled into the Fund and the expenses (including taxes) of the Fund, net of the returns generated by the investments attributable to the credit rights.





**GestiCaixa**

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