

**GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA**  
**ASSET BACKED BOND ISSUE**  
**369,500,000 EUROS**

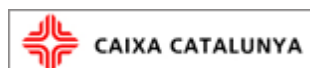
| SERIES | AMOUNT      | MOODY'S | FITCH | MARGIN |
|--------|-------------|---------|-------|--------|
| AG*    | 331,600,000 | Aaa     | AAA   | 0.50%  |
| B (CA) | 9,800,000   | A2      | A     | 0.80%  |
| B (CM) | 3,300,000   | A2      | A     | 0.80%  |
| B (CP) | 2,700,000   | A2      | A     | 0.80%  |
| B (CT) | 2,000,000   | A2      | A     | 0.80%  |
| C (CA) | 3,200,000   | Ba2     | BBB   | 2.00%  |
| C (CM) | 2,300,000   | Ba2     | BBB   | 2.00%  |
| C (CP) | 1,500,000   | Ba2     | BBB   | 2.00%  |
| C (CT) | 1,500,000   | Ba2     | BBB   | 2.00%  |
| D (CA) | 6,100,000   | C       | N/A   | 5.00%  |
| D (CM) | 2,500,000   | C       | N/A   | 5.00%  |
| D (CP) | 1,600,000   | C       | N/A   | 5.00%  |
| D (CT) | 1,400,000   | C       | N/A   | 5.00%  |

\* AG Series bonds secured with a Guarantee given by the Instituto de Credito Oficial

**BACKED BY MORTGAGE LOANS ORIGINATED AND MANAGED BY**



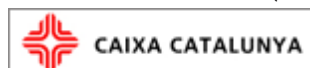
**LEAD MANAGERS**



**LEAD MANAGER AND ARRANGER**



**UNDERWRITERS OF THE BONDS OF THE AG, B (CA), B (CM), B (CP), B (CT), C (CA), C (CM),  
C (CP), C (CT), D (CA), D (CM), D (CP) AND D (CT) SERIES**



**PAYING AGENT**



**FUND ESTABLISHED AND MANAGED BY**

GESTIÓN DE ACTIVOS TITULIZADOS



This Prospectus was registered with the Spanish Securities Market Commission on June 18, 2009

## CONTENTS

|                                                                                             |                                                   |
|---------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>RISK FACTORS.....</b>                                                                    | <b>7</b>                                          |
| <b>I. RISKS RELATING TO THE LEGAL NATURE AND THE BUSINESS OF THE ISSUER.....</b>            | <b>7</b>                                          |
| <b>II. RISKS RELATING TO THE SECURITIES.....</b>                                            | <b>9</b>                                          |
| <b>III. RISKS RELATING TO THE UNDERLYING ASSETS .....</b>                                   | <b>11</b>                                         |
| <br><b>ASSET BACKED SECURITIES REGISTRATION DOCUMENT .....</b>                              | <b>ERROR! NO S'HA DEFINIT L'ADREÇA D'INTERÈS.</b> |
| <b>1. PERSONS RESPONSIBLE.....</b>                                                          | <b>15</b>                                         |
| 1.1 PERSONS RESPONSIBLE FOR THE INFORMATION PROVIDED IN THE REGISTRATION DOCUMENT .....     | 15                                                |
| 1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE CONTENTS OF THE REGISTRATION DOCUMENT ..... | 15                                                |
| <b>2. STATUTORY AUDITORS .....</b>                                                          | <b>15</b>                                         |
| 2.1 AUDITORS OF THE FUND.....                                                               | 15                                                |
| 2.2. ACCOUNTING POLICIES OF THE FUND .....                                                  | 16                                                |
| <b>3. RISK FACTORS OF THE FUND .....</b>                                                    | <b>16</b>                                         |
| <b>4. INFORMATION ABOUT THE ISSUER.....</b>                                                 | <b>16</b>                                         |
| 4.1 STATEMENT ON THE ISSUER BEING ESTABLISHED AS A SECURITIZATION FUND                      | 16                                                |
| 4.2 LEGAL AND COMMERCIAL NAME OF THE ISSUER.....                                            | 16                                                |
| 4.3 PLACE OF REGISTRATION AND REGISTRATION NUMBER OF THE ISSUER.....                        | 17                                                |
| 4.4 DATE OF ESTABLISHMENT AND DURATION OF THE ISSUER .....                                  | 17                                                |
| 4.5 DOMICILE, LEGAL FORM AND LEGISLATION UNDER WHICH THE ISSUER OPERATES.....               | 22                                                |
| 4.6 ISSUER'S AUTHORIZED AND ISSUED CAPITAL .....                                            | 24                                                |
| <b>5. DESCRIPTION OF THE UNDERTAKING.....</b>                                               | <b>24</b>                                         |
| 5.1 BRIEF DESCRIPTION OF THE PRINCIPAL ACTIVITIES OF THE ISSUER .....                       | 24                                                |
| 5.2 GLOBAL OVERVIEW OF THE PARTIES TO THE SECURITIZATION PROGRAM .....                      | 25                                                |
| <b>6. ADMINISTRATIVE MANAGEMENT AND SUPERVISORY BODIES .....</b>                            | <b>31</b>                                         |
| 6.1 ESTABLISHMENT AND REGISTRATION AT THE MERCANTILE REGISTRY. ....                         | 31                                                |
| 6.2 AUDITING.....                                                                           | 32                                                |
| 6.3 MAIN BUSINESS .....                                                                     | 32                                                |
| 6.4 SHARE CAPITAL AND EQUITY .....                                                          | 35                                                |
| 6.5 INTERESTS IN OTHER COMPANIES.....                                                       | 35                                                |
| 6.6 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES .....                                 | 35                                                |

|            |                                                                                                                                                                       |           |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 6.7        | PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE MANAGEMENT COMPANY BY THE PERSONS MENTIONED IN POINT 6.6 ABOVE, WHERE THESE ARE SIGNIFICANT WITH RESPECT TO THE FUND ..... | 36        |
| 6.8        | LENDERS ACCOUNTING FOR MORE THAN 10 PER CENT OF BORROWINGS BY THE FUND MANAGER .....                                                                                  | 36        |
| 6.9        | LITIGATION BY THE FUND MANAGER .....                                                                                                                                  | 36        |
| 6.10       | MAIN DEALINGS WITH RELATED PARTIES AND CONFLICTS OF INTEREST .....                                                                                                    | 36        |
| <b>7.</b>  | <b>MAJOR SHAREHOLDERS .....</b>                                                                                                                                       | <b>37</b> |
| 7.1        | STATEMENT ON DIRECT OR INDIRECT OWNERSHIP OR CONTROL OF THE FUND MANAGER .....                                                                                        | 37        |
| <b>8.</b>  | <b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS &amp; LOSSES ..</b>                                          | <b>37</b> |
| 8.1        | STATEMENT ON THE START-UP OF BUSINESS AND ON THE FINANCIAL STATEMENTS OF THE ISSUER PRIOR TO THE DATE OF THE REGISTRATION DOCUMENT. ....                              | 37        |
| 8.2        | HISTORICAL FINANCIAL INFORMATION WHEN THE ISSUER HAS STARTED UP BUSINESS AND NO FINANCIAL STATEMENTS HAVE BEEN DRAWN UP .....                                         | 37        |
| 8.3        | LEGAL OR ARBITRATION PROCEEDINGS.....                                                                                                                                 | 37        |
| 8.4        | MATERIAL ADVERSE CHANGE IN THE ISSUER'S FINANCIAL POSITION .....                                                                                                      | 38        |
| <b>9.</b>  | <b>THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DISCLOSURE OF INTERESTS .....</b>                                                                               | <b>38</b> |
| 9.1        | STATEMENT OR REPORT ATTRIBUTED TO A PERSON AS AN EXPERT.....                                                                                                          | 38        |
| 9.2        | INFORMATION SOURCED TO A THIRD PARTY .....                                                                                                                            | 38        |
| <b>10.</b> | <b>DOCUMENTS ON DISPLAY .....</b>                                                                                                                                     | <b>38</b> |
|            | <b>SECURITIES NOTE .....</b>                                                                                                                                          | <b>40</b> |
|            | <b>PERSONS RESPONSIBLE .....</b>                                                                                                                                      | <b>40</b> |
| 1.1        | PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE REGISTRATION DOCUMENT .....                                                                                      | 40        |
| <b>2.</b>  | <b>RISK FACTORS.....</b>                                                                                                                                              | <b>40</b> |
| <b>3.</b>  | <b>KEY INFORMATION .....</b>                                                                                                                                          | <b>40</b> |
| 3.1.       | INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE .....                                                                                                     | 40        |
| <b>4.</b>  | <b>INFORMATION ON THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING .....</b>                                                                                       | <b>42</b> |
| 4.1        | TOTAL AMOUNT .....                                                                                                                                                    | 42        |
| 4.2        | DESCRIPTION OF THE TYPE AND CLASS OF SECURITIES .....                                                                                                                 | 44        |
| 4.3        | LEGISLATION UNDER WHICH THE SECURITIES ARE CREATED .....                                                                                                              | 45        |
| 4.4        | INDICATION OF WHETHER THE SECURITIES ARE IN REGISTERED OR BEARER FORM AND WHETHER THE SECURITIES ARE IN CERTIFICATED OR BOOK-ENTRY FORM.....                          | 45        |
| 4.5        | CURRENCY OF THE BOND ISSUE .....                                                                                                                                      | 45        |

|           |                                                                                                                     |           |
|-----------|---------------------------------------------------------------------------------------------------------------------|-----------|
| 4.6       | RANKING OF THE SECURITIES IN TERMS OF SUBORDINATION .....                                                           | 45        |
| 4.7       | DESCRIPTION OF THE RIGHTS ATTACHING TO THE SECURITIES.....                                                          | 47        |
| 4.8       | NOMINAL INTEREST RATE AND PROVISIONS RELATING TO INTEREST PAYABLE                                                   | 48        |
| 4.9       | DATE OF MATURITY AND REDEMPTION OF THE SECURITIES.....                                                              | 53        |
| 4.10      | INDICATION OF THE RETURN ON THE BONDS .....                                                                         | 58        |
| 4.11      | ORGANIZATION REPRESENTING THE BONDHOLDERS .....                                                                     | 68        |
| 4.12      | RESOLUTIONS, AUTHORIZATIONS AND APPROVALS FOR CREATING THE BOND                                                     | 68        |
| 4.13      | DATE OF ISSUE OF THE SECURITIES .....                                                                               | 69        |
| 4.14      | RESTRICTIONS ON FREELY TRANSFERRING THE SECURITIES.....                                                             | 70        |
| <b>5.</b> | <b>ADMISSION TO TRADING AND DEALING ARRANGEMENTS.....</b>                                                           | <b>70</b> |
| 5.1       | MARKET WHERE THE SECURITIES WILL BE TRADED.....                                                                     | 70        |
| 5.2       | PAYING AGENT AND DEPOSITORY ENTITIES .....                                                                          | 71        |
| <b>6.</b> | <b>EXPENSES RELATING TO THE OFFERING AND LISTING OF THE</b>                                                         |           |
|           | <b>BONDS .....</b>                                                                                                  | <b>75</b> |
| <b>7.</b> | <b>ADDITIONAL INFORMATION.....</b>                                                                                  | <b>76</b> |
| 7.1       | STATEMENT ON THE CAPACITY IN WHICH THE ADVISORS ON THE ISSUE,<br>MENTIONED IN THE SECURITIES NOTE, HAVE ACTED. .... | 76        |
| 7.2       | OTHER INFORMATION IN THE SECURITIES NOTE WHICH HAS BEEN AUDITED OR<br>REVIEWED BY AUDITORS.....                     | 76        |
| 7.3       | STATEMENT OR REPORT ATTRIBUTED TO A PERSON ACTING AS AN EXPERT.....                                                 | 76        |
| 7.4       | INFORMATION SOURCED TO THIRD PARTIES.....                                                                           | 76        |
| 7.5       | CREDIT RATINGS ASSIGNED TO THE SECURITIES BY THE RATING AGENCIES.....                                               | 77        |

#### **ADDITIONAL INFORMATION BUILDING BLOCK TO SECURITIES NOTE ..... 65**

|           |                                                                                                                                                                                                        |            |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>1.</b> | <b>THE SECURITIES .....</b>                                                                                                                                                                            | <b>80</b>  |
| 1.1       | THE MINIMUM DENOMINATION OF AN ISSUE .....                                                                                                                                                             | 80         |
| 1.2       | CONFIRMATION THAT THE INFORMATION RELATING TO AN UNDERTAKING OR<br>OBLIGOR NOT INVOLVED IN THE ISSUE HAS BEEN REPRODUCED .....                                                                         | 80         |
| <b>2.</b> | <b>ASSETS BACKING THE BOND ISSUE .....</b>                                                                                                                                                             | <b>80</b>  |
| 2.1       | CONFIRMATION OF THE CAPACITY OF THE SECURITIZED ASSETS TO PRODUCE<br>THE FUNDS PAYABLE ON THE SECURITIES.....                                                                                          | 80         |
| 2.2       | ASSETS BACKING THE ISSUE.....                                                                                                                                                                          | 81         |
| 2.3       | ACTIVELY MANAGED ASSETS BACKING THE ISSUE.....                                                                                                                                                         | 162        |
| 2.4       | STATEMENT REQUIRED IN THE EVENT THAT THE ISSUER PROPOSES TO ISSUE<br>FURTHER SECURITIES BACKED BY THE SAME ASSETS, AND DESCRIPTION OF HOW<br>THE HOLDERS OF THE RELEVANT SERIES WILL BE INFORMED ..... | 162        |
| <b>3.</b> | <b>STRUCTURE AND CASH FLOW .....</b>                                                                                                                                                                   | <b>164</b> |
| 3.1       | DESCRIPTION OF THE STRUCTURE OF THE TRANSACTION, INCLUDING, IF<br>NECESSARY, A STRUCTURE DIAGRAM.....                                                                                                  | 164        |
| 3.2       | DESCRIPTION OF THE ENTITIES PARTICIPATING IN THE ISSUE AND THE<br>RESPECTIVE ROLES THEY MUST PERFORM .....                                                                                             | 165        |

|           |                                                                                                                                                                                               |            |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 3.3       | DESCRIPTION OF THE METHOD AND DATE OF THE SALE, TRANSFER, NOVATION<br>OR ASSIGNMENT OF THE ASSETS OR OF ANY RIGHTS AND/OR OBLIGATIONS IN<br>THE ASSETS OF THE ISSUER .....                    | 167        |
| 3.4       | EXPLANATION OF THE FLOW OF FUNDS.....                                                                                                                                                         | 172        |
| 3.5       | NAME, ADDRESS AND SIGNIFICANT BUSINESS ACTIVITIES OF THE ORIGINATORS<br>OF THE SECURITIZED ASSETS .....                                                                                       | 222        |
| 3.6       | RETURN AND/OR REPAYMENT OF THE BONDS LINKED TO OTHER SECURITIES<br>WHICH ARE NOT ASSETS OF THE ISSUER .....                                                                                   | 230        |
| 3.7       | ADMINISTRATOR, CALCULATING AGENT OR THE LIKE .....                                                                                                                                            | 230        |
| 3.8       | NAME, ADDRESS AND BRIEF DESCRIPTION OF ANY SWAP COUNTERPARTIES AND<br>ANY PROVIDERS OF OTHER MATERIAL FORMS OF CREDIT/LIQUIDITY<br>ENHANCEMENT.....                                           | 248        |
| <b>4.</b> | <b>POST ISSUANCE REPORTING.....</b>                                                                                                                                                           | <b>249</b> |
| 4.1       | REQUIREMENTS AND TIME SCHEDULE FOR REGULARLY DISCLOSING<br>INFORMATION ON THE FINANCIAL AND ECONOMIC SITUATION OF THE FUND<br>AND REPORTING THIS TO THE NATIONAL SECURITIES MARKET COMMISSION | 249        |
|           | <b>GLOSSARY OF DEFINITIONS .....</b>                                                                                                                                                          | <b>254</b> |

This is the Prospectus for the **GAT ICO-FTVPO 1, FTH** asset securitization fund approved by and registered with Spain's National Securities Market Commission (hereinafter referred to as Comision Nacional del Mercado de Valores or CNMV), as foreseen in Commission Regulation (EC) N° 809/2004, of April 29, 2004, as this is currently worded, comprising:

1. A description of the main **Risk Factors** relating to the Issue, to the securities and to the assets that back the Issue;
2. An asset backed securities **Registration Document** drawn up according to the layout foreseen in Annex VII of Regulation 809/2004;
3. A **Securities Note** drawn up according to the layout foreseen in Annex XIII of Regulation 809/2004;
4. An **Additional Building Block** to the Securities Note, drawn up according to the building block foreseen in Annex VIII of Regulation 809/2004; and
5. A **Glossary of Definitions** of the terms used in this Prospectus.

## **RISK FACTORS**

### **I. RISKS RELATING TO THE LEGAL NATURE AND THE BUSINESS OF THE ISSUER**

#### **a) Nature of the Fund and Duties of the Manager**

The Fund is a separate pool of assets, closed or limited as to both its assets and its liabilities, without a legal personality, managed by a securitization fund management company (a “sociedad gestora” or trustee equivalent, hereinafter referred to as the Fund Manager) in accordance with the provisions of Royal Decree (“RD”) 926/1998. The Fund only answers for its liabilities towards creditors with its net assets.

The Fund Manager will perform in respect of the Fund the duties attributed to it in RD 926/1998, and will protect the interest of Bondholders as a third-party manager, there being no bondholder syndicate. Thus, the ability to protect the interest of the Bondholders depends on the means of the Fund Manager.

#### **b) Mandatory Replacement of the Fund Manager**

Pursuant to Section 19 of RD 926/1998, when a Fund Manager is declared bankrupt or the authorization granted to it to operate as such is revoked, it must find a fund management company to replace it. If a new fund manager prepared to take over is not found within four (4) months after the event that calls for the Fund Manager to be replaced, the Fund will go into Liquidation and the securities issued by the Fund will be redeemed as foreseen in the Deed of Establishment of the Fund and in this Prospectus.

#### **c) Limitation of action against the Fund Manager and against the other parties to the Agreements**

The Bondholders and the rest of the ordinary creditors of the Fund may only file claims against the Fund Manager for failing to perform its duties or to observe the requirements of the Deed of Establishment of the Fund, of this Prospectus or of the laws and regulations in force. Such legal action must in any case take the form of ordinary declarative proceedings for small or large claims, depending on the amount involved.

The Bondholders and the rest of the creditors of the Fund may not bring any claims at all against the Fund or the Fund Manager in the event of non-payment of sums due by the Fund as a consequence of arrearages, of non-performance of their duties by the

Originator or by the counterparties to transactions made in the name and for the account of the Fund, or because the financial hedges arranged do not suffice to service the Bonds of each Series.

**d) Applicability of the Bankruptcy Act**

In the event of bankruptcy on the part of any of the originators, the assignment of the Loans to the Fund may only be reversed according to what is foreseen in the Bankruptcy Act 22/2003 (hereinafter, the **Bankruptcy Act**) and in the special regulations applying to Securitization Funds.

By virtue of sections 10 and 15 of Act 2/1981, the assignment of the Loans to the Fund may only be rescinded or opposed by the receiver in bankruptcy under the provisions of Section 71 of the Bankruptcy Act, with the receiver being required to prove that fraud has been committed.

In the event that any of the Originators is declared bankrupt under the Bankruptcy Act, the Fund, acting through the Fund Manager, has a right of separation over the Loans pertaining to the Originator in question, in the terms foreseen in sections 80 and 81 of the Bankruptcy Act. Besides, the Fund, acting through its Fund Manager, is entitled to obtain from the bankrupt Originator the sums resulting from the relevant Loans as from the date of the declaration of bankruptcy because such sums are considered to belong to the Fund and, therefore, must be transferred to the Fund Manager acting on behalf of the Fund. Notwithstanding that, the possibility of exercising said right of separation may not be ruled out in respect of funds held by the Originators in their capacity as Servicers, for and on the account of the Fund, as a result of managing collection of amounts due under Loans, and in respect of any cash balances in the accounts of the Fund, in either case before the date of declaration of bankruptcy, because of the fungible nature of such funds and the consequent commingling. The arrangements to mitigate this risk are described in point 3.4 of the Additional Building Block.

**e) Failure of third parties to perform agreements**

The Fund will enter into agreements with third parties for these to provide certain services relating to the operation of the Fund and to the Bonds. These include a Cash Account Agreement, a Liquidity Facility Agreement, a Paying Agency Agreement, a Management and Underwriting Agreement, an Individualized Accounts Agreement, a Cash Advance Deposit Agreement, a Credit Line Agreement, as well as Interest Rate Swap Contracts.

The Bondholders may be prejudiced in the event that any of the counterparties fails to perform its duties and liabilities under any of the above-mentioned agreements.



Notwithstanding that, certain mechanisms are foreseen in some of these agreements to mitigate the consequences of possible events of non-compliance, such as the options available in the event that the credit rating of some of the counterparties is downgraded, which options are described in this Prospectus. All of that is without prejudice to the legal consequences for the non-performing counterparties, under the laws of Spain.

## **II. RISKS RELATING TO THE SECURITIES**

### **a) No valuation on arm's length basis**

The Bond Issue is intended to be entirely underwritten by the Originators for the purpose of having available liquid assets that can be disposed of on the market or can be used as collateral in transactions with the Eurosystem. Consequently, the terms of the Bond Issue do not represent an estimate of the prices for which these instruments could be sold on the secondary market or of how they may be appraised by the Eurosystem eventually for the purposes of being used as collateral for loans to the banking system.

### **b) Liquidity**

As the Bond Issue is to be fully underwritten by the Underwriting Entities, in the event that they dispose of the Bonds in whole or in part in the future, there is no assurance that the volume and frequency of dealings with the Bonds in the marketplace will not fall to a minimum eventually.

There is no commitment on the part of any entity to engage in secondary dealings to ensure liquidity of the Bonds by offering to act as counterparty.

The Fund may in no case repurchase the Bonds from holders, although the Bonds may be totally redeemed in the event of Liquidation of the Fund, in the terms foreseen in point 4.4.3 of the Registration Document.

**c) Rate of Return**

The return on the Bonds on maturity depends on, among other things, the amount and the date of payment of the principal of the Loans as well as on the price paid by the holder of the Bonds of each Series.

The performance by the Borrower of the terms agreed for the Loans (for example, the terms of repayment of the principal, interest payments) is influenced by various territorial, economic and social factors such as seasonality, market interest rates, the alternative financing available, the employment and financial situation of borrowers and the general level of economic turnover, which prevent such performance from being predictable.

The estimated rate of return (Internal Rate of Return or IRR) for the Bonds of each Series mentioned in point 4.10 of the Securities Note is subject to future market interest rates, given that the Nominal Interest Rate for each Series is a floating or variable rate, and that the assumed rates of prepayment as well as of delinquency in respect of the Loans may not actually be achieved.

**d) Duration**

The estimated mean life and duration of the Bonds of each Series mentioned in point 4.10 of the Securities Note is subject to, among other things, the assumed prepayment and delinquency rates for the Loans, which may not actually be achieved. The rate of delinquency is currently on the rise. There are a number of financial and social factors influencing the prepayment rate for the Loans, such as market interest rates, the financial situation of the Obligors, and the general level of economic turnover, which prevent the prepayment rate from being forecast accurately.

**e) Penalty Interest**

Penalty interest will in no case accrue in benefit of Bondholders in the event of late payment of interest or principal to them.

**f) Failure to Affirm Provisional Ratings**

A failure by the Credit Rating Agencies to affirm ahead of the Subscription Date the provisional ratings issued for the Bonds will provide grounds for termination of the establishment of the Fund, of the assignment of the Mortgage Participations and of the Bond Issue.

**g) Subordination of the Bonds**

The Bonds of the B (CA), B (CM), B (CP) and B (CT) Series are subordinated to those of the AG Series for the purposes of interest payments and of repayment of the principal. The Bonds of the C (CA), C (CM), C (CP) and C (CT) Series are subordinated to those of the AG Series and of the B (CA), B (CM), B (CP) as the B (CT) Series, as the case may be, for the purposes of interest payments and of repayment of the principal. The Bonds of the D (CA), D (CM), D (CP) and D (CT) Series are subordinated to those of the AG Series, of the B (CA), B (CM), B (CP) and B (CT) Series, and to those of the C (CA), C (CM), C (CP) and C (CT) Series, as the case may be, for the purposes of interest payments and repayment of the principal.

The rules of subordination between the Bonds of the different Series are described in point 3.4.6 of the Additional Building Block on the Order of Precedence of Payments and the Order of Precedence of Liquidation Payments for the Individual Fund of each Originator.

**III. RISKS RELATING TO THE UNDERLYING ASSETS**

**a) Risk of Default on the Loans**

Holders of Bonds issued against the Fund bear the risk of non-payment of any amount due under the Loans pooled in the Fund. Notwithstanding that, certain credit enhancement measures have been arranged. These are mentioned in point 3.4.2.1 of the Additional Building Block.

For illustrative purposes, we note that the weighted average rate of delinquency for the mortgage portfolio of the Originators at March 31, 2009 was 4.82%. Besides, as detailed in point 2.2.2 (r) of the Additional Building Block, at May 18, 2009, 4.35% of repayments of the Outstanding Balance of the pre-selected Loans were at least 30 days in arrears, 0.44% of repayments of the Outstanding Balance of the pre-selected Loans were between 30 and 60 days in arrears, and 0.18% of repayments of the Outstanding Balance of the pre-selected Loans were between 60 and 90 days in arrears. No debt-claims in respect of which payments are more than 30 days in arrears will be assigned to the Fund.

The Originators do not accept liability for any non-repayment of principal or non-payment of interest or of any other amount due by the Obligors in respect of the Loans. Pursuant to Section 348 of the Spanish Commercial Code, the Originators only answer to the Fund for the existence and lawfulness of the Loans as well as for their personality as assignors.

Nor do the Originators accept, in any other way, the responsibility of directly or indirectly guaranteeing final collection, or give security or guarantees, or undertake to repurchase the Loans, other than as foreseen in points 2.2.9 and 3.7.2. of the Additional Building Block, concerning the replacement of any Loans that do not meet the representations contained in point 2.2.8 of the Additional Building Block.

The Bonds issued by the Fund do not represent or constitute a liability of the Originators or of the Fund Manager. Except for the Guarantee provided by the ICO, in the terms described in point 3.4.7.2 of the Additional Building Block, there are no other guarantees given by any public- or private-sector entity, including the Originators, the Fund Manager, or any of their subsidiary or affiliated companies.

**b) Limited Hedges**

Investments in the Bonds may be adversely affected by, among other things, worsening global economic conditions, which may have an adverse impact on the underlying Loans.

A high level of defaults on the Loans could reduce or even exhaust the limited differential hedges that protect the Bonds of the various Series through the credit enhancement transactions described in point 3.4.2 of the Additional Building Block.

The different degree of subordination of interest and principal payments for the Bonds of the individual Series as a result of the Individual Order of Precedence of Payments of each Originator of the Fund acts as a differential hedging mechanism among the respective individual Series

**c) Risk of Prepayment of Loans**

Prepayment of the Loans pooled in the Fund will take place in the event of prepayment by Obligors of the part of the principal outstanding under the Loans. The loans will likewise be fully repaid if another financial entity duly commissioned for the purpose substitutes for the Originators as the creditor in the relevant Loans, according to the provisions of the Mortgage Loan Subrogation and Amendment Act 2/1994, or given any other development that has a similar outcome.

The risk of prepayment will be transferred to Bondholders on a quarterly basis, on each Payment Date, by partly repaying the principal of the Bonds according to the rules of Allocation of Funds Available for Repaying the Principal of Bonds contained in point 4.9.4 of the Securities Note.

**d) Territorial Concentration**

As detailed in point 2.2.2 of the Additional Building Block, concerning the territorial concentration of the Obligors of the Loans selected for assigning to the Fund, at May 18, 2009, there was a higher territorial concentration in the following provinces, in terms of the percentage of the principal not yet fallen due for repayment: Barcelona (254,244,285.29 euros, i.e., 55.91%), Madrid (36,023,907.24 euros, i.e., 7.92%), Tarragona (24,018,333.92 euros, i.e., 5.28%) and Caceres (24,398,199.51 euros, i.e., 5.36%). In the aggregate, the principal outstanding of the loans granted in the four above-mentioned provinces is 338,684,725.96 euros, equal to 74.47% of the balance of the portfolio selected at May 18, 2009.

Given these degrees of concentration, any circumstances that have a material adverse impact on the provinces of Barcelona, Madrid, Tarragona or Caceres could adversely affect payments for the Loans underlying the Bond Issue.

**e) Concentration of the Loans by Age**

As of May 18, 2009, the total volume of Loans made as from the 2005 year was 209,009,875.92 euros (i.e., 45.96% of the Balance Outstanding of the Loans. In analyzing the portfolio at May 18, 2009, the age of the loans must be taken into account. The relevant figures are given in point 2.2.2 of the Additional Building Block.

As detailed in point 2.2 of the Additional Building Block, from the point of view of the age of the loans selected for assigning to the Fund that make up the audited portfolio at May 18, 2009, the highest degrees of concentration -in terms of the nominal amount outstanding- are seen in the following years: 2004 (14.59%), 2006 (19.52%), and 2007 (13.31%).

**f) Exceptional Deferral of Installment Payments on the Loans**

As foreseen in RD 1932/1991, RD 2190/1995, RD 1186/1998), RD 1/2002, and RD 801/2005 (hereinafter jointly referred to as the “**Royal Decrees**”), Obligors who benefit from the rules for first-time buyers of homes will not lose their status as qualified obligors and will not go into default on their Loans in the event that installment payments (in respect of interest and principal) are deferred as an exceptional measure for a period of up to two years, by agreement between the relevant Originator and the Obligor, when payment of the installments is suspended on grounds of unemployment.

It is necessary to take into account that the amounts due under said rules of deferral for up to two years are considered to form part of the Balance Outstanding of the Loans rather than as unpaid Loan amounts, and such deferrals will be made with the consent of the relevant Originators. Payment of installments under these Loans may

not be suspended according to these rules until the amount of principal scheduled to be repaid in the first three years of has been fully repaid.

Obligors who defer installment payments as an exceptional measure are not entitled to be paid the relevant grants, which will not accrue during the period. Once they resume repaying the Loan, the grant will start to accrue and be paid once again. In any case, the relevant Originator must report such situations (the suspension or resumption of installment payments) to the Spanish Housing Ministry.

There are currently no Loans in that situation.

g) **Credit Rating Risk**

With regard to credit ratings issued in respect of Caixa Catalunya, Caixa Manresa, Caixa Terrassa, Banco de Sabadell SA, Caixa Penedes and the Spanish Confederation of Savings Banks (CECA), the outlook for some of these is described as “*negative*” by some of the Credit Rating Agencies that have rated them according to point 5.2. of the Registration Document, so the credit ratings mentioned in said point may be altered at any time.

Besides, last May 19, 2009, Moody’s placed the ratings of Caixa Catalunya, Caixa Manresa, Caixa Terrassa, Banco Sabadell, and the CECA under review, looking to lower them.

Besides, last June 15, Moody’s lowered the ratings for some of said entities, as mentioned hereinafter in point 5.2.

## **ASSET BACKED SECURITIES REGISTRATION DOCUMENT**

**(Annex VII of Regulation 809/2004)**

### **1. PERSONS RESPONSIBLE**

#### **1.1 PERSONS RESPONSIBLE FOR THE INFORMATION PROVIDED IN THE REGISTRATION DOCUMENT**

The person in question is Mr. Carles Fruns Moncunill, of full age, General Manager, acting for and on behalf of the Fund Manager GESTION DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION SA. He has been duly authorized for the purpose by the Board of Directors at a meeting of the Board of October 3, 2008. The Fund Manager has a registered office at Fontanella 5-7, 08010 Barcelona, and its Taxpayer Number is A-61.604.955. Mr. Fruns Moncunill is responsible for the contents of this Registration Document.

#### **1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE CONTENTS OF THE REGISTRATION DOCUMENT**

Mr. Carles Fruns Moncunill declares, on behalf of the Fund Manager, that he has taken reasonable care to ensure that to the best of his knowledge the information given in this Registration Document agrees with the facts and no information is omitted that is likely to affect its import.

### **2. STATUTORY AUDITORS**

#### **2.1 AUDITORS OF THE FUND**

As mentioned in point 4.4 of this Registration Document, the Fund has no historic financial information.

During the life of the Bond, the annual accounts of the Fund will be verified and audited annually by the auditors, as foreseen in the following paragraph. The accounts of the Fund and the audit report on the accounts will be filed with the Mercantile Registry and the CNMV.

The auditors of the Fund will be appointed at the General Meeting of the Fund Manager to be held before December 31, 2009. The Fund Manager will inform the CNMV, the Credit Rating Agencies and the Bondholders of any change concerning the appointment of the auditors.

The Fund Manager will appoint as foreseen above, for periods of at least three (3) years, the auditors who are to audit the annual accounts of the Fund during the relevant period, and will inform the CNMV of the appointment of the auditors.

## **2.2. ACCOUNTING POLICIES OF THE FUND**

Income and expenses are recognized by the Fund on an accruals basis, i.e. according to the real flow represented by such income and expenses, irrespectively of the date of collection and payment.

The Initial Expenses of the Fund and of the Bond Issue are financed with the Liquidity Facility, and at least quarterly repayments are to be made in respect of the Liquidity Facility in such amounts as result from the Fund accounts. The Initial Expenses of the Fund are fully recognized in the operating account of the Fund at the time when they accrue. Expenses incurred by the Fund in connection with the Bond Issue are recognized in the operating account of the Fund using a financial amortization policy tied to the actual life of the Bonds, and are to be written off over a term of not more than ten (10) years as from the date of establishment of the Fund.

The business year of the Fund coincides with the calendar year. However, as an exception, the first business period will start on the Date of Establishment of the Fund, and the last business period will end on the date when the Fund is extinguished.

## **3. FUND RISK FACTORS**

The risk factors relating to the issuer are described in Section I of the previous part of this Prospectus, on Risk Factors.

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

### **4.1 STATEMENT ON THE ISSUER BEING ESTABLISHED AS A SECURITIZATION FUND**

The Issuer is an asset securitization fund to be established according to the laws of Spain for the purpose of issuing the securities to which the Securities Note refers and of acquiring the Loans.

### **4.2 LEGAL AND COMMERCIAL NAME OF THE ISSUER**

The Fund is called "GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA".



### **4.3 PLACE OF REGISTRATION AND ISSUER'S REGISTRATION NUMBER**

The Fund is registered in Spain, with the CNMV. The Fund has been registered in the Official Registers carried by the CNMV on June 18, 2008.

#### **Mercantile Registry**

Neither the establishment of the Fund nor the Bonds to be issued, backed by the assets of the Fund, will be registered at the Mercantile Registry, according to the discretionary authority of Section 5.3 of Act 19/1992.

### **4.4 DATE OF ESTABLISHMENT AND DURATION OF THE ISSUER**

#### **4.4.1. Date of Establishment of the Fund**

The Fund Manager and Caixa Catalunya, Caixa Manresa, Caixa Penedes as well as Caixa Terrasa, as the Originators of the Loans carried as assets in the balance sheets of the Originators, which are entirely derived from loans granted to private parties and are secured with mortgages on officially protected or sponsored housing, pursuant to the provisions of the Royal Decrees (RD 1932/1991, RD 2190/1995, RD 1186/1998, RD 1/2002, and RD 801/2005), situated in Spain (hereinafter, the Loans).

The Fund Manager states that the Deed of Establishment will be drawn up substantially according to the draft Deed of Establishment submitted to the CNMV and that the terms of the Deed of Establishment will in no case contradict, modify, alter or invalidate the rules contained in this Prospectus.

The Deed of Establishment may only be altered in exceptional cases, provided always that this is permitted under the provisions in force and in such terms as may be foreseen by way of regulation. In any case such changes are required to be previously reported by the Fund Manager to the CNMV or other responsible administrative authority, whose prior approval will be secured if necessary, as well as to the Credit Rating Agencies and the Lead Managers. This is provided such changes do not adversely affect the rights of Bondholders or the credit rating assigned to the Bonds by the Credit Rating Agencies. The Fund Manager will report any amendment of the Deed of Establishment to the CNMV, the Credit Rating Agencies and the Lead Managers. The Deed of Establishment may also be corrected at the request of the CNMV

#### **4.4.2. Duration of the Fund**

The Fund will start up on June 19, 2009, i.e. on the date of execution of the Deed of Establishment, and will cease operating on the Final Legal Maturity Date, i.e. June 20, 2036.

The duration of the Fund will end on June 20, 2036, the Final Legal Maturity Date or, if this is not a Working Day, on the Working Day immediately following, unless the Fund is previously Liquidated as foreseen in point 4.4.3 of this Registration Document, or given any of the circumstances foreseen in point 4.4.4 of this Registration Document.

#### **4.4.3. Liquidation of the Fund**

On a Payment Date, upon giving notice to the CNMV, the Fund Manager may effect the Liquidation of the Fund and therefore the Advanced or Early Redemption of the whole Bond Issue, and extinguish the Fund, given any of the following Liquidation Events:

##### **Liquidation Events**

- (i) Where, at least one (1) year after the Date of Establishment of the Fund, the Balance Outstanding of the Loans is less than 10 per cent of said Balance at the Date of Establishment of the Fund, pursuant to the enabling provisions of Section 5.3 of Act 19/1992. This is provided always that by selling the outstanding Loans the liabilities outstanding with Bondholders can be settled in full while respecting any prior payments due according to the Individual Order of Precedence of Liquidation Payments of each Originator, and that the necessary approvals for doing so are previously secured from the responsible authorities.
- (ii) Where, by reason of events or circumstances of any type, whether these have to do with the own performance of the Fund or otherwise, the financial balance of the Fund required by Section 5.6 of Act 19/1992 is materially altered or permanently weakened. This includes circumstances such as changes in the applicable provisions or supplementary developing legislation, new withholding duties, or any other situation that may permanently affect the financial balance of the Fund. In such case the Fund Manager, after notifying the CNMV, will conduct an orderly liquidation of the Fund according to the rules contained in the Deed of Establishment and in this Registration Document.
- (iii) Necessarily, in the event that the Fund Manager is declared bankrupt, after the term foreseen in the applicable regulations or, otherwise, after four

months have elapsed without a new fund manager being appointed according to what is foreseen in point 3.7.1.2 of the Additional Building Block.

- (iv) In the event of any actual or expected default on a payment, reflecting a serious and permanent imbalance, in connection with any of the Bonds issued or any non-subordinated loan.
- (v) Where the Fund Manager has the consent and explicit approval of all Bondholders and of all those who have agreements in force with the Fund regarding both the payments involved by said Advanced or Early Redemption and the procedure to be followed for the purpose.
- (vi) On the following Payment Date, after thirty (30) months have elapsed since the date of maturity of the last of the Loans to mature, even if there are still amounts receivable. Notwithstanding that, the Legal Date of Maturity of the Fund will be the following Payment Date, after thirty six (36) months have elapsed since the date of maturity of the last of the Loans to mature.

For the purposes of point (i) above, the payment liabilities relating to the Bonds on the Date of Liquidation of the Fund are in any case deemed to include the Outstanding Principal Balance on that date plus any interest accrued but not yet paid by then, minus any Withholding Tax due, which sums will in any case be deemed, to all legal effects and purposes, to be due and demandable on that date.

For the Liquidation of the Fund, the following requirements must be met:

- a) Any requisite approvals must have been secured from the responsible administrative and other authorities, as the case may be.
- b) The Bondholders must be given at least fifteen (15) Working Days' notice, as foreseen below, of the decision of the Fund Manager to undertake the Liquidation of the Fund. Such notice must previously have been made known to the CNMV by publishing the requisite Relevant Notice according to the provisions of Section 82 of the Spanish Securities Market Act as well as to the Credit Rating Agencies. The notice must also be published in any other media generally accepted by the market which assure adequate disclosure of the information as to its contents and in good time. The notice must include a description of (i) the circumstances that call for Liquidation of the Fund, (ii) the procedure for doing so, and (iii) the way in which the payment obligations relating to the Bonds are going to be met and settled according to the Individual Order of Precedence of Payments of each Originator foreseen in point 3.4.6 of the Additional Building Block.

To carry out the Liquidation of the Fund and to implement the early maturity of the Bond Issue, the Fund Manager, acting in the name and for the account of the Fund, will:

- (i) Sell the Loans for a price that may not be less than the Outstanding Balance plus any interest accrued but not yet received on the Loans which may not be less than the aggregate amount of installment payments accrued but not yet received;
- (ii) Cancel those agreements that are not necessary for the process of liquidating the Fund.

In case that the above-mentioned steps do not suffice or because there are Loans or other remaining assets in the Fund, the Fund Manager will sell them off. For the purpose, the Fund Manager will request bids from at least five (5) entities, among those that are more active in buying and selling this type of assets and can yield a market value in the view of the Fund Manager. The Fund Manager is required to accept the best bid it receives for the assets tendered for sale that, in the view of the Fund Manager, is an arm's length bid. To establish the market value of the assets in question the Fund Manager may secure such valuation reports as it deems necessary.

The Originators will have a right of first refusal, so they may voluntarily acquire, with preference over third parties, the Loans or other assets resulting from them which remain with the Fund under such terms as the Fund Manager may determine and in conformity with what is foreseen in the previous paragraph. For the purpose, the Fund Manager will forward to the Originators a list of the assets and of the bids received from third parties. The Originators may use their right of first refusal in respect of all the assets tendered for sale by the Fund Manager within thirty (30) calendar days after receiving the list. That is provided (i) the bids submitted by the Originators are at least as good as the best bids submitted by third parties, and (ii) the Originator in question proves to the Fund Manager that it is exercising its right of first refusal after conducting the usual credit review and approval processes. These must show the right of first refusal is not being exercised to give implicit support to the securitization operation.

The above right of first refusal does not involve in any way that the Originators make a covenant or statement to the effect that they will repurchase the Loans. The Originators have a term of thirty (30) calendar days in which to exercise the right of first refusal as from the date in which the Fund Manager notifies them of the terms of sale of the Loans, and they must at least match the best bid submitted by third parties.

After funding a provision for meeting the initial liquidation expenses, the Fund Manager must immediately apply all the proceeds from selling the Loans, as it receives the proceeds, to making the various Liquidation payments. These must be made in the manner and amount as well as according to the Individual Order of

Precedence of Liquidation Payments of each Originator described in point 3.4.6 of the Additional Building Block.

#### **4.4.4. Extinguishment of the Fund**

The Fund will in any case be extinguished given the following circumstances:

- (i) When the Mortgage Participations pooled in the Fund are fully redeemed.
- (ii) When the Bonds issued by the Fund are fully redeemed.
- (iii) When the Liquidation process described in point 4.4.3 above is completed.
- (iv) In any case, on the first Payment Date thirty six (36) months after the date of maturity of the last of the Loans to mature, or, if that is not a Working Day, on the Working Day immediately following. It will be extinguished even if there are still receivables that have fallen due and are pending collection, i.e., on the Legal Date of Maturity of the Fund.
- (v) The Fund will also be extinguished if the Credit Rating Agencies fail to finally affirm before the Subscription Date the provisional ratings they have issued. Or if an event takes place that could not have been foreseen or, if foreseen, is inevitable, and makes it impossible to comply with what is foreseen in this Prospectus, according to the provisions of Section 1,105 of the Spanish Civil Code.

In this case, the Fund Manager will terminate the establishment of the Fund, the underwriting of the Loans by the Fund, the Bond Issue and the rest of the Fund Agreements. The extinguishment of the Fund will be reported to the CNMV. Within a term of one (1) month after the event of termination occurs, the Fund Manager will execute a certificate before a Notary Public declaring the obligations of the Fund to be liquidated and terminated, and the Fund to be extinguished.

The extinguishment of the Fund will be reported to the CNMV and to the Lead Manager as soon as it is confirmed, and will be made publicly known according to the procedure specified in this point. Within one month after the event of termination occurs, the Fund Manager will execute a certificate before a Notary Public declaring that the obligations of the Fund are liquidated and terminated, and the Fund is extinguished. The Liquidity Facility will be terminated given the circumstances referred to in point (v) above. Notwithstanding that, the Originators undertake to bear the Initial Expenses.

If there remain any proceeds from liquidating the Fund after paying the amounts due to the different creditors out of the Funds Available for Liquidation according to the Individual

Order of Precedence of Liquidation Payments for each Originator, as per point 3.4.6 of the Additional Building Block, such remainder will inure to the benefit of the Originators. It will inure to them in such terms as the Fund Manager may specify. If the remaining assets are not liquid, being in the form of securitized Loans in respect of which notarial or court proceedings are under way against the relevant Obligors for defaulting on the Loans, the court proceedings may continue at the expense of the Originator of the relevant Mortgage Loan. In such case, any resulting proceeds will belong to the Originator in question.

The Fund Manager, acting for and on behalf of the Fund, may not extinguish the Fund and cancel its registration in the relevant administrative registers until the remaining assets of the Fund are liquidated and the Funds Available for Liquidation have been allocated. These must be allocated according to the Individual Order of Precedence of Liquidation Payments for each Originator specified in point 3.4.6 of the Additional Building Block. That is except for such provision as may have to be funded for meeting the final liquidation and extinguishment expenses relating to taxation, administrative requirements and notices to be published.

Six (6) months after liquidating the remaining assets of the Fund and allocating the Funds Available for Liquidation, the Fund Manager will execute a certificate before a Notary Public. In the certificate, the Fund Manager must (i) declare the Fund to be extinguished, stating the reasons why, (ii) describing the method used for notifying the Bondholders and the CNMV, and (iii) stating that the Funds Available for Liquidation have been allocated according to the Individual Order of Precedence of Liquidation Payments for each Originator. An announcement to that effect will be published in a national newspaper, and such additional steps as may be in order will be taken before the Administration. The document executed before the Notary Public will be forwarded by the Fund Manager to the CNMV, and a copy of the same document will be delivered to the Lead Manager.

#### **4.5 DOMICILE, LEGAL FORM, AND LEGISLATION UNDER WHICH THE ISSUER OPERATES**

Pursuant to Section 5 of Act 19/1992, the Fund is a separate pool of assets, without a legal personality, of a closed type. The Fund will be managed and represented by the Fund Manager, a company established and duly authorized for the purpose and, consequently, for managing and acting as the legal representative of the Fund, as well as for representing and defending the interest of Bondholders, under the provisions of Act 19/1992 and RD 926/1998.

The domicile of the Fund is that of the Fund Manager, a company established in Spain and having an address at Fontanella 5-7, 08010 Barcelona. The contact telephone number is (+34) 93 484 73 36.

The Fund GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA is established under guarantee commitment and collaboration agreements made between the Originators and the ICO as well as under the Guarantee Commitment and Collaboration Agreement made between the Fund Manager and the ICO for establishing asset securitization funds guaranteed by the ICO. It is established to help finance officially protected housing (ICO-FTVOP Funds) (hereinafter, the **ICO Agreements**). The Fund is governed by (i) the rules contained in this Prospectus, drawn up to conform to the provisions of RD 1310/2005 and Regulation (EC) 809/2004, (ii) the Deed of Establishment of the Fund, and (iii) Act 19/1992. It is also governed by the provisions of (iv) the Securities Market Act 24/1988, as currently worded, in what concerns monitoring, inspection and disciplinary matters, as well as (v) by such other applicable legal and regulatory provisions as may be in force from time to time.

#### **4.5.1. Taxation of the Fund**

The rules governing taxation of the Fund are found in Section 5.10 of Act 19/1992; Section 7.1.g) of the Spanish Corporate Income Tax (Consolidating) Act approved through Royal Order-in-Council 4/2004, and in the Personal Income Tax Act 35/2006, which includes provisions partly amending those on Corporate Income Tax, Non-resident Income Tax and Wealth Tax. They are found in Act 16/2007, which reformed and adjusted the provisions of Spanish mercantile law on accounting matters to achieve international harmonization based on European Union regulations, and in Section 20.One.18 of the Value-added Tax Act 37/1992. They are also found in sections 45.I.B).20.4 and C. of the (Consolidating) Act on Capital Transfers and Documented Legal Acts approved through Royal Order-in-Council 1/1993; and in Section 15 of Act 2/1981. The specific rules are the following:

- a) The establishment and dissolution of the Fund and any other corporate transaction that the Fund may carry out are exempted from the Tax on Capital Transfers and Documented Legal Acts under Section 45.I B 20.4 of the (Consolidating) Act on Capital Transfers and Documented Legal Acts approved through Royal Order-in-Council 1/1993.
- b) The Bond Issue is a taxable fact, yet is tax-exempt, for the purposes of both Value-Added Tax, under Section 20.One.18.1 of the Value-Added Tax Act, and the tax on Capital Transfers and Documented Legal Acts, under Section 45-I.B.15 of the (Consolidating) Act on Capital Transfers and Documented Legal Acts.

- c) Mortgage Securitization Funds are required to pay Spanish Corporate Income Tax according to Section 7.1.g of the Corporate Income Tax (Consolidating) Act. The tax assessment basis is determined according to the provisions of Title IV of said Act, and the applicable tax rate is such general rate as may be in force from time to time. Currently, the tax rate is 30%.
- d) The Fund falls under the general rules for Value-Added Tax, and the special rule that management and depository services provided by the Fund Manager to the Fund, while being a taxable fact, are VAT-exempt (Section 20.One.18.n of the Value-Added Tax Act).
- e) With respect to income paid to the Fund on Mortgage Participations, loans or other amounts receivable by the Fund, the payers of such income are not required to apply Withholding Tax and pay in such withholdings as payments on account of Corporate Income Tax (Section 59.k of the Corporate Income Tax Regulation approved through RD 1777/2004).
- f) Interest Rate Swap transactions are a taxable fact for Value-Added Tax purposes, yet are VAT-exempt (Section 20.One.18 of the VAT Act), with no Withholding Tax being applicable on account of Corporate Income Tax on any payments made or income received by the Fund in connection with such swaps because they are hedge transactions.
- g) The transfer to the Fund of the Mortgage Participations and the assignment to the Fund of the Loans is a taxable fact, yet is tax-exempt, for the purposes of both Value Added Tax (Section 20.One.18.l of the Value-Added Tax Act) and of the Tax on Capital Transfers and Documented Legal Acts.
- h) The reporting duties foreseen in Act 13/1985, on investment ratios, equity and reporting duties of financial intermediaries are applicable.

#### **4.6 ISSUER'S AUTHORIZED AND ISSUED CAPITAL**

Not applicable.

### **5. DESCRIPTION OF THE UNDERTAKING**

#### **5.1 BRIEF DESCRIPTION OF THE PRINCIPAL ACTIVITIES OF THE ISSUER**

The business of the Fund consists of acquiring for valuable consideration, on the Date of Establishment, a set of Loans held by the Originators as debt-claims against the Obligors, and of issuing securitization Bonds for financing the acquisition of the



Loans and the funding of Reserves. All of the Loans are mortgage loans granted to private individuals and secured with mortgages on officially protected or supported housing (within the meaning of this expression according to the applicable national or regional legislation) situated in Spanish territory.

The Fund is established with the object of transforming the pool of Loans into homogenous and standardized fixed-interest securities which will consequently be liable to be traded on financial markets or, alternatively, to be used to generate collateral before the European Central Bank.

The interest income and principal repayments received by the Fund in respect of the Loans will be used on each quarterly Payment Date to make payments of interest and principal in respect of the securitization Bonds issued. These payments will be made according to the specific terms for each of the Series into which the Bond Issue is divided and to the Individual Order of Precedence of Payments of each Originator foreseen in respect of the payments to be made by the Fund.

Besides, on the Date of Establishment, the Fund Manager acting on behalf of the Fund will arrange a number of financial and service transactions covered by agreements, to consolidate the financial structure of the Fund. These transactions will be made so as to increase the security or regularity of Bond payments, and to bridge over leads or lags between the scheduled flows of principal and interest on the Loans and those on the Bonds. Besides, in general, they will be made so as to allow the relevant financial transformation to take place within the Fund between the financial characteristics of the Loans and those of the Bonds of each Series.

## **5.2 OVERVIEW OF THE PARTIES TO THE SECURITIZATION SCHEME**

### **GESTION DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION S.A.**

GESTION DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION SA, the Fund Manager, is a single-stockholder Spanish limited company or Sociedad Anonima operating as a manager of securitization funds and having an address at Fontanella 5-7, 08010 Barcelona, Spain. Its Taxpayer Number is A-61,604,955.

It is registered as entity number 9 in the special register carried by the CNMV, and is registered at the Barcelona Mercantile Registry Office in page B-177,694, folio 54, volume 30,545.

No credit rating has been issued by any Credit Rating Agency in respect of the Fund Manager.

The business carried on by the company is classified as number 65 in the National Classification of Business Activities.

In addition, the Fund Manager, working together with Calyon, has designed the financial aspects of the Fund and of the Bond Issue.

The Fund Manager will manage and act as legal representative of the Fund.

The Fund Manager is a directly and wholly owned subsidiary of Caixa Catalunya. As far as is known, there are no legal, financial or family links of any other type between the Fund participants described below that may prejudice the Fund in general and the holders of the Bonds issued by the Fund in particular.

#### **CALYON, Sucursal en España**

Calyon, Sucursal en España, is a credit entity having a registered office in Madrid, at Paseo de la Castellana Nº 1, whose taxpayer number is A-0011043G.

As of the date of filing this Prospectus, the ratings assigned to Calyon, Sucursal en España by the Credit Rating Agencies are as follows:

| <b>Ratings</b> | <b>Fitch (August 8, 2008)</b> | <b>Moody's (February 4 2009)</b> | <b>S&amp;P (January 20, 2009)</b> |
|----------------|-------------------------------|----------------------------------|-----------------------------------|
| Short Term     | F1+                           | P-1                              | A-1+                              |
| Long Term      | AA- ( <i>stable outlook</i> ) | Aa3 ( <i>negative outlook</i> )  | AA- ( <i>stable outlook</i> )     |

Calyon acts as one of the Lead Managers according to the provisions of Section 35.1 of RD 1310/2005, liaising with the Credit Rating Agencies and the Bond Underwriters. In addition, Calyon, working together with the Fund Manager, has designed the financial aspects of the Fund and of the Bond Issue.

#### **CAIXA D'ESTALVIS DE CATALUNYA**

Caixa Catalunya is a Spanish savings bank, a foundation-type credit entity of a social charitable nature, having a registered office in Barcelona, at Plaza de Antoni Maura Nº 6, 08003. Its Taxpayer Number is G-08169815. It is registered as entity number 16 in the Register carried by the Bank of Spain, and is registered at the Barcelona Mercantile Registry Office in page B-47,741, Folio 1, Volume 23,120, entry number 1.

As of the date of filing this Prospectus, the ratings assigned to Calyon, Sucursal en España by the Credit Rating Agencies Fitch y Moody's are as follows:

| Ratings    | Fitch (March 13, 2009)         | Moody's *(June 15, 2009)       |
|------------|--------------------------------|--------------------------------|
| Short Term | F2                             | P-2                            |
| Long Term  | BBB+ ( <i>stable outlook</i> ) | A3 ( <i>negative outlook</i> ) |

(\*) Effective as of June 15, 2009, Moody's lowered the short- and long-term ratings for Caixa Catalunya to P-2 and A-3 from P-1 and A2, respectively.

The business carried on by Caixa Catalunya is classified as number 65 in the National Classification of Business Activities

In this operation, Caixa Catalunya acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Catalunya, and (iii) one of the entities providing the Liquidity Facility. It also acts as (iv) the Servicer of the Loans assigned by Caixa Catalunya relating to the Bonds of the AG, B (CA), C (CA) and D (CA) series, (v) an Underwriter, (vi) one of the parties to the Financial Mediation Agreement, (viii) a depositor of the Cash Advance Deposit, and (vii) one of the Lead Managers.

#### CAIXA D'ESTALVIS DE MANRESA

Caixa Manresa is a savings bank having a registered office in Manresa, on Passeig de Pere III number 24, 08242 (Spain), whose taxpayer number is G-08169831. It is registered as entity number 32 in the Register carried by the Bank of Spain, and at the Barcelona Mercantile Registry Office in volume 22,061, folio 1, page B-30685.

As of the date of filing this Prospectus, the ratings assigned to Caixa Manresa by the Credit Rating Agency Moody's is as follows:

| Ratings    | Moody's (June 15, 2009)*         |
|------------|----------------------------------|
| Short Term | P-2 ( <i>negative outlook</i> )  |
| Long Term  | Baa1 ( <i>negative outlook</i> ) |

(\*) As of June 15, 2009, Moody's lowered the short- and long-term ratings assigned to Caixa Manresa to P-2 and Baa1, from P-1 and A2, respectively.

In this operation Caixa Manresa acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Manresa, (iii) one of the entities providing the Liquidity Facility. It also acts as (iv) the Servicer of the Loans assigned by Caixa Manresa relating to the Bonds of the AG, B (CM), C (CM) and D (CM) series, and as (v) an Underwriter. Furthermore, it acts as (vi) one of

the parties to the Financial Mediation Agreement, (vii) the depositor of the Caixa Manresa Deposit, (viii) a depositor of the Cash Advance Deposit, and (ix) one of the Lead Managers.

#### **CAIXA D'ESTALVIS DEL PENEDES**

Caixa Penedes is a savings bank having a registered office in Vilafranca del Penedes, on Rambla Nostra Senyora 2-4, 08720, (Spain), whose taxpayer number is G-08169807. It is registered as entity number 35 in the Register carried by the Bank of Spain, and at the Barcelona Mercantile Registry office in volume 22,093, folio 1, page B-31131.

As of the date of filing this Prospectus, the ratings assigned to Caixa Penedes by the Credit Rating Agency Fitch is as follows:

| <b>Ratings</b> | <b>Fitch (June 10, 2009)</b>   |
|----------------|--------------------------------|
| Short Term     | F2                             |
| Long Term      | A- ( <i>negative outlook</i> ) |

In this operation Caixa Penedes acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Penedes, and as (iii) one of the entities providing the Liquidity Facility. It also acts as (iv) the Servicer of the Loans assigned by Caixa Penedes relating to the Bonds of the AG, B (CP), C (CP) and D (CP) series. Furthermore, it acts as (v) an Underwriter, (vi) one of the parties to the Financial Mediation Agreement, (vii) a depositor of the Cash Advance Deposit, and (ix) one of the Lead Managers.

#### **CAIXA D'ESTALVIS DE TERRASSA**

Caixa Terrassa is a savings bank having a registered office at Rambla d'Egara 350, 08221 Terrassa (Spain), whose taxpayer number is G-08169781. It is registered as entity number 34 in the Register carried by the Bank of Spain, and at the Barcelona Mercantile Registry Office in volume 21,171, folio 1, page B-17,927.

As of the date of filing this Prospectus, the ratings assigned to Caixa Terrassa by the Credit Rating Agencies Fitch and Moody's are as follows:

| <b>Ratings</b> | <b>Fitch (November 6, 2008)</b> | <b>Moody's (June 15, 2009)*</b>  |
|----------------|---------------------------------|----------------------------------|
| Short Term     | F2                              | P-2                              |
| Long Term      | A- ( <i>negative outlook</i> )  | Baa2 ( <i>negative outlook</i> ) |

(\*) As of June 15, 2009, Moody's lowered the long-term rating for Caixa Terrassa to Baa2, from A3 previously.

In this operation Caixa Terrasa acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Terrasa, and as (iii) one of the entities providing the Liquidity Facility. It also acts as (iv) the Servicer of the Loans assigned by Caixa Terrasa relating to the Bonds of the AG, B (CT), C (CT) and D (CT) series. Furthermore, it acts as (v) an Underwriter, (vi) one of the parties to the Financial Mediation Agreement, (vii) a depositor of the Cash Advance Deposit, and (viii) one of the Lead Managers.

#### **DELOITTE SL**

Deloitte SL act as the auditors responsible for verifying a number of attributes of the selection of Loans held by the Originators from which are to be drawn the Loans to be assigned to the Fund on this being established.

Deloitte SL is a Spanish limited-liability company or Sociedad Limitada, registered in the Official Register of Auditors (ROAC – Registro Oficial de Auditores de Cuentas) as firm number S0692, and having a registered office at Plaza Pablo Ruiz Picasso N° 1 - 28020 Madrid. Its Taxpayer Number is B-79104469. The company is registered at the Madrid Mercantile Registry Office in volume 13,650, folio 188, section 8, page M-54,414.

#### **MOODY'S INVESTORS SERVICE ESPAÑA SA**

Taxpayer number: A-80448475

Registered office: Calle Barbara de Braganza No. 2, 28004 Madrid

Moody's Investors Service España SA is registered at the Madrid Mercantile Registry Office in volume 4,384, folio 216, section 8, page 72,712.

Moody's Investors Service España SA acts as one of the Credit Rating Agencies responsible for establishing the credit risk of the Bonds.

#### **FITCH RATINGS ESPAÑA SA**

Taxpayer number: A-58090655

Registered office: Paseo de Gracia 85, 7th floor, 08008 Barcelona

Fitch Ratings España SA is a Spanish limited company operating as the local subsidiary of the Credit Rating Agency Fitch Ratings Limited.

Fitch Ratings España SA acts as one of the Credit Rating Agencies responsible for establishing the credit risk of the Bonds.

## **CUATRECASAS, GONÇALVES PEREIRA SRL**

Cuatrecasas, Gonçalves Pereira has given legal advice on the operation and reviewed its tax implications.

Cuatrecasas, Gonçalves Pereira is a limited-liability company established in Spain, whose taxpayer number is B-59942110, and has a registered office at Paseo de Gracia N° 111, 08008 Barcelona. The company is registered at the Barcelona Mercantile Registry Office in Volume 37,673, Folio 30, Section 8, Page 23,850.

## **INSTITUTO DE CREDITO OFICIAL**

The Instituto de Credito Oficial is a public undertaking reporting to the Ministry of Economy and Taxation through the Office of the Secretary of State for Economics, and is considered a State Lending Agency.

As of the date of filing this Prospectus, the ratings assigned to the Instituto de Credito Oficial by the credit risk Credit Rating Agencies Ficht Ratings España SA, last updated on December 18, 2008, Standard&Poors España SA, last updated on January 2009, and Moody's, last updated on December 8, 2008, are as follows:

| <b>Ratings</b> | <b>Fitch</b> | <b>Moody's</b> | <b>S&amp;P</b> |
|----------------|--------------|----------------|----------------|
| Short Term     | F1+          | P-1            | A1+            |
| Long Term      | AAA          | Aaa            | AA+            |

The various roles of each of the above-mentioned entities are described in point 3.1 of the Securities Note.

## **CONFEDERACION ESPAÑOLA DE CAJAS DE AHORROS**

The Spanish confederation of savings banks Confederacion Española de Cajas de Ahorros (CECA), having a registered office at Calle Alcalá No. 27, 28014 Madrid, whose taxpayer number is G-28206936.

As of the date of filing this Prospectus, the ratings assigned to the CECA by the credit risk Credit Rating Agencies Ficht Ratings España SA, Standard&Poors España SA and Moody's, are as follows:

| <b>Ratings</b> | <b>Fitch (March 5, 2009)</b>    | <b>Moody's* (May 18, 2009)</b>  | <b>S&amp;P (December 1, 2008)</b> |
|----------------|---------------------------------|---------------------------------|-----------------------------------|
| Short Term     | F1+                             | P-1                             | A-1+                              |
| Long Term      | AA- ( <i>negative outlook</i> ) | Aa2 ( <i>negative outlook</i> ) | AA- ( <i>negative outlook</i> )   |

(\*) Under review since last May 19; may be lowered.

CECA acts in this operation as counterparty in the Interest Rate Swap Contracts.

The Originators are stockholders of the CECA.

## **BANCO DE SABADELL SA**

Banco de Sabadell SA, having a registered office at Plaça de San Roc No. 20, 08201 Sabadell (Barcelona), taxpayer number A-08000143.

As of the date of filing this Prospectus, the ratings assigned to Banco de Sabadell SA by the credit risk Credit Rating Agencies Ficht Ratings España SA, Standard&Poors España SA and Moody's, are as follows:

| <b>Ratings</b> | <b>Fitch</b> | <b>Moody's*</b>                | <b>S&amp;P</b> |
|----------------|--------------|--------------------------------|----------------|
| Short Term     | F1           | P-1                            | A-1            |
| Long Term      | A+           | A2 ( <i>negative outlook</i> ) | A              |

(\*) As of June 15, 2009, Moody's lowered the long-term rating for Banco de Sabadell SA to A2, from Aa3 previously.

BANCO DE SABADELL SA acts as (i) the Depository of the Caixa Manresa Deposit, (ii) the Depository of the Individualized Accounts, (iii) the Depository of the Cash Advance Deposit, (iv) Paying Agent, and (v) the entity carrying the Cash Account.

## **6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

The Fund Manager manages and legally represents the Fund in the terms of Act 19/1992, of RD 926/1998 and other applicable provisions, as well as in the terms of the Deed of Establishment.

### **6.1 ESTABLISHMENT AND REGISTRATION AT THE MERCANTILE REGISTRY**

The Fund Manager is a single-stockholder Spanish limited company whose taxpayer number is A-61604955. It was established in a deed executed before Mr. Jose Marqueño de Llano, Notary Public of Barcelona, on February 27, 1998, as instrument N° 646 of his Official Roll.

The Fund Manager has been established for an indefinite period of time, barring any circumstances that may call for dissolving the company according to law or to its Articles of Association.

## **6.2 AUDITING**

The annual accounts of the Fund Manager, Gestión de Activos Titulizados SGFT, SA, for the business periods that ended on December 31, 2008, 2007 and 2006 have been audited by Deloitte SL.

The audit reports on the annual accounts for the 2008, 2007 and 2006 years have been issued without qualifications.

## **6.3 MAIN BUSINESS**

As required by law, the sole corporate objects of the Fund Manager are to arrange, manage and act as legal representative of asset securitization funds as well as of mortgage securitization funds, according to the provisions of RD 926/1998, on asset securitization funds and asset securitization fund managers.

As of April 30, 2009, the balances of the funds managed by Gestion de Activos Titlulizados, SGFT, SA were the following (figures in euros):



| <b>Fund</b>                      | <b>Established</b> | <b>Initial amount<br/>€</b> | <b>Amount managed at<br/>12/31/2006<br/>€</b> | <b>Amount managed at<br/>12/31/2007<br/>€</b> | <b>Amount managed at<br/>12/31/2008<br/>€</b> | <b>Amount managed<br/>at 04/30/2009<br/>€</b> |
|----------------------------------|--------------------|-----------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>HIPOCAT 3</b>                 | July 16, 1999      | 442,000,000.00              | 87,535,048.93                                 | 71,003,088.29                                 | 57,208,605.29                                 | 53,604,826.06                                 |
| <b>HIPOCAT 4</b>                 | July 18, 2001      | 300,000,000.00              | 111,413,455.23                                | 97,868,856.22                                 | 87,690,953.95                                 | 84,540,553.27                                 |
| <b>HIPOCAT 5</b>                 | Oct. 30, 2002      | 696,000,000.00              | 268,441,473.06                                | 235,482,921.68                                | 212,395,985.98                                | 206,319,144.76                                |
| <b>HIPOCAT 6</b>                 | Sept. 17, 2003     | 850,000,000.00              | 394,631,074.27                                | 341,385,755.82                                | 311,311,760.93                                | 301,536,203.90                                |
| <b>HIPOCAT 7</b>                 | June 8, 2004       | 1,400,000,000.00            | 812,220,335.32                                | 700,163,998.08                                | 636,447,129.28                                | 613,096,394.79                                |
| <b>HIPOCAT 8</b>                 | May 6, 2005        | 1,500,000,000.00            | 1,094,195,431.69                              | 940,621,207.37                                | 847,525,863.59                                | 806,876,493.72                                |
| <b>HIPOCAT 9</b>                 | Nov. 25, 2005      | 1,016,000,000.00            | 847,361,614.76                                | 740,049,700.82                                | 669,230,233.50                                | 627,702,285.33                                |
| <b>GAT<br/>FTGENCAT<br/>2005</b> | Dec. 12, 2005      | 700,000,000.00              | 508,457,439.72                                | 368,366,426.32                                | 91,563,377.46                                 | 222,981,619.03                                |
| <b>HIPOCAT<br/>10</b>            | July 5, 2006       | 1,525,500,000.00            | 1,412,200,106.83                              | 1,264,884,165.76                              | 1,135,883,948.43                              | 1,031,758,404.82                              |
| <b>GAT<br/>FTGENCAT<br/>2006</b> | Sept. 29, 2006     | 449,500,000.00              | 415,435,111.44                                | 368,366,426.32                                | 242,316,447.86                                | 212,451,040.38                                |
| <b>HIPOCAT<br/>11</b>            | Mch. 9, 2007       | 1,628,000,000.00            | -                                             | 1,505,920,476.59                              | 1,351,927,237.40                              | 1,176,118,160.13                              |
| <b>GAT<br/>FTGENCAT<br/>2007</b> | Nov. 30, 2007      | 643,800,000.00              | -                                             | 614,285,495.81                                | 326,298,433.82                                | 451,552,945.02                                |
| <b>HIPOCAT<br/>12</b>            | Dec. 14, 2007      | 1,628,000,000.00            | -                                             | 1,595,183,898.23                              | 1,437,044,073.64                              | 1,218,413,002.46                              |
| <b>FINANCAT<br/>1</b>            | Mch. 20, 2008      | 909,000,000.00              | -                                             | -                                             | 927,557,278.19                                | 804,348,603.77                                |

| <b>Fund</b>                      | <b>Established</b> | <b>Initial amount<br/>€</b> | <b>Amount managed at<br/>12/31/2006<br/>€</b> | <b>Amount managed at<br/>12/31/2007<br/>€</b> | <b>Amount managed at<br/>12/31/2008<br/>€</b> | <b>Amount managed<br/>at 04/30/2009<br/>€</b> |
|----------------------------------|--------------------|-----------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>HIPOCAT<br/>14</b>            | Mch. 19, 2008      | 1,032,000,000.00            | -                                             | -                                             | 771,857,936.55                                | 702,342,693.77                                |
| <b>HIPOCAT<br/>15</b>            | May 14, 2008       | 1,200,000,000.00            | -                                             | -                                             | 1,151,941,746.80                              | 1,103,555,724.60                              |
| <b>HIPOCAT<br/>16</b>            | June 20, 2008      | 1,000,000,000.00            | -                                             | -                                             | 942,204,472.84                                | 902,971,554.48                                |
| <b>GAT<br/>FTGENCAT<br/>2008</b> | Aug. 5, 2008       | 810,000,000.00              | -                                             | -                                             | 373,691,242.51                                | 697,634,925.60                                |
| <b>PYMECAT<br/>2</b>             | Oct. 8, 2008       | 500,000,000.00              | -                                             | -                                             | 484,647,651.98                                | 449,773,527.27                                |
| <b>MBSCAT 1</b>                  | Nov. 26, 2008      | 1,050,000,000.00            | -                                             | -                                             | 1,039,283,947.25                              | 976,017,509.87                                |
| <b>HIPOCAT<br/>17</b>            | Dec. 17, 2008      | 1,100,000,000.00            | -                                             | -                                             | 1,098,088,270.44                              | 1,046,150,924.88                              |
| <b>HIPOCAT<br/>18</b>            | Mch. 27, 2009      | 800,000,000.00              | -                                             | -                                             | -                                             | 793,796,442.74                                |
| <b>Total</b>                     |                    |                             | <b>5,951,891,091.25</b>                       | <b>8,843,582,417.31</b>                       | <b>14,196,116,597.69</b>                      | <b>14,483,542,980.65</b>                      |

The total balance of the funds managed by the Fund Manager at April 30, 2009, is fourteen billion, four hundred and eighty three million five hundred and forty two thousand nine hundred an eighty euros and sixty five cents (14,483,542,980.65 euros).

#### **6.4 STOCK CAPITAL AND EQUITY ACCOUNT**

The stock capital of the Fund Manager at the time of establishment of the Fund is nine hundred and one thousand six hundred and fifty (901,650.00 euros) divided into fifteen thousand (15,000) registered shares of stock having a nominal value of 60.11 euros each. The equity of the Fund Manager is as follows:

| <b>Figures in euros</b> | <b>12/31/2006</b> | <b>12/31/2007</b> | <b>12/31/2008</b> |
|-------------------------|-------------------|-------------------|-------------------|
| Capital                 | 901,650.00        | 901,650.00        | 901,650.00        |
| Reserves                | 361,129.50        | 361,464.93        | 361,512.00        |
| Earnings                | 1,998,977.58      | 2,343,096.69      | 2,482,628.44      |
| Own Funds               | 1,954,270.48      | 1,263,114.93      | 1,263,162.00      |

#### **Classes of Shares of Stock**

All shares of stock issued by the Fund Manager up to the date of publication of this Registration Document are ordinary registered shares of a single class and series, and carry the same political and financial rights.

#### **6.5 INTERESTS IN OTHER COMPANIES**

The Fund Manager does not own stockholdings in other companies.

#### **6.6 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

According to its Articles of Association, the governing bodies of the Fund Manager are the Stockholders' Meeting and the Board of Directors. Their powers and responsibilities are those pertaining to such bodies according to the provisions of the Spanish Limited Companies Act and of Act N° 19/1992 concerning corporate objects.

The Board of Directors is made up of the following persons, all of whom have an office at Fontanella 5-7, Barcelona:

|                                    |                                                                                                                  |
|------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Chairman:</b>                   | Mr. Lluís Gasull Moros                                                                                           |
| <b>Managing Director</b>           | Mr. Lluís Gasull Moros                                                                                           |
| <b>Members:</b>                    | Mr. Jaime Sambola Pijuan<br>Mr. Matias Torrellas Jovani<br>Mr. Ignacio Martin Morales<br>Mr. Ricard Climent Meca |
| <b>Secretary (not a director):</b> | Ms. Cristina Puig Carrasco                                                                                       |
| <b>General Manager:</b>            | Mr. Carles Fruns Moncunill                                                                                       |

#### **6.7 PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE FUND MANAGER BY THE PERSONS MENTIONED IN POINT 6.6 ABOVE, WHERE SUCH ACTIVITIES ARE MATERIAL TO THE FUND**

The individuals who hold positions as directors of the Fund Manager perform the following activities material to the fund outside the Fund Manager:

Mr. Lluís Gasull Moros. Manager - Finance Area, Caixa Catalunya.

Mr. Jaime Sambola Pijuan. Manager - Litigation Dept., Caixa Catalunya.

Mr. Ricard Climent Meca - Manager - Risks Area, Caixa Catalunya.

The directors of the Fund Manager do not directly or indirectly own or hold by proxy any convertible debentures or shares.

#### **6.8 LENDERS ACCOUNTING FOR MORE THAN 10 PERCENT (10%) OF BORROWINGS BY THE FUND MANAGER**

There are no persons or entities acting as lenders of more than ten percent (10%) of borrowings by the Fund Manager.

#### **6.9 LITIGATION BY THE MANAGEMENT COMPANY**

As of the date of registering this Registration Document, there are no lawsuits or disputes that may materially affect the financial or economic situation of the Fund Manager or, in the future, its ability to perform the duties of managing and administering the Fund foreseen in this Registration Document. Nor is the Fund Manager undergoing any type of bankruptcy proceedings.

#### **6.10 MAIN DEALINGS WITH RELATED PARTIES AND CONFLICTS OF INTEREST**

There are no transactions with related parties or conflicts of interest, although Caixa

Catalunya (i) has acted as originator in the funds managed by the Fund Manager and (ii) is the single stockholder of the Fund Manager; and the Originators are stockholders of the CECA.

## **7. MAJOR STOCKHOLDERS**

### **7.1 STATEMENT ON DIRECT OR INDIRECT OWNERSHIP OR CONTROL OF THE FUND MANAGER**

For the purposes of Section 42 of the Spanish Commercial Code, the Fund Manager forms part of the Caixa Catalunya Group.

All of the shares of stock in the Fund Manager are owned by Caixa Catalunya. Therefore, the Company has the status of a single-stockholder corporation.

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

### **8.1 STATEMENT ON THE START-UP OF BUSINESS AND ON THE FINANCIAL STATEMENTS OF THE ISSUER PRIOR TO THE DATE OF THE REGISTRATION DOCUMENT**

As is foreseen in point 4.4.2 of this Registration Document, the Fund will start up business on the date of execution of the Deed of Establishment, so no financial statements have been drawn up by the date of this Registration Document.

### **8.2 HISTORICAL FINANCIAL INFORMATION WHEN THE ISSUER HAS STARTED UP BUSINESS AND NO FINANCIAL STATEMENTS HAVE BEEN DRAWN UP**

Not applicable.

### **8.2' HISTORICAL FINANCIAL INFORMATION FOR ISSUES OF SECURITIES HAVING A DENOMINATION PER UNIT OF 50,000 EUROS OR MORE**

Not applicable.

### **8.3 LEGAL OR ARBITRATION PROCEEDINGS**

Not applicable.

#### **8.4 MATERIAL ADVERSE CHANGE IN THE ISSUER'S FINANCIAL POSITION**

Not applicable.

#### **9. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DISCLOSURE OF INTERESTS**

##### **9.1 STATEMENT OR REPORT ATTRIBUTED TO A PERSON AS AN EXPERT**

No such statement or report is included.

##### **9.2 INFORMATION SOURCED TO A THIRD PARTY**

No such information is included.

#### **10. DOCUMENTS ON DISPLAY**

If necessary, the following documents or copies thereof may be examined during the life of this Registration Document:

- i) The Deed of Establishment of the Fund;
- ii) Notarized Certificate to the effect that the Bonds have been paid up.
- iii) Certified copies of company resolutions of the Fund Manager and the Originator;
- iv) This Prospectus;
- v) The Agreements to be executed by the Fund Manager in the name and on behalf of the Fund;
- vi) The audit report on certain characteristics and attributes of a sample of the pool of Loans selected for assigning to the Fund;
- vii) Letters from the Credit Rating Agencies reporting the provisional and final ratings assigned to each the Series of the Bond Issue;
- viii) The Collaboration Agreement between the ICO and the Fund Manager and the Guarantee Commitment and Collaboration Agreement between the ICO and the Originators;

- ix) The ICO Guarantee;
- x) The annual accounts of the Fund Manager and the relevant audit reports; and
- xi) The Deed of Incorporation and Bye-laws of the Fund Manager

The actual documents mentioned in points (i) through (xi) may be examined at the address of the Fund Manager, Fontanella 5-7 - 08010 Barcelona (Spain) and at the CNMV (except, in the case of the latter, for those mentioned in point (v)).

Besides, the Prospectus may be consulted on the website of the Fund Manager ([www.gat-sgft.info](http://www.gat-sgft.info)) as well as on the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)) and on that of the AIAF Market ([www.aiaf.es](http://www.aiaf.es)), at the office of Iberclear, Plaza de la Lealtad No. 1, Madrid, and at the Lead Manager and Originator entities.

The actual Deed of Establishment may be examined at Iberclear in Madrid, Plaza de la Lealtad No. 1, 28014 Madrid.

**SECURITIES NOTE**  
**(Annex XIII of Commission Regulation (EC) No. 809/2004)**  
**)**

**1. PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECURITIES NOTE**

Mr. Carles Fruns Moncunill, of full age, General Manager, acting for and on behalf of the Fund Manager GESTION DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION SA. He has been duly authorized for the purpose by the Board of Directors at a meeting of the Board of October 3, 2008. The Fund Manager has a registered office at Fontanella 5-7, 08010 Barcelona, and its Taxpayer Number is A-61,604,955. Mr. Fruns Moncunill takes responsibility for the contents of this Securities Note and its Additional Building Block.

**1.1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE CONTENTS OF THE SECURITIES NOTE**

Mr. Carles Fruns Moncunill, having taken reasonable care to ensure that such is the case, declares that the information contained in this Securities Note and its Additional Building Blocks, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its import.

**2. RISK FACTORS**

The risk factors relating to both the securities and the underlying assets of this Bond Issue are described in points II and III of the previous section, on Risk Factors, of this Prospectus.

**3. KEY INFORMATION**

**3.1. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

The juristic persons involved in the issue and their direct or indirect interests or their control over one another are detailed in point 5.2 of the Registration Document. The interests of said persons as parties involved in the Bond Issue offering are as follows:

- a. GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A., is the Manager of the Fund and has designed as well as structured the operation along with Calyon, Sucursal en España.



- b. CAIXA D'ESTALVIS DE CATALUNYA acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Catalunya, (iii) one of the entities providing the Liquidity Facility, (iv) a depositor of the Cash Advance Deposit, (v) the Servicer of the Loans assigned by Caixa Catalunya relating to the Bonds of the AG, B (CA), C (CA) and D (CA) series, (vi) one of the parties to the Financial Mediation Agreement, (vii) an Underwriter, and (viii) a Lead Manager.
- c. CAIXA D'ESTALVIS DE MANRESA acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Manresa, (iii) one of the entities providing the Liquidity Facility, (iv) a depositor of the Cash Advance Deposit, (v) the Servicer of the Loans assigned by Caixa Manresa relating to the Bonds of the AG, B (CM), C (CM) and D (CM) series, (vi) the depositor of the Caixa Manresa Deposit, (vii) a party to the Financial Mediation Agreement, (viii) an Underwriter, and (ix) a Lead Manager.
- d. CAIXA D'ESTALVIS DEL PENEDE'S acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Penedes, (iii) one of the entities providing the Liquidity Facility, (iv) a depositor of the Cash Advance Deposit, (v) the Servicer of the Loans assigned by Caixa Penedes relating to the Bonds of the AG, B (CP), C (CP) and D (CP) series, (vi) one of the parties to the Financial Mediation Agreement, (vii) a depositor of the Cash Advance Deposit, (viii) an Underwriter, and (ix) a Lead Manager.
- e. CAIXA D'ESTALVIS DE TERRASSA acts as (i) one of the Originators of the Loans being pooled in the Fund, (ii) the depositor in the Individualized Account of Caixa Terrasa, (iii) one of the entities providing the Liquidity Facility, (iv) a depositor of the Cash Advance Deposit, (v) the Servicer of the Loans assigned by Caixa Terrasa relating to the Bonds of the AG, B (CT), C (CT) and D (CT) series, (vi) one of the parties to the Financial Mediation Agreement, (vii) an Underwriter, and (viii) a Lead Manager.
- f. BANCO DE SABADELL, S.A. acts as (i) the Depository of the Caixa Manresa Deposit, (ii) the Depository of the Individualized Accounts, (iii) the Depository of the Cash Advance Deposit, (iv) Paying Agent, and (v) the entity carrying the Cash Account.
- g. CUATRECASAS, GONÇALVES PEREIRA, acts as legal counsel for the Bond Issue.
- h. CALYON, Sucursal en España, acts as a Lead Manager, and, jointly with the Fund Manager, as designer as well as arranger of the operation.

- i. DELOITTE, S.L., acts as the auditor of the assets of the Fund.
- j. FITCH y MOODY'S, act as Credit Rating Agencies.
- k. ICO, acts as guarantor of the AG Series.
- l. CONFEDERACIÓN ESPAÑOLA DE CAJAS DE AHORRO (CECA) acts as the counterparty to the Interest Rate Swap Contracts.

The Fund Manager is not aware of any other material financial interests or links, except for those mentioned in point 5.2 of the Registration Document, between the above-mentioned entities taking part in the Bond Issue.

#### **4. INFORMATION ON THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING**

##### **4.1 TOTAL AMOUNT**

The Total Amount of the Issue of securitization Bonds is three hundred and sixty nine million five hundred thousand (369,500,000) euros, divided into three thousand six hundred and ninety five (3,965) bonds having a nominal value of one hundred thousand (100,000) euros each. The Bonds are to be issued in thirteen (13) series, as follows:

- **AG Series**, secured with the ICO Guarantee, three thousand three hundred and sixteen (3,316) Bonds, for a total of three hundred and thirty one million six hundred thousand (331,600,000) euros.
- **Class B**, comprising four Series of the Bonds:
  - o **B (CA) Series:** ninety eight (98) Bonds, for a total of nine million eight hundred thousand (9,800,000) euros.
  - o **B (CM) Series:** thirty three (33) Bonds, for a total of three million three hundred thousand (3,300,000) euros.
  - o **B (CP) Series:** twenty seven (27) Bonds, for a total of two million seven hundred thousand (2,700,000) euros.
  - o **B (CT) Series:** twenty (20) Bonds, for a total of two million (2,000,000) euros.
- **Class C**, comprising four Series of the Bonds:
  - o **C (CA) Series:** thirty two (32) Bonds, for a total of three million two hundred

thousand (3,200,000) euros.

- o **C (CM) Series:** twenty three (23) Bonds, for a total of two million three hundred thousand (2,300,000) euros.
  - o **C (CP) Series:** fifteen (15) Bonds, for a total of one million five hundred thousand (1,500,000) euros.
  - o **C (CT) Series:** fifteen (15) Bonds, for a total of one million five hundred thousand (1,500,000) euros.
- **Class D**, comprising four Series of the Bonds:
    - o **D (CA) Series:** sixty one (61) Bonds, for a total of six million one hundred thousand (6,100,000) euros.
    - o **D (CM) Series:** twenty five (25) Bonds, for a total of two million five hundred thousand (2,500,000) euros.
    - o **D (CP) Series:** sixteen (16) Bonds, for a total of one million six hundred thousand (1,600,000) euros.
    - o **D (CT) Series:** fourteen (14) Bonds, for a total of one million four hundred thousand (1,400,000) euros.

To hold or subscribe for Bonds of one of the Series a Bondholder need not hold or subscribe for Bonds of the other Series.

The Bonds will be issued under the provisions of RD 926/1998, and fit the legal description of homogenous and standardized fixed-interest securities, consequently being eligible to be traded on organized securities markets.

#### **Subscribing for Bonds of the AG, B, C and D classes**

By virtue of the Bond Issue Management and Underwriting Agreement, the Underwriters must subscribe, on the Subscription Date, for all the Bonds of the AG, B (CA), B (CM), B (CP), B (CT), C (CA), C (CM), C (CP), C (CT) and D (CA), D (CM), D (CP), D (CT) Series.

The breakdown of the Bonds of each Series to be subscribed for by each Underwriter is as follows:

(i) **Caixa Catalunya**

| Series | Number of Bonds | Amount      |
|--------|-----------------|-------------|
| AG     | 1,832           | 183,200,000 |
| B (CA) | 98              | 9,800,000   |
| C (CA) | 32              | 3,200,000   |

|              |              |                    |
|--------------|--------------|--------------------|
| D (CA)       | 61           | 6,100,000          |
| <b>Total</b> | <b>2,023</b> | <b>202,300,000</b> |

**(ii) Caixa Manresa**

| <b>Series</b> | <b>Number of Bonds</b> | <b>Amount</b>     |
|---------------|------------------------|-------------------|
| AG            | 606                    | 60,600,000        |
| B (CM)        | 33                     | 3,300,000         |
| C (CM)        | 23                     | 2,300,000         |
| D (CM)        | 25                     | 2,500,000         |
| <b>Total</b>  | <b>687</b>             | <b>68,700,000</b> |

**(iii) Caixa Penedes**

| <b>Series</b> | <b>Number of Bonds</b> | <b>Amount</b>     |
|---------------|------------------------|-------------------|
| AG            | 505                    | 50,500,000        |
| B (CP)        | 27                     | 2,700,000         |
| C (CP)        | 15                     | 1,500,000         |
| D (CP)        | 16                     | 1,600,000         |
| <b>Total</b>  | <b>563</b>             | <b>56,300,000</b> |

**(iv) Caixa Terrassa**

| <b>Series</b> | <b>Number of Bonds</b> | <b>Amount</b>     |
|---------------|------------------------|-------------------|
| AG            | 373                    | 37,300,000        |
| B (CT)        | 20                     | 2,000,000         |
| C (CT)        | 15                     | 1,500,000         |
| D (CT)        | 14                     | 1,400,000         |
| <b>Total</b>  | <b>422</b>             | <b>42,200,000</b> |

The Underwriters will not be paid for undertaking to subscribe for the Bonds of the AG, B (CA), B (CM), B (CP), B (CT), C (CA), C (CM), C (CP), C (CT) and D (CA), D (CM), D (CP), D (CT) Series.

A failure by the Credit Rating Agencies to affirm ahead of the Subscription Date the provisional ratings issued for the Bonds would provide grounds for termination of the Bond Issue Management and Underwriting Agreement, as well as of the establishment of the Fund. It would also provide grounds for termination of the Bond Issue and of the assignment of the Mortgage Participations, as well as of the rest of the Fund Agreements.

## **4.2 DESCRIPTION OF THE TYPE AND CLASS OF SECURITIES**

The legal nature of the Bonds is that of negotiable fixed-interest securities with an explicit yield, which are subject to the rules foreseen in the Securities Market Act and developing provisions.

#### **4.3 LEGISLATION UNDER WHICH THE SECURITIES ARE CREATED**

GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA is established under the provisions of the ICO Agreements. The Fund is subject to the laws of Spain, specifically to (i) Act 19/1992 and developing provisions, (ii) RD 1310/2005, and to (iii) the Securities Market Act 24/1988, as currently worded, with regard to its supervision, inspection and disciplinary matters. It is also subject to (iv) Order EHA/3537/2005, of November 10, 2005, developing the provisions of Section 27.4 of Act 24/1988, (v) Regulation (EC) No. 809/2004, (vi) the 2008 ICO-FTVPO Guarantee Line, and (vii) the rest of the statutory and regulatory provisions in force that are applicable from time to time.

This Securities Note has been drawn up substantially according to the models foreseen in Regulation 809/2004,.

#### **4.4 INDICATION OF WHETHER THE SECURITIES ARE REGISTERED OR BEARER SECURITIES AND WHETHER THEY ARE IN CERTIFICATED OR BOOK-ENTRY FORM**

The Bonds will be in book-entry form, according to the provisions of Section 5.9 of Act 19/1992, and will become Bonds by virtue of being entered in the relevant accounting record. The Deed of Establishment will have the effects foreseen in Section 6 of the Securities Market Act 24/1988.

Bondholders will be identified as holders of the Bonds (for their own account or for the account of third parties) according to what is recorded in the accounting records carried by Iberclear. The latter will be appointed in the Deed of Establishment as the entity in charge of carrying the accounting records in which the Bonds are registered. Therefore, the settlement and liquidation of the Bonds is to be carried out in accordance with the rules currently in force, or which may be approved by Iberclear in the future, for dematerialized securities admitted to trading on the AIAF Fixed-interest Securities Market.

#### **4.5 CURRENCY OF THE BOND ISSUE**

The Bonds will be denominated in euros.

#### **4.6 RANKING OF THE SECURITIES IN TERMS OF SUBORDINATION**

#### **4.6.1. Summary reference to the rank of interest payments on the Bonds in the order of precedence of payments of the Fund**

Payment of interest accruing on Bonds of the AG Series ranks in the (third) (3rd) and (fourth) (4th) places in the Individual Order of Precedence of Payments of each Originator to be made out of the Available Funds as foreseen in point 3.4.6 of the Additional Building Block. It also ranks in the (third) (3rd) and (fourth) (4th) places in the Order of Precedence of Liquidation Payments for the Individual Fund of each Originator to be made out of the Funds Available for Liquidation as foreseen in the same point 3.4.6 of the Additional Building Block.

Payment of interest accruing on Bonds of the B (CA), B (CM), B(CP) and B(CT) Series ranks in the (sixth) (6th) place in the Individual Order of Precedence of Payments of each Originator to be made out of the Available Funds as foreseen in point 3.4.6 of the Additional Building Block. That is except in the situation foreseen in the same point that calls for postponing such payments, in which case they will rank in the (ninth) (9th) place. Such interest payments also rank in the (seventh) (7th) place in the Order of Precedence of Liquidation Payments for the Individual Fund of each Originator to be made out of the Funds Available for Liquidation as per the same point 3.4.6 of the Additional Building Block.

Payment of interest accruing on Bonds of the C(CA), C(CM), C(CP) and C(CT) Series ranks in the (seventh) (7th) place in the Individual Order of Precedence of Payments of each Originator to be made out of the Available Funds as foreseen in point 3.4.6 of the Additional Building Block. That is except in the situation foreseen in the same point that calls for postponing such payments, in which case they will rank in the (tenth) (10th) place. Such interest payments also lack in the (ninth) (9th) place in the Order of Precedence of Liquidation Payments for the Individual Fund of each Originator to be made out of the Funds Available for Liquidation as per the same point 3.4.6 of the Additional Building Block.

Payment of interest accruing on Bonds of the D(CA), D(CM), D(CP) and D(CT) Series ranks in the (fourteenth) (14th) place in the Individual Order of Precedence of Payments of each Originator to be made out of the Available Funds as foreseen in point 3.4.6 of the Additional Building Block. It also ranks in the (thirteenth) (13th) place in the Order of Precedence of Liquidation Payments for the Individual Fund of each Originator to be made out of the Funds Available for Liquidation as per the same point 3.4.6 of the Additional Building Block.

#### **4.6.2 Summary reference to the rank of payments of the principal of the Bonds in the Order of Precedence of Payments of the Fund**

The retention of the Funds Available for Repaying the Principal of Bonds of the AG, B and C Series ranks in the (eighth) (8th) place in the Individual Order of Precedence of Payments of each Originator foreseen in point 3.4.6 of the Additional Building Block.

Repayments of the principal of Bonds of the AG Series rank in the fifth (5th) place in the Individual Order of Precedence of Liquidation Payments for each Originator to be made out of the Funds Available for Liquidation as per point 3.4.6 of the Additional Building Block.

Repayments of the principal of Bonds of the B(CA), B(CM), B(CP) and B(CT) Series rank in the eighth (8th) place in the Individual Order of Precedence of Liquidation Payments for each Originator to be made out of the Funds Available for Liquidation as per point 3.4.6 of the Additional Building Block

Repayments of the principal of Bonds of the C(CA), C(CM), C(CP) and C(CT) Series rank in the tenth (10th) place in the Individual Order of Precedence of Liquidation Payments for each Originator to be made out of the Funds Available for Liquidation as per point 3.4.6 of the Additional Building Block.

Repayments of the principal of Bonds of the D(CA), D(CM), D(CP) and D(CT) Series rank in the fifteenth (15th) place in the Individual Order of Precedence of Payments of each Originator as per point 3.4.6 of the Additional Building Block. They also rank in the (fourteenth) (14th) place in the Individual Order of Precedence of Liquidation Payments for each Originator to be made out of the Funds Available for Liquidation as per the same point of the Additional Building Block.

### **4.7 DESCRIPTION OF THE RIGHTS ATTACHING TO THE SECURITIES**

#### **4.7.1 General**

Under the legislation currently in force, the Bonds to which this Securities Note refers do not give the investors who acquire them any present and/or future political rights over the Fund or the Fund Manager.

The economic and financial rights that investors have as a result of acquiring and holding the Bonds are those arising from the interest rate, return and redemption price terms under which the Bonds are issued, reflected in points 4.8 and 4.9 below.

In the event of non-payment of any sum due to Bondholders, these only have recourse against the Fund Manager if it fails to perform its duties according to the Deed of Establishment and to this Prospectus. The Fund Manager is the only party authorized to represent the Fund before third parties in any legal proceedings, according to the applicable legislation.

The duties of the Originators and the rest of the entities taking part in the operation in one way or another are restricted to those foreseen in the relevant agreements concerning the Fund; of those duties, the ones that are relevant to investors are described in this Prospectus and in the Deed of Establishment.

Any question, dispute or litigation that arises in connection with the Fund or the Bonds to be issued against the Fund during the life of the Fund or on this being liquidated, either among Bondholders or between these and the Fund Manager, must be brought before the Courts and Magistrates of Spain. The parties waive the jurisdiction of any other Courts to which they may be entitled to resort.

#### **4.8 NOMINAL INTEREST RATE AND PROVISIONS RELATING TO INTEREST PAYMENTS**

##### **4.8.1 Dates when interest begins to accrue and when interest falls due for payment**

###### **4.8.1.1. Nominal Interest**

Interest will accrue and be paid quarterly on all the Bonds as from the Disbursement Date until they totally mature. It will accrue at a variable nominal annual rate to be calculated as described below. The interest will be paid on a quarterly due basis on each Payment Date on the Outstanding Principal Balance of the Bonds of each Series on the Determination Date immediately preceding that Payment date.

Interest payments on the Bonds will be made, relative to the rest of payments out of the Fund, in the Individual Order of Precedence of Payments of each Originator or the Individual Order of Precedence of Liquidation Payments for each Originator described in point 3.4.6 of the Additional Building Block. For the purposes of the accrual of interest on all the Series, the Bond Issue is deemed to be divided into Interest Accrual Periods whose duration is the length of time between one Payment Date and another (including the first Payment Date and excluding the last one). The first Interest Accrual Period will begin on -and include- the Disbursement Date and will end on (without including) the first Payment Date, i.e. September 21, 2009.



#### **4.8.1.2. Nominal Interest Rate**

During each Interest Accrual Period, interest will accrue on each Series of the Bonds at a nominal annual rate of interest which will be the result of adding together: (i) the Reference Interest Rate, to be determined as described below, which is common to all the Series of the Bonds and is to be rounded off to one thousandth of the nearest whole number (if it is equally near the next higher and lower whole numbers, it will be rounded off to the next higher whole number), and (ii) the applicable mark-up mentioned below for each Series of the Bonds:

AG Series: + 0.50%  
B (CA) Series: + 0.80%  
B (CM) Series: + 0.80%  
B (CP) Series: + 0.80%  
B (CT) Series: + 0.80%  
C (CA) Series: + 2.00%  
C (CM) Series: + 2.00%  
C (CP) Series: + 2.00%  
C (CT) Series: + 2.00%  
D (CA) Series: + 5.00%  
D (CM) Series: + 5.00%  
D (CP) Series: + 5.00%  
D (CT) Series: + 5.00%

#### **4.8.1.3. Reference Interest Rate**

The Reference Interest Rate to be used in fixing the interest rate on the Bonds of all Series is the three-month (3-month) EURIBOR rate, or, if necessary, its substitute rate. The Nominal Interest Rate will accrue over the actual number of days of the relevant Interest Accrual Period, and will be calculated on the basis of a year of three hundred and sixty (360) days.

As an exception, the Nominal Interest Rate for the Bonds of each Series in the first Interest Accrual Period is the rate that results from a lineal interpolation of the 2-month Euribor rate and the 3-month Euribor rate fixed at 11 a.m. (CET) two (2) Working Days before the Disbursement Date.

#### **4.8.1.4. Fixing the Reference Interest Rate for the Bonds**

The applicable EURIBOR rate is to be fixed according to the rules in this point.

On each Reference Interest Rate Fixing Date, the Fund Manager will determine the Reference Interest Rate, which will be equal to EURIBOR, this being:

- (i) The three-month (3-month) EURIBOR rate at 11 a.m. CET time on the Fixing Date currently published on the electronic pages EURIBOR01 of REUTERS MONITOR MONEY RATES and 248 of Dow Jones Markets (Bridge Telerate), or on such other pages as may replace them on these services.
- (ii) In the absence of the rates specified in paragraph (i) above, the substitute Reference Interest Rate is the simple arithmetic mean rate resulting from the offered rates for three-month (3-month) non-transferable inter-bank deposits in euros for an amount equal to the Outstanding Principal Balance of the Bonds, quoted on the Fixing Date by the entities mentioned below just after 11 a.m. CET time, upon said interest rate quotes being simultaneously requested from these entities:
  - (i) Banco Santander Central Hispano;
  - (ii) Banco Bilbao Vizcaya Argentaria SA (BBVA);
  - (iii) Deutsche Bank SAE; and
  - (iv) Confederación Española de Cajas de Ahorros (CECA).

If any of the above-mentioned entities fails to report its quotation, the applicable rate is that which results from applying the simple arithmetic mean of the rates reported by at least two of the remaining entities.

- (iii) In the absence of the rates required according to paragraphs (i) and (ii), the applicable interest rate is the Reference Interest Rate for the immediately preceding Accrual Period, for as long as that continues to be the case.

The Fund Manager will keep the lists displayed on the REUTERS or TELERATE monitors, or the quotations reported by the entities mentioned in paragraph (ii) above, as the case may be, as supporting documents concerning the EURIBOR rate thus determined.

Notwithstanding that, the Reference Interest Rate for the first Interest Accrual Period, i.e. the period from the Disbursement Date to the first Payment Date, is that which results from a lineal interpolation of the two-month (2-month)

EURIBOR rate and the three-month (3-month) EURIBOR rate, taking into account the number of days of the first Interest Accrual Period. The Reference Interest Rate for the first Interest Accrual Period will be calculated using the following formula:

$$E_i = (((D - 60) / 30) \times E_3) + (1 - ((D - 60) / 30) \times E_2)$$

Being:

$E_i$  = Nominal Interest Rate for the first Interest Accrual Period.

$d$  = number of days between the Disbursement Date and the first Payment Date.

$E_2$  = two-month (2-month) EURIBOR rate

$E_3$  = three-month (3-month) EURIBOR rate

The two-month and three-month (2-month and 3-month) EURIBOR rates for the first Interest Accrual Period will be determined according to the rules in the previous paragraphs of this point.

#### **4.8.1.5. Reference Interest Rate Fixing Date and Bond Interest Rate Fixing Date**

The Reference Interest Rate Fixing Date for each Interest Accrual Period will be two (2) Working Days before the Payment Date that marks the beginning of the following Interest Accrual Period. The Reference Interest Rate for the first Interest Accrual Period will be fixed two (2) Working Days before the Disbursement Date.

Once the Reference Interest Rate for the Bonds is determined, on the same Fixing Date, the Fund Manager will calculate and determine -for each Series of the Bonds- the applicable rate of interest for the following Interest Accrual Period.

The Fund Manager is to announce the resulting interest rate through generally accepted market channels which assure adequate disclosure of the information as to its contents, and in good time.

#### **4.8.1.6. Formula for calculating interest on the Bonds**

The interest accruing on the Bonds of all Series during each Interest Accrual Period will be calculated by the Fund Manager using the following formula:

$$I = N * r * \frac{n}{360}$$

Being:

$N$  = Outstanding Principal Balance of the Bond at the beginning of the Interest Accrual Period.

$I$  = Total amount of interest accruing on the Bond in the Interest Accrual Period.  
 $r$  = The annualized rate of interest on the Bond stated as a percentage and calculated as the EURIBOR Reference Rate for the relevant Interest Accrual Period plus the specified mark-up.  
 $n$  = The number of days of the Interest Accrual Period.

If, on a Payment Date, the Available Funds do not suffice to pay the holders of the AG Series Bonds the interest due to them as foreseen in this point and according to the Individual Order of Precedence of Payments of each Originator or to the Individual Order of Precedence of Liquidation Payments for each Originator described in point 3.4.6 of the Additional Building Block, as the case may be, the Fund Manager, without prejudice to the clearing mechanism for the Originators described in point 3.4.6.3.e of the Additional Building Block, as beneficiary of the Guarantee, must request from the ICO, through a document to the effect that the circumstances situation described above are given and the amounts that are being claimed, that the ICO pay into the Cash Account of the Fund such sum as may be necessary for paying the interest on the Bonds of the AG Series out of the Guarantee to which point 3.4.7.2 of the Additional Building Block refers, in the terms foreseen in said point.

#### **4.8.2 Date, place, entities and procedure for paying coupons**

Interest on the Bonds of all Series will be paid on a quarterly due basis, on March 20, June 20, September 20 and December 20 of each year until total maturity of the Bonds. In case any of those days is not a Working Day, the interest for the quarter in question will be paid on the Working Day immediately following. The first Payment Date will be September 21, 2009.

Despite the mechanisms in place for protecting the rights of Bondholders, the Available Funds may not suffice to meet the interest payment obligations of the Fund on a given Payment Date according to what is specified in point 3.4.6 of the Additional Building Block. In such case, the Available Funds will be allocated according to the order of precedence foreseen in said point. In this case, if they suffice to settle only part of the liabilities that have the same rank in the order of precedence, each of them considered separately, the Available Funds will be allocated proportionately among the Bondholders concerned, pro rata of the Outstanding Principal Balance of the Bonds they hold. Any amount the Bondholders fail to be paid will be considered an amount outstanding, to be paid at the earliest possible Payment Date thereafter, without additional interest accruing on it. Any amounts outstanding with Bondholders will be paid on the following Payment Date if there are sufficient Available Funds for doing so, with these liabilities ranking immediately ahead of payments due for the period to Bondholders of the same Series. The Fund, through its

Fund Manager, may not defer paying interest or repaying the principal of Bonds beyond the Legal Date of Maturity, i.e. March 20, 2036, or the Working Day immediately following.

The Individual Order of Precedence of Payments of each Originator and the Individual Order of Precedence of Liquidation Payments of each Originator are described in point 3.4.6 of the Additional Building Block.

Any withholdings, rates and taxes in force or that may be levied in the future on the principal, interest or returns on these Bonds must be borne solely by the Bondholders, and the amount of such withholdings, rates and taxes will be deducted by the relevant entity as required by law.

Payments will be made by the Paying Agent, using Iberclear for paying out the relevant amounts.

To that effect, throughout the life of the Bonds, Working Days are all days other than:

- A holiday in Madrid;
- A holiday in Barcelona; or
- A non-working day according to the TARGET or TARGET 2 calendar.

#### **4.8.3 Calculating Agent**

The Calculating Agent is the Fund Manager.

### **4.9 DATE OF MATURITY AND REDEMPTION OF THE SECURITIES**

#### **4.9.1. Redemption Price of the Bonds**

The redemption price of the Bonds of each Series is ONE HUNDRED THOUSAND (100,000) euros per Bond, equal to their nominal value, free of expenses and taxes to the Bondholder, to be partly repaid on each Payment Date as foreseen in the following points.

Each and every one of the Bonds of a given Series will be redeemed by repaying the Bondholders a similar amount of principal for each Bond they hold.

#### **4.9.2. Maturity of the Bonds issued**

The Bonds of all the Series will finally mature on the date when they are fully redeemed or on the Legal Date of Maturity of the Fund, i.e. on March 20, 2036 or on

the Working Day immediately following. That is without prejudice to the Fund Manager redeeming the Bond Issue ahead of the Legal Date of Maturity of the Fund according to what is foreseen in point 4.4.3 of the Registration Note.

The last date for ordinary repayment of the Loans pooled in the securitized portfolio is April 27, 2033.

The principal of the Bonds will be repaid on each Payment Date, i.e. on March 20, June 20, September 20 and December 20 of each year (or, in these are not a Working Day, on the Working Day immediately following). Repayments of the principal will be made according to what is foreseen in this Prospectus and to the Individual Order of Precedence of Payments of each Originator in point 3.4.6 of the Additional Building Block. Notwithstanding that, when the Legal Date of Maturity or the Date of Liquidation of the Fund arrives, the principal of the Bonds will be repaid according to the Individual Order of Precedence of Liquidation Payments for each Originator.

#### **4.9.3. Common rules for repaying the principal of the Bonds of all Classes**

##### **Outstanding Principal Balance**

The Outstanding Principal Balance of the Bonds of a Series is the balance of principal outstanding of all the Bonds that make up that Series.

The aggregate Outstanding Principal Balance of the Bonds is the sum total of the Outstanding Principal Balance for each of the Series of the Bond Issue.

##### **Outstanding Balance of Non Defaulted Loans**

The Outstanding Balance of the Non Defaulted Loans on a given date is the sum total of the principal not yet fallen due for repayment of the Loans on that date and of the principal of the Loans other than Defaulted Loans, as these are defined below, that has fallen due but has not been paid into the Fund.

Defaulted Loans are those (a) in respect of which any payments remain overdue for a period of twelve (12) months or more, or (b) are classified as Defaulted by the Fund Manager because there are reasonable doubts that they will be fully repaid.

##### **Outstanding Balance of Non Performing Loans**

The Outstanding Balance of Non Performing Loans on a given date is the sum total of the principal not yet fallen due and the principal that has fallen due for repayment

but has not yet been paid into the Fund in respect of each of the Non Performing Loans, as these are defined below, by a given date.

Non Performing Loans are those in respect of which payments that have fallen due are more than ninety (90) days yet not more than twelve (12) months in arrears.

**Funds Available for Repayment of the Principal and Redemption Value of the Bond**

On each Payment Date, the Funds Available for Repayment of the Principal, i.e. an amount allocated to repaying the principal of the Bonds of the AG Series (pro rata of its share), the B Series (of each Originator), and the C Series (of each Originator) will be retained. The Funds Available for Repayment of the Principal will be retained out of the Available Funds, and will rank in the eighth (8th) place in the Individual Order of Precedence of Payments of each Originator. The amount to be retained will be equal to whichever is lower of the two following amounts:

- (1) The sum total of:
  - (i) The “Redemption Value of the Bonds” for each Originator, i.e., the difference (this being a positive number), on that Payment Date, between:
    - (A) the sum total of (i) the Outstanding Principal Balance of the Bonds of the AG Series (pro rata of its share), of the B (CA), B (CM), B (CP), B (CT) as well as of the C (CA), C (CM), C (CP) and C (CT) Series, before the repayment to be made on that Payment Date; and (ii) any amounts drawn against the Guarantee and not yet refunded that have been used for repaying the principal of the Bonds of the AG Series on previous Payment Dates.
    - (B) the Outstanding Balance of Non Defaulted Loans on the Determination Date prior to the current Payment Date; and
  - (ii) The debit position of the Originator in respect of repayment of the principal of the AG Series according to the clearing mechanism between the Originators for complying with the obligations of repaying the principal of the AG Series Bonds.
- (2) The Available Funds as of that Payment Date, i.e. (i) the amounts held in the Cash Account for allocating to meeting payments due and Withholding Tax liabilities, as well as, if in order (ii) the proceeds of liquidation of the Fund assets; net of any amounts due according to points (i) through (vii) of the Individual Order of Precedence of Payments of each Originator, mentioned in point 3.4.6 of the

Additional Building Block.

The Repayment Shortfall on a Payment Date is the difference, if any (this being a positive number), between:

- (i) The Redemption Value of the Bonds; and
- (ii) The Funds Available for Repayment of the Principal.

#### **4.9.4. Allocation of the Funds Available for Repayment of the Principal**

The Funds Available for Repayment of the Principal will be applied in order on each Payment Date as follows: in the first place, up to the limit of the Redemption Value of the Bonds, to repaying the principal of the Bonds of the AG Series (pro rata of its share) until these are fully repaid and redeemed; in the second place, to the clearing mechanism between the Originators for complying with their obligations of repaying the principal of the Bonds of the AG Series; in the third place, to repaying the principal of the Bonds of the B Series until these are fully repaid and redeemed; in the fourth place, to repaying the principal of the Bonds of the C Series until these are fully repaid and redeemed. All of which is to be done in accordance with the Individual Order of Precedence of Payments of each Originator.

The Funds Available for Repayment of the Principal will be allocated on a pro rata basis among the Bonds of the given Series, according to what is foreseen in the previous paragraph.

The first Payment Date is September 21, 2009.

#### **- Repayment of the Principal of the Bonds of the AG Series**

Repayment of the Bonds of the AG Series is subject to the pace of partial repayment of the Mortgage Participations pooled in the portfolio, with such repayments to be transferred quarterly on each Payment Date and to be made on a pro rata basis among the Bonds of the AG Series, by reducing the nominal amount until this is fully repaid. The first Payment Date is September 21, 2009.

Besides, the share of each Originator in the Bonds of the AG Series, solely for the purposes foreseen in the Internal Compensation Monitoring Account Management Agreement, will be determined by the repayment of the principal of the Loans assigned by the relevant Originator, and will be computed internally by the Fund Manager.



- **Repayment of the Principal of each Series of the Bonds of the B Class**

Repayment of the Bonds of each Series of the B class is subject to the pace of partial repayment of the Mortgage Participations originating in the relevant originators and pooled in the portfolio, with such repayments to be transferred quarterly on each Payment Date and to be made on a pro rata basis among the B Series Bonds, by reducing the nominal amount until this is fully repaid. Repayment of each Series of the B Bonds will begin only after the part of the AG Series Bonds relating to the relevant Originator has been repaid, irrespectively of whether or not the relevant parts of the AG Series Bonds of the rest of the Originators hav been repaid. Notwithstanding that, according to the assumptions made in point 4.10 below for calculating Fund cash flows, repayment of the principal of each of the B Series would only be effected on the Final Date of Repayment of the Principal and, therefore, the principal of the Bonds of the B Series would not be repaid jointly with that of the AG Series prior to the Final Date of Repayment of the Principal.

- **Repayment of the Principal of each Series of the Bonds of the C Class**

Repayment of the Bonds of each Series of the C class is subject to the pace of partial repayment of the Mortgage Participations originating in the relevant originators and pooled in the portfolio, with such repayments to be transferred quarterly on each Payment Date and to be made on a pro rata basis among the B Series Bonds, by reducing the nominal amount until this is fully repaid. Repayment of each Series of the C Bonds will begin only after the part of the Bonds of the AG Series and the Bonds of the B Series relating to the relevant Originator has been repaid, irrespectively of whether or not the relevant parts of the AG Series and the B Series Bonds of the rest of the Originators have been repaid. Notwithstanding that, according to the assumptions made in point 4.10 below for calculating Fund cash flows, repayment of the principal of each of the C Series would only be effected on the Final Date of Repayment of the Principal and, therefore, the principal of the Bonds of the C Series would not be repaid jointly with that of the AG Series and of the B Series Bonds prior to the Final Date of Repayment of the Principal..

- **Repayment of the Principal of each Series of the Bonds of the D Class**

The principal of the D Series Bonds will be repaid through partial repayments to be made on each of the Payment Dates, in an amount equal to the difference -if any, and this being a positive number- between the Outstanding Principal Balance for the D Series Bonds and the Minimum Required Level of the Reserve Fund on the relevant Payment Date.

On the Date of Liquidation of the Fund, the Bonds of the different Series will be

redeemed by paying out the Funds Available for Liquidation in the Individual Order of Precedence for Fund Liquidation Payments of each Originator foreseen in point 3.4.6 of the Additional Building Block.

Besides, early redemption of the Bonds may take place as a result of the Fund being liquidated and extinguished in the cases and under the terms and conditions foreseen in point 4.4.3 of the Registration Document.

#### **4.10 INDICATION OF THE RETURN ON THE BONDS**

The mean life, yield, duration and final maturity of the Bonds of each Series depend on various factors, the most significant of which are the following:

- i) The method and schedule of repayment stipulated for each of the Loans in the relevant agreements.
- ii) The capability of Borrowers to repay the Loans, either in whole or in part, ahead of schedule, and the pace of aggregate prepayments over the life of the Fund. In that respect, early repayments of Loans by Borrowers may be very sizeable, are liable to change continuously. They are estimated in this Prospectus using various assumptions as to the future behavior of the effective annual constant rate of early repayment or prepayment of the Loans, which will have a direct impact on the pace at which the Bonds are repaid, and therefore on the average life and duration of the Bonds.
- iii) The floating rates of interest on most of the Loans, as a result of which a variable amount of principal will be repaid with each installment.
- iv) Delinquency among Borrowers in paying Loan installments (principal and interest).

The assumptions made concerning the above-mentioned factors, based on the historical experience of the Originators, for calculating the figures shown in the tables of this point, are as follows:

- Interest rate on the Loans: 4.816% weighted average rate of interest at May 18, 2009, for the selected portfolio of Loans used in calculating the installments for repaying the principal and paying interest on each one of the Loans;
- Despite the rates of delinquency experienced by the Originators, reflected in point 3.5 of the Additional Building Block, the assumed rate of delinquency for the pool of Loans is 2.5% of the Outstanding Balance of Loans, in the light

of the historic information of each Originator for similar loans (this percentage has been calculated as the weighted average annual rate of delinquency on mortgage loans experienced by the various Originators according to the weight of the Loans contributed by each Originator towards the pool of Loans; the highest among such rates is 1.11% and the lowest is 0.48%, to which has been added a margin to cover a possible increase in delinquency);

- With a CAPR (Constant Annual Prepayment Rate) of 4% (0.83% in Defaulted Loans considered to be non recoverable, and 3.82% in accumulated Defaulted Loans) with a CAPR of 6% (0.64% in Defaulted Loans considered to be non recoverable, and 3.46% in accumulated Defaulted Loans) and a CAPR of 8% (0.47% in Defaulted Loans considered to be non recoverable, and 3.16% in accumulated Defaulted Loans);
- The rate of recovery of Loans more than 90 days in arrears is 75% over a 12-month period and, besides, the rate of recovery of Non Performing Loans is 50%;
- The rate of prepayment of the Loans remains constant throughout the life of the Bonds;
- The Disbursement Date of the Bonds is June 25, 2009;
- There is no Redemption Deficit; and
- None of the Loans is rescheduled to extend the term of repayment.
- The above variables and assumptions used in the tables included hereinafter are based on historic information contributed by the Originators concerning loans with similar features, i.e. loans granted by the Originators to finance the acquisition, building or rehabilitation of officially supported or protected homes. The rates of delinquency, non performing loans, recovery and prepayment are consistent with those observed by the Originators with respect to similar debt-claims to those that form part of the pool audited as of March 31, 2009.

In calculating the Internal Rate of Return (IRR), Bondholders must take into account the date of purchase and the purchase price of the Bond, the quarterly payments of interest and the repayments of principal, both those made according to the schedule of payments and prepayments. The actual adjusted duration of the Bonds and the return or yield on them also depend on their floating rate of interest.

The actual adjusted duration of the Bonds and the return or yield on them also depend on their floating rate of interest.

The floating nominal rates of interest of the Bonds of each Series are assumed to be constant, as follows:

- the rate to be used for the first Interest Accrual Period is that which results from a lineal interpolation of the 2-month Euribor rate (1.248%) and the 3-month Euribor rate (1.260%) at June 15, 2009;
- the rate for the second and subsequent Interest Accrual Periods will be that which arises from the 3-month Euribor rate applying the percentages specified in point 4.8.1.6 (0.50% for the AG Series, 0.80% for the B(CA), B(CM), B(CP) and B(CT) Series, 2.00% for the C(CA), C(CM), C(CP) and C(CT) Series, and 5.00% for the D(CA), D(CM), D(CP) and D(CT) Series). The weighted average rate of interest on the selected Loans at May 18, 2009, according to the breakdown given in point 2.2.1.o of the Additional Building Block of the Securities Note, is four point eight one six percent (4.816%), being greater than the one point eight one percent (1.811%) weighted average rate of interest of the Bonds assumed in this point.

Merely for the purpose of simplifying the tables below, no distinction is made between the B(CA), B(CM), B(CP) and B(CT) Series, referred to only as the “B Series”; between the C(CA), C(CM), C(CP) and C(CT) Series, referred only as the “C Series”; or between the D(CA), D(CM), D(CP), and D(CT) Series, referred to only as the “D Series”.

The Mean Life of the Bonds, estimated at different Prepayment Rates (PR), and based on the assumptions described above, would be as follows:

| CAPR                        | 4%            | 6%           | 8%           |
|-----------------------------|---------------|--------------|--------------|
| <b>AG Series</b>            |               |              |              |
| <i>Mean Life (years)</i>    | 5.75          | 5.24         | 4.82         |
| <i>IRR</i>                  | 1.760%        | 1.760%       | 1.760%       |
| <i>Duration (years)</i>     | 5.60          | 5.13         | 4.73         |
| <i>Final Estimated Life</i> | Sept. 20. '22 | Dec. 20. '21 | June 21, '21 |
| CAPR                        | 4%            | 6%           | 8%           |
| <b>B Series</b>             |               |              |              |
| <i>Mean Life (years)</i>    | 13.24         | 12.49        | 11.99        |
| <i>IRR</i>                  | 2.060%        | 2.060%       | 2.060%       |
| <i>Duration (years)</i>     | 11.83         | 11.23        | 10.82        |
| <i>Final Estimated Life</i> | Sept. 20. '22 | Dec. 20. '21 | June 21, '21 |

| CAPR                        | 4%            | 6%           | 8%           |
|-----------------------------|---------------|--------------|--------------|
| <b>C Series</b>             |               |              |              |
| <i>Mean Life (years)</i>    | 13.24         | 12.49        | 11.99        |
| <i>IRR</i>                  | 3.260%        | 3.260%       | 3.260%       |
| <i>Duration (years)</i>     | 11.26         | 10.70        | 10.33        |
| <i>Final Estimated Life</i> | Sept. 20, '22 | Dec. 20, '21 | June 21, '21 |
| CAPR                        | 4%            | 6%           | 8%           |
| <b>D Series</b>             |               |              |              |
| <i>Mean Life (years)</i>    | 13.24         | 12.49        | 11.99        |
| <i>IRR</i>                  | 6.260%        | 6.260%       | 6.260%       |
| <i>Duration (years)</i>     | 10.27         | 9.79         | 9.46         |
| <i>Final Estimated Life</i> | Sept. 20, '22 | Dec. 20, '21 | June 21, '21 |

\*These rates are based on the experience of the Originators regarding Loan prepayment rates.

The Fund Manager explicitly represents that the financial servicing tables for each Series shown below are merely assumptions made for illustrative purposes, and do not involve any payment commitments, noting that:

- The APRs are assumed to remain unchanged at 4%, 6%, 8%, 10% and 12%, respectively, throughout the life of the Bond Issue and on actual prepayment.
- The Net Outstanding Principal Balance of the Bonds on each Payment Date, and therefore the amount of interest to be paid on each Payment Date will depend on prepayments, delinquency and the actual level of non performing Loans.
- The nominal interest rates on the Bonds are assumed to remain unchanged for each Series as from the second Interest Accrual Period and, as we know, the nominal rate of interest for every Series is a floating or variable rate.
- In any case, the assumptions regarding values mentioned at the beginning of this point are used.
- It is assumed that the Managing Company will choose to make use of the option of liquidating the Fund and, therefore, of Early Redemption of the Bond Issue, when the Outstanding Balance of Non Defaulted Loans is less than 10% of the Initial Balance at the time of establishing the Fund.

| CAPR(4%)     | AG Series              |          |                 | B Series               |          |                 | C Series               |          |                 | D Series               |            |                 |
|--------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|------------|-----------------|
|              | 3-month Euribor + 0.5% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 5.0% |            |                 |
| Payment Date | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest   | Total Cash-flow |
| 25-Jun-09    |                        |          |                 |                        |          |                 |                        |          |                 |                        |            |                 |
| 21-Sep-09    | 2,501.18 €             | 427.29 € | 2,928.47 €      | - €                    | 500.62 € | 500.62 €        | - €                    | 793.96 € | 793.96 €        | - €                    | 1,527.29 € | 1,527.29 €      |
| 21-Dec-09    | 2,546.34 €             | 433.76 € | 2,980.11 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Mch-10    | 2,595.44 €             | 422.43 € | 3,017.87 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Jun-10    | 2,795.49 €             | 410.89 € | 3,206.37 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-10    | 2,760.61 €             | 398.45 € | 3,159.06 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Dec-10    | 2,724.97 €             | 386.17 € | 3,111.13 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-11    | 2,688.76 €             | 374.04 € | 3,062.80 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-11    | 2,651.64 €             | 362.08 € | 3,013.72 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-11    | 2,610.29 €             | 354.14 € | 2,964.42 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-11    | 2,569.56 €             | 338.67 € | 2,908.24 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-12    | 2,511.39 €             | 327.24 € | 2,838.63 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-12    | 2,451.59 €             | 319.54 € | 2,771.13 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-12    | 2,394.40 €             | 308.51 € | 2,702.92 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-12    | 2,344.49 €             | 294.51 € | 2,638.99 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-13    | 2,300.53 €             | 280.96 € | 2,581.49 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-13    | 2,260.21 €             | 276.85 € | 2,537.07 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-13    | 2,207.43 €             | 266.69 € | 2,474.11 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-13    | 2,155.82 €             | 253.97 € | 2,409.78 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-14    | 2,109.06 €             | 241.69 € | 2,350.75 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-14    | 2,060.16 €             | 237.58 € | 2,297.73 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 22-Sep-14    | 2,019.84 €             | 233.27 € | 2,253.12 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 22-Dec-14    | 1,971.04 €             | 216.84 € | 2,187.88 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-15    | 1,912.28 €             | 201.21 € | 2,113.50 €      | - €                    | 503.56 € | 503.56 €        | - €                    | 796.89 € | 796.89 €        | - €                    | 1,530.22 € | 1,530.22 €      |
| 22-Jun-15    | 1,875.81 €             | 206.15 € | 2,081.96 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 21-Sep-15    | 1,842.21 €             | 191.22 € | 2,033.43 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Dec-15    | 1,811.76 €             | 183.02 € | 1,994.79 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-16    | 1,769.92 €             | 174.96 € | 1,944.88 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-16    | 1,727.51 €             | 167.09 € | 1,894.61 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-16    | 1,702.89 €             | 161.16 € | 1,864.05 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-16    | 1,678.71 €             | 151.83 € | 1,830.54 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-17    | 1,655.15 €             | 142.77 € | 1,797.92 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-17    | 1,624.84 €             | 138.50 € | 1,763.35 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |

| CAPR(4%)     | AG Series              |          |                 | B Series               |          |                 | C Series               |          |                 | D Series               |            |                 |
|--------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|------------|-----------------|
|              | 3-month Euribor + 0.5% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 5.0% |            |                 |
| Payment Date | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest   | Total Cash-flow |
| 20-Sep-17    | 1,601.67 €             | 131.19 € | 1,732.86 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-17    | 1,578.05 €             | 122.64 € | 1,700.70 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-18    | 1,555.52 €             | 114.35 € | 1,669.88 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-18    | 1,533.82 €             | 109.90 € | 1,643.72 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-18    | 1,511.15 €             | 103.00 € | 1,614.15 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-18    | 1,489.77 €             | 95.15 €  | 1,584.92 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-19    | 1,468.99 €             | 87.55 €  | 1,556.54 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-19    | 1,448.39 €             | 82.89 €  | 1,531.29 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-19    | 1,427.67 €             | 76.38 €  | 1,504.05 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-19    | 1,403.70 €             | 69.20 €  | 1,472.90 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-20    | 1,374.89 €             | 62.95 €  | 1,437.84 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Jun-20    | 1,347.28 €             | 58.71 €  | 1,405.99 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 21-Sep-20    | 1,318.72 €             | 50.84 €  | 1,369.56 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Dec-20    | 1,289.47 €             | 44.97 €  | 1,334.45 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Mch-21    | 1,260.74 €             | 39.24 €  | 1,299.98 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Jun-21    | 1,227.16 €             | 33.63 €  | 1,260.79 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-21    | 1,187.64 €             | 28.17 €  | 1,215.81 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Dec-21    | 1,144.68 €             | 22.89 €  | 1,167.57 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-22    | 1,108.50 €             | 17.79 €  | 1,126.30 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-22    | 1,067.86 €             | 12.86 €  | 1,080.72 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-22    | 1,822.98 €             | 8.20 €   | 1,831.18 €      | 100,000.00 €           | 526.44 € | 100,526.44 €    | 100,000.00 €           | 833.11 € | 100,833.11 €    | 100,000.00 €           | 1,599.78 € | 101,599.78 €    |

| CAPR(6%)     | AG Series              |          |                 | B Series               |          |                 | C Series               |          |                 | D Series               |            |                 |
|--------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|------------|-----------------|
|              | 3-month Euribor + 0.5% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 5.0% |            |                 |
| Payment Date | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest   | Total Cash-flow |
| 25-Jun-09    |                        |          |                 |                        |          |                 |                        |          |                 |                        |            |                 |
| 21-Sep-09    | 2,983.35 €             | 427.29 € | 3,410.64 €      | - €                    | 500.62 € | 500.62 €        | - €                    | 793.96 € | 793.96 €        | - €                    | 1,527.29 € | 1,527.29 €      |
| 21-Dec-09    | 3,001.93 €             | 431.62 € | 3,433.55 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Mch-10    | 3,023.79 €             | 418.26 € | 3,442.05 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Jun-10    | 3,195.92 €             | 404.81 € | 3,600.73 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-10    | 3,134.19 €             | 390.59 € | 3,524.78 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Dec-10    | 3,072.64 €             | 376.65 € | 3,449.28 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-11    | 3,011.25 €             | 362.98 € | 3,374.22 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-11    | 2,949.58 €             | 349.58 € | 3,299.16 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-11    | 2,884.42 €             | 340.16 € | 3,224.57 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-11    | 2,820.57 €             | 323.63 € | 3,144.20 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-12    | 2,741.03 €             | 311.08 € | 3,052.11 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-12    | 2,660.94 €             | 302.17 € | 2,963.11 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-12    | 2,584.25 €             | 290.20 € | 2,874.45 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-12    | 2,515.19 €             | 275.55 € | 2,790.73 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-13    | 2,452.44 €             | 261.45 € | 2,713.89 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-13    | 2,393.78 €             | 256.23 € | 2,650.01 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-13    | 2,324.37 €             | 245.47 € | 2,569.84 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-13    | 2,256.87 €             | 232.46 € | 2,489.32 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-14    | 2,194.56 €             | 219.97 € | 2,414.53 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-14    | 2,131.04 €             | 214.99 € | 2,346.03 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 22-Sep-14    | 2,076.00 €             | 209.87 € | 2,285.87 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 22-Dec-14    | 2,014.01 €             | 193.94 € | 2,207.95 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-15    | 1,943.89 €             | 178.88 € | 2,122.77 €      | - €                    | 503.56 € | 503.56 €        | - €                    | 796.89 € | 796.89 €        | - €                    | 1,530.22 € | 1,530.22 €      |
| 22-Jun-15    | 1,894.40 €             | 182.14 € | 2,076.54 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 21-Sep-15    | 1,848.00 €             | 167.90 € | 2,015.90 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Dec-15    | 1,804.91 €             | 159.68 € | 1,964.59 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-16    | 1,752.34 €             | 151.65 € | 1,903.99 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-16    | 1,699.91 €             | 143.85 € | 1,843.76 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-16    | 1,663.51 €             | 137.79 € | 1,801.29 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-16    | 1,627.88 €             | 128.89 € | 1,756.77 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-17    | 1,593.17 €             | 120.31 € | 1,713.48 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-17    | 1,553.10 €             | 115.82 € | 1,668.91 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-17    | 1,519.53 €             | 108.83 € | 1,628.37 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-17    | 1,485.97 €             | 100.89 € | 1,586.86 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-18    | 1,453.69 €             | 93.24 €  | 1,546.94 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |



| CAPR(6%)     | AG Series              |          |                 | B Series               |          |                 | C Series               |          |                 | D Series               |            |                 |
|--------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|------------|-----------------|
|              | 3-month Euribor + 0.5% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 5.0% |            |                 |
| Payment Date | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest   | Total Cash-flow |
| 20-Jun-18    | 1,422.46 €             | 88.78 €  | 1,511.24 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-18    | 1,390.77 €             | 82.38 €  | 1,473.14 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-18    | 1,360.49 €             | 75.29 €  | 1,435.79 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-19    | 1,331.05 €             | 68.48 €  | 1,399.53 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-19    | 1,302.08 €             | 64.02 €  | 1,366.09 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-19    | 1,273.33 €             | 58.16 €  | 1,331.49 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-19    | 1,242.25 €             | 51.86 €  | 1,294.11 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-20    | 1,207.60 €             | 46.34 €  | 1,253.93 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Jun-20    | 1,174.33 €             | 42.31 €  | 1,216.64 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 21-Sep-20    | 1,140.69 €             | 35.74 €  | 1,176.43 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Dec-20    | 1,106.89 €             | 30.66 €  | 1,137.55 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Mch-21    | 1,073.90 €             | 25.74 €  | 1,099.64 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Jun-21    | 1,037.48 €             | 20.96 €  | 1,058.44 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-21    | 996.82 €               | 16.35 €  | 1,013.17 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Dec-21    | 2,677.44 €             | 11.91 €  | 2,689.35 €      | 100,000.00 €           | 520.72 € | 100,520.72 €    | 100,000.00 €           | 824.06 € | 100,824.06 €    | 100,000.00 €           | 1,582.39 € | 101,582.39 €    |

| CAPR(8%)     | AG Series              |          |                 | B Series               |          |                 | C Series               |          |                 | D Series               |            |                 |
|--------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|------------|-----------------|
|              | 3-month Euribor + 0.5% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 5.0% |            |                 |
| Payment Date | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest   | Total Cash-flow |
| 25-Jun-09    |                        |          |                 |                        |          |                 |                        |          |                 |                        |            |                 |
| 21-Sep-09    | 3,451.15 €             | 427.29 € | 3,878.44 €      | - €                    | 500.62 € | 500.62 €        | - €                    | 793.96 € | 793.96 €        | - €                    | 1,527.29 € | 1,527.29 €      |
| 21-Dec-09    | 3,439.47 €             | 429.54 € | 3,869.01 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Mch-10    | 3,430.84 €             | 414.23 € | 3,845.07 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Jun-10    | 3,572.23 €             | 398.97 € | 3,971.20 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-10    | 3,481.18 €             | 383.08 € | 3,864.25 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Dec-10    | 3,391.58 €             | 367.59 € | 3,759.17 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-11    | 3,303.21 €             | 352.50 € | 3,655.71 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-11    | 3,215.54 €             | 337.81 € | 3,553.34 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-11    | 3,125.39 €             | 327.06 € | 3,452.45 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-11    | 3,037.55 €             | 309.60 € | 3,347.14 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-12    | 2,935.96 €             | 296.08 € | 3,232.04 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-12    | 2,835.14 €             | 286.13 € | 3,121.27 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-12    | 2,738.69 €             | 273.38 € | 3,012.07 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-12    | 2,650.49 €             | 258.22 € | 2,908.71 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-13    | 2,569.17 €             | 243.72 € | 2,812.90 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-13    | 2,492.61 €             | 237.58 € | 2,730.20 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-13    | 2,407.11 €             | 226.37 € | 2,633.48 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-13    | 2,324.38 €             | 213.20 € | 2,537.58 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-14    | 2,247.36 €             | 200.63 € | 2,447.99 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-14    | 2,170.17 €             | 194.98 € | 2,365.15 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 22-Sep-14    | 2,101.55 €             | 189.25 € | 2,290.80 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 22-Dec-14    | 2,027.53 €             | 173.86 € | 2,201.39 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-15    | 1,947.15 €             | 159.40 € | 2,106.56 €      | - €                    | 503.56 € | 503.56 €        | - €                    | 796.89 € | 796.89 €        | - €                    | 1,530.22 € | 1,530.22 €      |
| 22-Jun-15    | 1,886.09 €             | 161.32 € | 2,047.42 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 21-Sep-15    | 1,828.49 €             | 147.79 € | 1,976.28 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Dec-15    | 1,774.49 €             | 139.65 € | 1,914.14 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Mch-16    | 1,712.82 €             | 131.76 € | 1,844.57 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Jun-16    | 1,652.02 €             | 124.14 € | 1,776.15 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Sep-16    | 1,605.86 €             | 118.07 € | 1,723.93 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-16    | 1,560.91 €             | 109.64 € | 1,670.55 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-17    | 1,517.27 €             | 101.57 € | 1,618.84 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-17    | 1,469.55 €             | 97.00 €  | 1,566.55 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-17    | 1,427.94 €             | 90.39 €  | 1,518.34 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-17    | 1,386.82 €             | 83.06 €  | 1,469.88 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-18    | 1,347.26 €             | 76.04 €  | 1,423.30 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |

| CAPR(8%)     | AG Series              |          |                 | B Series               |          |                 | C Series               |          |                 | D Series               |            |                 |
|--------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|----------|-----------------|------------------------|------------|-----------------|
|              | 3-month Euribor + 0.5% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 0.8% |          |                 | 3-month Euribor + 5.0% |            |                 |
| Payment Date | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest | Total Cash-flow | Principal              | Interest   | Total Cash-flow |
| 20-Jun-18    | 1,309.04 €             | 71.67 €  | 1,380.71 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-18    | 1,270.88 €             | 65.78 €  | 1,336.66 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-18    | 1,234.35 €             | 59.42 €  | 1,293.76 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-19    | 1,198.93 €             | 53.33 €  | 1,252.26 €      | - €                    | 515.00 € | 515.00 €        | - €                    | 815.00 € | 815.00 €        | - €                    | 1,565.00 € | 1,565.00 €      |
| 20-Jun-19    | 1,164.31 €             | 49.12 €  | 1,213.43 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Sep-19    | 1,130.27 €             | 43.89 €  | 1,174.16 €      | - €                    | 526.44 € | 526.44 €        | - €                    | 833.11 € | 833.11 €        | - €                    | 1,599.78 € | 1,599.78 €      |
| 20-Dec-19    | 1,094.74 €             | 38.38 €  | 1,133.12 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 20-Mch-20    | 1,056.73 €             | 33.51 €  | 1,090.24 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Jun-20    | 1,020.29 €             | 29.76 €  | 1,050.05 €      | - €                    | 537.89 € | 537.89 €        | - €                    | 851.22 € | 851.22 €        | - €                    | 1,634.56 € | 1,634.56 €      |
| 21-Sep-20    | 983.99 €               | 24.27 €  | 1,008.26 €      | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Dec-20    | 948.01 €               | 19.89 €  | 967.90 €        | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 22-Mch-21    | 913.11 €               | 15.68 €  | 928.78 €        | - €                    | 520.72 € | 520.72 €        | - €                    | 824.06 € | 824.06 €        | - €                    | 1,582.39 € | 1,582.39 €      |
| 21-Jun-21    | 2,610.40 €             | 11.61 €  | 2,622.01 €      | 100,000.00 €           | 520.72 € | 100,520.72 €    | 100,000.00 €           | 824.06 € | 100,824.06 €    | 100,000.00 €           | 1,582.39 € | 101,582.39 €    |

#### **4.11 ORGANIZATION REPRESENTING THE BONDHOLDERS**

A bondholder syndicate will not be formed in respect of the securities included in this Bond Issue.

It is up to the Fund Manager, as third-party manager, to represent and defend the interest of the Bondholders and the rest of the ordinary creditors of the Fund, in the terms of Section 6.1 of Act 19/1992. Consequently, the Fund Manager must act in defense of the Bondholders and ordinary creditors, observing such provisions as may be in force from time to time to that effect.

#### **4.12 RESOLUTIONS, AUTHORIZATIONS AND APPROVALS FOR CREATING THE BONDS**

##### **a) Company Resolutions**

*Resolution on establishing the Fund, assigning the First and Second Drawdowns, and issuing the Bonds:*

The Board of Directors of the Fund Manager, at a meeting held on October 3, 2008, resolved:

- i) The establishment of the GAT ICO-FTVPO 1, FTH according to the rules foreseen in the ICO Agreements, in Act 19/1992 and the rest of the laws and regulations that are applicable from time to time.
- ii) To pool in the Fund the Loans assigned by the Originators by subscribing for the Mortgage Participations, which Loans have been granted by the Originators to private borrowers, all of which are secured by mortgages created on officially supported or protected housing, under the RDs.
- iii) To issue Bonds against the Fund.

Besides, at a meeting held on March 31, 2009, the Board of Directors of the Fund Manager resolved that the Fund may be called GAT ICO-FTVPO 1, FTH.

##### *Resolution on Assigning the Loans*

At a meeting held on September 30, 2008, the Directors of Caixa Catalunya resolved to authorize the assignment of Loans by issuing Mortgage Participations for pooling them in the Fund.

At a meeting held on September 25, 2008, the Directors of Caixa Manresa resolved to authorize the assignment of Loans by issuing Mortgage Participations for pooling them in the Fund.

At a meeting held on September 18, 2008, the Directors of Caixa Penedes resolved to authorize the assignment of Loans by issuing Mortgage Participations for pooling them in the Fund.

At a meeting held on October 14, 2008, the Directors of Caixa Terrassa resolved to authorize the assignment of Loans by issuing Mortgage Participations for pooling them in the Fund.

**b) Registratrion with the CNMV**

As a prior requirement for establishing the Fund and issuing the Bonds, this Prospectus and other requisite documents must be registered in the Official Registers carried by the CNMV, as foreseen in Section 5.3 of Act 19/1992, and in Section 26 *et seq* of Act 24/1988.

This Prospectus on the establishment of the Fund and the Bond Issue has been registered in the Official Registers carried by the CNMV on June 18, 2009.

**c) Executing the deed of establishment of the Fund**

Upon having registered this Prospectus with the CNMV, the Fund Manager and the Originators will execute, on June 19, 2009, the Deed of Establishment of GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA. They will do so by virtue of the resolution approved by the Board of Directors of the Fund Manager on October 3, 2008, and of the resolutions approved by the Directors of Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrassa in the terms of Section 5.2 of Act 19/1992. The resolutions of the “caixas” were approved, respectively, on September 30, September 25, September 18 and October 14, 2008.

The Fund Manager represents that the Deed of Establishment will be drawn up substantially according to the draft Deed of Establishment filed with the CNMV, and that the Deed of Establishment will in no way contradict, modify, alter or invalidate the rules contained in this Prospectus.

The Fund Manager will forward a copy of the Deed of Establishment to the CNMV for including in the Official Registers carried by the latter prior to the start of the Bond Subscription Period.

**4.13 SUBSCRIPTION DATE**

The date of Subscription of the Bonds will be June 19, 2009.

#### **4.13.1. Underwriters**

The Originators, having the status of qualified investors within the meaning of Section 39 of RD 1310/2005, will subscribe for all of the Bonds of the AG, B(CA), B(CM), B(CP), B(CT), C(CA), C(CM), C(CP), C(CT), D(CA), D(CM), D(CP) and D(CT) Series, in the respective amounts indicated in Point 4.10 of the Securities Note.

#### **4.13.2 Date and Method of Disbursement**

The Underwriters will subscribe for their own account the whole of the Bond Issue without prejudice to the Bonds subsequently being transferred to other investors at any time, in accordance with the legislation in force and under the usual terms of transferability of the Bonds described in point 4.14 of the Securities Note.

On the Disbursement Date, the Underwriters will pay the amounts of the Bonds of the AG, B(CA), B(CM), B(CP), B(CT), C(CA), C(CM), C(CP), C(CT), D(CA), D(CM), D(CP) and D(CT) Series for which they have subscribed.

The Disbursement Date will be June 25, 2009.

#### **4.14 RESTRICTIONS ON FREELY TRANSFERRING THE SECURITIES**

The Bonds may be freely transferred by any means admitted at law and in accordance with the rules of the AIAF Fixed-interest Securities Market. Ownership of each Bond will be transferred by making a book entry to that effect. An entry in the relevant accounting record to the effect that a Bond has been transferred to the buyer will have the same effects as the delivery of a bond certificate, and the transfer will be effective before third parties as from that moment. In that respect, a third party who acquires for valuable consideration a Bond in book-entry form from a person who, according to the accounting record in question, is entitled to transfer the Bond, will not be liable in the face of any claim regarding ownership of the Bond, unless such third party has acted in bad faith or with gross negligence at the time of acquiring the Bond.

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

#### **5.1 MARKET WHERE THE SECURITIES WILL BE TRADED**

In compliance with the provisions of Section 5.9 of Act 19/92, the Fund Manager will apply, immediately after the Disbursement Date, for the Bond Issue to be listed on

the official secondary fixed-interest securities market AIAF created by the Spanish financial mediators organization Asociacion de Intermediarios de Activos Financieros.

The Fund Manager undertakes to ensure that the process of registering the Issue on the AIAF Fixed-interest Securities Market will be completed within a term of thirty (30) days after the Disbursement Date, once the relevant authorizations are obtained.

The Fund Manager explicitly acknowledges that it is aware of the requirements and terms to be met for securities to be listed, to remain listed and to be delisted in the AIAF Fixed-interest Securities Market under the legislation in force, with the Fund Manager accepting to meet those requirements and terms for the account of the Fund.

In the event that the above-mentioned deadline for listing the Bonds fails to be met, the Fund Manager undertakes to publish the relevant Significant Event at the CNMV. It also undertakes to publish a notice on the Daily Official List of the AIAF Fixed-interest Securities Market or on any other generally accepted market media that assure adequate disclosure of the information as to its contents, and in good time. The contents of the information will include both the reasons for failing to meet the deadline and the new date when the securities in question are foreseen to be listed, without prejudice to the possible liability that may be incurred by the Fund Manager if the deadline fails to be met for reasons attributable to it.

Besides, the Fund Manager will apply for the Bonds to be included in Iberclear, so that the Bonds are cleared and settled according to the operating rules currently applied, or that may be approved in the future, by Iberclear, in respect of securities listed on the AIAF Fixed-interest Securities Market.

Once the Bond Issue is admitted to trading on the market, the Bonds may be acquired by both qualified and minority investors.

There are no plans to hire an entity committed to facilitate the liquidity of the Bonds during the life of the Issue.

## **5.2 PAYING AGENT AND DEPOSITORY ENTITIES**

**Names and addresses of any paying agent and of the depository agents in each country**

Any entity taking part in IBERCLEAR may act as a Depository Entity.

The financial servicing of the Bond Issue will be handled by Banco de Sabadell SA, to be appointed Paying Agent. All payments to Bondholders out of the Fund will be made through the Paying Agent.

On the day when the Deed of Establishment is executed, the Fund Manager (acting in the name and on behalf of the Fund) and Banco de Sabadell SA will execute the Paying Agency Agreement.

The duties of the Paying Agent under that Agreement are briefly as follows:

- (i) To pay the Fund on the Disbursement Date, by 11:00 hours (CET time), the total amount it receives from the Underwriters for subscribing to the Bond Issue, in accordance with what is stipulated in the Bond Issue Management and Underwriting Agreement. The amount is to be paid into the Cash Account, with the value date of this payment being that same day.
- (ii) To pay the relevant interest and the relevant amount in repayment of the principal of the Bonds, net of the total amount of Withholding Tax on income from security investments that is due according to the applicable tax legislation, on each Payment Date.

In consideration of the services of the Paying Agent, the Fund will pay the Paying Agent, on each Payment Date of the Bonds for the duration of the agreement, a fee equal to four thousand euros (€4,000), including tax as the case may be. This will be paid provided that the Fund has sufficient liquidity available and according to the Individual Order of Precedence of Payments of each Originator and the Individual Order of Liquidation Payments for each Originator stipulated in point 3.4.6 of the Additional Building Block.

If the Fund does not have sufficient liquidity for paying the total amount of the fee, any amount due but not paid will not be accumulated, and no penalty charge will become due for settling together with the fee payable on the Payment Date immediately following. The amount in question will be paid subsequently on any Payment Dates when the Available Funds permit and according to the Order of Precedence of Payments by the Fund, with preference to any sums due as fees for said Payment Dates.

The Paying Agency Agreement will be terminated as a matter of law in the event that the Credit Rating Agencies do not affirm by the Subscription Date that the provisional ratings issued for each of the Series of the Bonds are final, or in the event of termination of the Bond Issue Management and Underwriting Agreement.



## **Replacing the Paying Agent**

The Fund Manager is empowered to replace the Paying Agent (in respect of all or some of its duties) provided that is permitted by the legislation in force and the responsible authorities give their approval if necessary. The replacement of the Paying Agent will be reported to the CNMV, the Credit Rating Agencies and the Originator.

The rating issued by the Credit Rating Agencies concerning the short-term risk of the Paying Agent may be lowered to less than P-1 by Moody's or less than F1 by Fitch. In such event, the Fund Manager must implement, for the account of the Fund, within a term of thirty (30) Working Days for Moody's and thirty (30) days for Fitch, as from the moment when such situation arises and upon notifying the Credit Rating Agencies, one of the options described below. The option to be chosen will be such as is necessary for maintaining an adequate level of assurance in respect of the commitments relating to the duties contained in the Paying Agency Agreement:

- (i) Securing an indemnity bond that provides assurance to the Fund, at the request of the Fund Manager, that the Paying Agent will meet its payment obligations in good time. The indemnity must be provided by one or more credit entities whose short-term liabilities are rated at not less than P-1 by Moody's and no less than F1 by Fitch, to guarantee performance of its commitments by the Paying Agent.
- (ii) Replacing the Paying Agent by an entity whose short-term liabilities are rated at not less than P-1 by Moody's and F1 by Fitch, that undertakes to perform, under similar terms, the duties stipulated in its respective Agreement.

Despite the Fitch criteria mentioned above, found in its paper "Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria" currently in force, dated June 9, 2004, such criteria as may be approved and published by Fitch to replace it in the future will be taken into account. They will be taken into account even if they are different from those set forth in this Prospectus. That is provided always (i) the Fitch criteria in force from time to time have been directly reported in writing by Fitch to the Fund Manager and the latter has received such communication with the relevant changes in the criteria, and (ii) such changes do not involve breaching any regulations in force or call for amending the Deed of Establishment.

If Banco Sabadell SA is replaced as the Paying Agent, the Fund Manager is empowered to alter the fee in benefit of the replacement entity, so that it is higher than that stipulated for Banco Sabadell SA.

Besides, the Paying Agent may cancel the Paying Agency Agreement with at least two months' notice to the Fund Manager, according to the terms stipulated in the Paying Agency Agreement. It may do so provided (i) another entity with similar financial features to those of Banco Sabadell SA and a short-term credit rating of at least P-1 issued by Moody's and of F1 issued by Fitch, that is acceptable to the Fund Manager, replaces Banco de Sabadell SA and takes over performing the latter's duties under the Paying Agency Agreement. Also, provided (ii) this is reported to the CNMV and the Credit Rating Agencies. In addition, such cancellation will only be effective -unless the Fund Manager resolves otherwise- as of the 20th day of the month following that of the first Date of Payment after the notice of cancellation is served. If the Paying Agent is replaced because it resigns, the outgoing Paying Agent will bear all expenses incurred in replacing it, as well as the cost of any increase in the fees payable to the new Paying Agent. Banco de Sabadell SA will be reimbursed by the Fund, on the Payment Date itself, for the increase in the fees of the new Paying Agent. Such liability will rank in place (xiii) in the Individual Order of Precedence of Payments of each Originator (pro rata of the individualized Available Funds of each Originator). Thus, such reimbursement will only be effected on the relevant Payment Date if there are Available Funds left after meeting the payment obligations ranking in place (i) through place (xii) in said Individual Order of Precedence of Payments of each Originator. Banco de Sabadell may in no case demand to be reimbursed on later Payment Dates for the increase in the fees it may have to pay on the Payment Date in question, in the event that it is not been fully reimbursed on that Payment Date. Any overhead and management expenses incurred in the process of replacing the Paying Agent, if this results from the Paying Agent losing its credit rating, will be for the account of the outgoing Paying Agent. Banco de Sabadell SA will be reimbursed by the Fund, on the Payment Date itself, for such expenses, with such liability to rank in the place (xiii) in the Individual Order of Precedence of Payments of each Originator (pro rata of the individualized Available Funds of each Originator), so that such reimbursement will only be effected on the relevant Payment Date if there are any Available Funds left after meeting the payment obligations ranking in place (i) through place (12) in said Individual Order of Precedence of Payments of each Originator. Banco de Sabadell may in no case demand to be reimbursed on later Payment Dates for these expenses it may have to pay on the Payment Date in question, in the event that it is not been fully reimbursed on that Payment Date, with the amount that remains unpaid to be treated as stipulated in the Paying Agency Agreement.

In the event that the credit rating of one or more of the Originators recovers to P-1 or better on Moody's rating scale or to F1 or better on the Ficht rating scale, any of those Originators may be a Paying Agent.

**Disclosure on the amounts to be paid and the establishments through which the Issue will be serviced**

Payments of interest and repayments of the principal will be announced through generally accepted market channels (the AIAF Fixed-interest Securities Market, IBERCLEAR) that assure adequate disclosure of the information as to its contents, and in good time.

**Dates of Notification of the payments to be made by the Fund on each Payment Date**

These are March 20, June 20, September 20 and December 20 of each year, or the Working Day immediately following in case any of them is not a Working Day.

The information to be provided regularly by the Fund is described in point 4.1 of the Additional Building Block.

**6. EXPENSES RELATING TO THE OFFERING AND LISTING OF THE BONDS**

The Initial Expenses foreseen to be as follows:

| <b>Initial Expenses</b>                                                                          | <b>Euros</b>        |
|--------------------------------------------------------------------------------------------------|---------------------|
| CNMV rates – Registering the Prospectus                                                          | 41,422.13           |
| CNMV rates – Supervising listing in the AIAF                                                     | 9,550.87            |
| AIAF market rates                                                                                | 21,431              |
| IBERCLEAR rates                                                                                  | 7,540               |
| ICO Guarantee Fee                                                                                | 994,800             |
| Audit, Credit Rating Agencies, Legal Counsels and others (printing house, notaries public, etc.) | 2,501,748.91        |
| <b>GENERAL TOTAL</b>                                                                             | <b>3,576,492.91</b> |

Expenses incurred in liquidating the Fund will be charged to the Fund.

In addition to the Initial Expenses detailed above, the Fund will meet its ordinary and extraordinary expenses out of the Available Funds and according to the Individual Order of Precedence of Payments of each Originator. The ordinary expenses of the Fund, including the fees of the Fund Manager and those to be paid under the Paying Agency Agreement, by the first anniversary of the Fund, will be an estimated one hundred and seventeen thousand (117,000) euros. Given that most of these expenses are directly linked to the Outstanding Principal Balance of the Bonds and to the Balance Outstanding of the Loans, and said balances will shrink over the life of the Fund, the ordinary expenses of the Fund will also fall over time.

In the event of termination of the establishment of the Fund, the Originators will pay any expenses incurred, pro rata of their share of the transaction.

## **7. ADDITIONAL INFORMATION**

### **7.1 STATEMENT ON THE CAPACITY IN WHICH THE ADVISORS ON THE ISSUE, MENTIONED IN THE SECURITIES NOTE, HAVE ACTED**

Advisors mentioned in the Securities Note

Cuatrecasas, Gonçalves Pereira has provided legal advice for establishing the Fund and on the Bond Issue, and has reviewed the representations concerning the tax treatment of the Fund contained in point 4.5.1 of the Registration Document. The operation has been financially designed by Calyon jointly with the Fund Manager.

### **7.2 OTHER INFORMATION IN THE SECURITIES NOTE THAT HAS BEEN AUDITED OR REVIEWED BY AUDITORS**

Not applicable.

### **7.3 STATEMENT OR REPORT ATTRIBUTED TO A PERSON ACTING AS AN EXPERT**

Deloitte SL has audited a number of attributes of the selected Loans in the terms of point 2.2 of the Additional Building Block.

### **7.4 INFORMATION SOURCED TO THIRD PARTIES**

In performing the verification tasks foreseen in this Prospectus, the Fund Manager has confirmed with Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrassa the characteristics of each Originator as well as of the Loans assigned by each of them to the Fund, reflected in point 2.2.8 of the Additional Building Block. The Fund manager has confirmed the rest of the information on or from the Originators reflected in this Prospectus, which is to be confirmed in the Deed of Establishment by the Originators as of the Date of Establishment of the Fund.

The Fund Manager has accurately reproduced the information it has received from Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa. To the best of its knowledge, the Fund Manager can confirm according to said information from Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa that no fact has been omitted that would render the reproduced information inaccurate or misleading.

Furthermore, it can confirm that no material facts or information that may be of significance to the investor have been left out of this Prospectus.

## **7.5 CREDIT RATINGS ASSIGNED TO THE SECURITIES BY THE CREDIT RATING AGENCIES**

Levels of creditworthiness assigned to an issuer or its debt securities at the request or with the co-operation of the issuer in the rating process

The Fund Manager, in its capacity as founder and legal representative of the Fund, and the Originators, in their capacity as the parties assigning the Loans, have resolved to request ratings from the Credit Rating Agencies for each of the Series of Bonds according to the provisions of Section 5.8 of Act 19/1992.

As of the date of registration of this Securities Note, the following preliminary ratings are available for the Bonds:

| <b>SERIES</b> | <b>MOODY'S</b> | <b>FITCH</b> |
|---------------|----------------|--------------|
| AG Series     | Aaa            | AAA          |
| B Series (CA) | A2             | A            |
| B Series (CM) | A2             | A            |
| B Series (CP) | A2             | A            |
| B Series (CT) | A2             | A            |
| C Series (CA) | Ba2            | BBB          |
| C Series(CM)  | Ba2            | BBB          |
| C Series (CP) | Ba2            | BBB          |
| C Series (CT) | Ba2            | BBB          |
| D Series (CA) | C              | N/A          |
| D Series (CM) | C              | N/A          |
| D Series (CP) | C              | N/A          |
| D Series (CT) | C              | N/A          |

\*The AG Series will be backed by the ICO Guarantee. The ratings of the AG Series Bonds by Moody's and Fitch have originally been assigned before the ICO Guarantee.

The Credit Rating Agencies have been commissioned to evaluate and rate the Bonds.

The ratings issued by Moody's measure the expected loss before the Legal Date of Maturity. In the opinion of Moody's the structure permits punctual payment of interest and repayment of the principal during the life of the Issue, and in any case by the Legal Date of Maturity of the Fund for the AG Series and for classes B and C, as well as payment of interest and repayment of the principal before the Final Legal Date of Maturity for the D class Bonds.

The ratings issued by Moody's only measure the credit risk inherent to the Issue; they do not measure other types of risks that may have a significant impact on the return to investors.

The ratings assigned to each Series of the Bonds by Fitch measure the capacity of the Fund to pay interest and to repay the principal during the life of the Issue and, in any case, by the Legal Date of Maturity of the Fund. This Prospectus allows (and the Deed of Establishment of the Fund will allow) deferring payment of interest on the Bonds of the B(CA), B(CM), B(CP) and B(CT) Series, as well as on those of the C(CA), C(CM), C(CP) and C(CT) Series, in certain circumstances. That means the holders of the Bonds of these B(CA), B(CM), B(CP) and B(CT) as well as C(CA), C(CM), C(CP) and C(CT) Series might not be paid interest during a certain period of time because the Bonds they hold are ranked lower in the Individual Order of Precedence of Payments of each Originator, in the event circumstances are given that call for differing payment of interest, without this involving a default on the Bonds.

In the event that any of the above provisional ratings issued by the Credit Rating Agencies fails to be confirmed, the establishment of the Fund and the Bond Issue are deemed to be terminated.

The ratings issued as well as any revision or suspension of same:

- (i) are issued by the Credit Rating Agencies on the basis of many reports they receive which they do not guarantee to be accurate or complete, so they may in no way be considered to be responsible for them; and
- (ii) are not and may in no way be interpreted to involve an invitation, recommendation or solicitation for investors to carry out any type of transaction concerning the Bonds, in particular to acquire, hold, encumber or sell them.

Ratings are assigned by Moody's and Fitch taking into account the structure of the Bond Issue, its legal aspects and those of the Fund that issues them, the characteristics of the assets as well as the regularity and continuity of the operation flows.

The ratings may be revised, suspended or withdrawn at any time by the Credit Rating Agencies on the basis of any information they receive. Such situations, which are not events of liquidation of the Fund, will immediately be reported to both the CNMV and the bondholders.

In carrying out the rating and monitoring process, the Credit Rating Agencies trust that the information provided to them by the Fund Manager, the auditors, the legal counsels and other experts is accurate and complete.

The Fund Manager undertakes to regularly inform the Credit Rating Agencies, on behalf of the Fund, on the situation of the Fund and of the Loans. The Fund Manager will also make such information available upon a reasonable request to that effect and, in any case, when there is a change in Fund conditions, in the agreements made by the Fund through its Fund Manager, or in the parties concerned.

The Fund Manager will do its best to keep the rating of the Bonds at its initial level, and for the rating to recover to that level in the event that it falls.

**ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE**  
**(Annex VIII of EC Commission Regulation No. 809/2004)**

**1. THE SECURITIES**

**1.1 THE MINIMUM DENOMINATION OF THE ISSUE**

“GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA”, i.e. the Issuer, represented by GESTION DE ACTIVOS TITULIZADOS, SGFT SA, i.e. the Fund Manager, will be established with the Loans that Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrassa will assign to the Fund on this being established, whose total principal will be as close as possible or equal to 357,900,000 euros.

**1.2 CONFIRMATION THAT THE INFORMATION RELATING TO AN UNDERTAKING OR OBLIGOR NOT INVOLVED IN THE ISSUE HAS BEEN REPRODUCED**

Not applicable.

**2. THE UNDERLYING ASSETS**

**2.1 CONFIRMATION OF THE CAPACITY OF THE SECURITIZED ASSETS TO PRODUCE THE FUNDS PAYABLE ON THE SECURITIES**

According to the information furnished by the Originators, the Fund Manager confirms that the flows of principal, ordinary interest and any sums generated by the securitized assets allow meeting, in accordance with their contractual characteristics, any payments due and payable on the Bonds being issued.

Notwithstanding that, to cover possible non-performance of their payment obligations on the part of the Borrowers of the securitized Loans, any delay in payment of the subsidized principal by the State, and the interest-rate risk, a number of credit enhancement operations are foreseen. These are designed to increase the security or regularity of payments on the Bonds and to mitigate or offset differences between the interest rates accruing on the assets and on the Bonds of each Series. Even so, in exceptional circumstances, the credit enhancement operations might prove to be insufficient. The credit enhancement operations are described in points 3.4.2. 3.4.3 and 3.4.4 of this Additional Building Block.

The Bonds being issued do not all involve the same risk of non-payment, which is reflected in the credit ratings issued by Ficht and Moody's for each Series of the Bonds mentioned in point 7.5 of the Securities Note.



Where (i) in the view of the Fund Manager any circumstances are given which substantially upset or permanently weaken the net asset balance of the Fund, or make this impossible or extremely difficult to maintain, or (ii) an event of non-payment which indicates there is a serious and permanent imbalance in relation to the Bonds is expected to occur, the Fund Manager may undertake the Liquidation of the Fund and thus the Early Redemption of the Bonds in the terms foreseen in point 4.4.3 of the Registration Document.

## **2.2 ASSETS BACKING THE BOND ISSUE**

The debt-claims to be pooled as Fund assets arise from loans selected from a portfolio of mortgage loans granted to private individuals that are secured with mortgages on 100% officially protected or supported housing, within the meaning of this expression according to the applicable national or regional legislation, situated in Spanish territory, with the rest being in the form of “free housing”, pursuant to the Royal Decrees and according to the ICO Agreements, whose characteristics are described in this Additional Building Block.

The loans must be used for the purpose of acquiring, building or renovating officially protected or supported housing, under the Royal Decrees.

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### **Brief summary of the essential characteristics of officially protected or supported housing.**

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#### **a) Rules applying to officially protected or supported housing, as well as to the Loans used to buy them.**

On the relevant Date the Loans must meet the following requirements:

- a) All of the balance outstanding of the securitized pool of loans is made up of loans secured with mortgages on officially protected or supported homes, within the meaning of this expression according to the applicable national legislation. The homes in question are situated in Spain.
- b) The loans or credits assigned as part of the securitized pool are to be used by private individuals to finance the acquisition, building or renovation of the homes.
- c) The age of the loans or credits or the time that has elapsed since they were formally arranged is not less than one (1) year.

- d) The balance outstanding of each loan or credit is not greater than 100% of the statutory ceiling sale value of a mortgaged property that meets the requirements of point a) above.
- e) The weighted average Loan to Value (LTV) ratio for the pool of eligible loans or credits to be securitized is less than 80%.
- f) None of the loans must have been in arrears, as this term is defined in Circular 04/2004 of the Bank of Spain, during the latest twelve (12) months of the life of the loan.
- g) There are no payments that have been in an irregular situation for thirty (30) days or more in respect of any of the Loans being assigned.

The applicable provisions on this subject are classified as follows:

- a. National Government regulations on officially supported housing developed by either public authorities or private interests:
  - 1. Royal Order-in-Council 31/1978, on the Officially Supported Housing Policy.
  - 2. RD 3148/1978, developing the provisions of Royal Order-in-Council 31/1978, on the Officially Supported Housing Policy.
  - 3. Building Act 38/1999.
  - 4. Land Act 8/2007.
  - 5. Cooperatives Act 27/1999.
  - 6. RD 2028/1995 on the requirements for gaining access to special state financing of officially supported housing developed by housing cooperatives and communities of owners.
  - 7. General Consumer and User Defense Act 26/1984.
  - 8. RD 515/1989 specifically regulating the protection of consumers as to the information to be furnished to them when the buy or rent homes.
  - 9. General Grants Act 38/2003.
  - 10. Order of the Ministry of Housing of November 1976, revising certain design and quality standards for social housing.
  - 11. Order of the Ministry of Housing of May 20, 1969, adjusting the technical regulations and building standards approved through the Ministerial order of July 12, 1955, to meet the requirements of the officially supported housing (consolidating) legislation and its implementing regulation.
- b. Supplementary National Government regulations

1. Officially supported housing (consolidating) legislation. RD 2960/1976.
  2. Officially supported housing regulations. Decree 2114/1968.
- c. Regional government regulations
  - d. Local and National Government technical regulations on quality, design, requirements in benefit of handicapped persons, rules concerning projects and construction work, and any other applicable provisions on the subject.
  - e. National Government provisions on financing housing developed by private interests and any other applicable provisions on the subject.
  - f. National Government provisions on the assignment of homes and any other applicable provisions on the subject.
  - g. National and Regional Government provisions on officially supported housing developed by the public authorities and any other applicable provisions on the subject.

The Originators have reported that, as required by the above-mentioned regulations, they have entered into the respective Collaboration Agreements with the responsible body of the National Administration.

The Loans pooled as Fund assets have been used to finance private individuals either directly or by the private individuals substituting as borrowers in Loans originally granted to developers, for acquiring, building or renovating officially supported or protected housing covered by the following State Housing Schemes: 1992-1995 (RD 1932/1991, hereinafter referred to as "**RD 1932/1991**"), 1996-1999 (RD 2190/1995 - "**RD 2190/1995**"), 1998-2001 (RD 1186/1998 - "**RD 1186/1998**"), 2002-2005 (RD 1/2002 - "**RD 1/2002**"-) and 2005-2008 (RD 801/2005 - "**RD 801/2005**") all of them together hereinafter referred to as the "**Royal Decrees**".

These State Housing Schemes are mainly designed to meet the housing needs of citizens that cannot gain access, if they make reasonable efforts, to homes on the open market.

### **Types of officially supported housing**

According to the National Government legislation applying to official supported housing, soft loans or direct financial aid may be granted for acquiring either newly-built or second-hand officially supported homes under the different arrangements foreseen in the Royal Decrees. The characteristics of such loans are described in both

the Royal Decrees and the agreements made between the Originators and the Ministry for each of the State Housing Schemes (hereinafter referred to as the “**Collaboration Agreements**”). Besides, financial aid is available for developing, renting or renovating officially supported housing. Such aid is not discussed here because none of the Loans included in the pool has been granted to finance such operations in respect of officially supported housing.

The types of officially supported homes foreseen in the applicable provisions that are eligible for buying with soft loans or benefitting from any other financial aid available under the National Government legislation on officially supported housing are the following:

- (i) Officially Supported Housing (known as **VPO**, for *Viviendas de Protección Oficial*). Although the meaning of VPO has changed with the different Housing Schemes, in general VPO refers to newly-built housing that is definitively rated Officially Supported Housing.

VPO homes fall into three (3) different sub-types depending on the ceiling sale price and the ceiling income to be eligible for acquiring such homes:

- (a) VPO homes governed by the General Rules on the subject;
- (b) VPO homes governed by Special Rules;
- (c) VPO homes governed by Agreements with the Administration, foreseen in RD 801/2005.

As a rule, there is a ceiling of 90 square meters on the net floor area of VPO homes. These must in any case be used by beneficiaries as their usual permanent home.

The ceiling sale price for VPO homes falling under Special Rules is lower than for VPO homes governed by the General Rules, and the ceiling sale price of the latter in turn is lower than that for VPO homes governed by Agreements with the Administration. The ceiling income to be eligible to benefit from VPO homes is lower for those governed by the Special Rules than for those falling under the General Rules, and for those of the latter type compared with those governed by Agreements with the Administration.

The ceiling sale prices and income levels for borrowers to be eligible to acquire the different types of VPO homes, foreseen in National Government regulations, have changed over time.

The ceiling sale price per square meter of net floor area is currently calculated on the basis of either (i) the weighted module in force from time to time, which is fixed annually through ministerial orders and varies from one municipal district to another, or (ii) a reference basic nation-wide price fixed by decree or through a resolution of the Council of Ministers.

The ceiling income to be eligible to acquire VPO homes is calculated taking as a reference value (i) the Floor Wages for all occupations (used from 1992 to 2005) or (ii) the Public Multiple-effect Income Indicator (Indicador Publico de Renta de Efectos Multiples - IPREM). The ceiling income is 5.5 times the Floor Wages or the IPREM for VPO homes governed by the General Rules, and 2.5 times the Floor Wages or the IPREM for VPO homes governed by Special Rules. For VPO homes governed by Agreements with the Administration, the ceiling income is 6.5 times the IPREM.

For information purposes, (i) the Floor Wages for all occupations in force as of January 1, 2005, were five hundred and thirteen euros (€513) and (ii) the IPREM in force since January 1, 2009 is five hundred and sixteen euros and ninety cents (€516.90).

- (ii) Other types of newly-built or existing homes covered by Government protection schemes ("**Other Protected Housing**"). Other Protected Housing includes the different categories of protected housing foreseen in the Royal Decrees whose designation has changed from one housing scheme to another, of those we are referring to, even though their essential features have been rather uniform. Thus, for example, they are called "Regulated Price Housing", but within the scope of the housing scheme governed by RD 801/2005, they are Called "Used Homes". In some cases, their definition changes as well as the way they are called.
- (iii) The common features to most homes that fall under the definition of Other Protected Housing include: (i) the homes in question must have been rated as VPOs in second or subsequent transfers, (ii) they may be newly-built or second-hand "free" housing, provided always that their floor area does not exceed one hundred and twenty (120) square meters; (iii) they must be eligible for financing with qualified loans.

## Financial Aid

Among the forms of financial aid we may make a distinction between qualified loans, that consist of loans granted to buyers of protected housing under certain terms detailed in paragraph (i) below, and direct financial aid, whose common feature is that a certain sum of money is paid in benefit of the buyers of protected housing as described in paragraph (ii) below. The rules for granting such loans or aid are contained in the Collaboration Agreements described for each of the Originators in point 2.2.7 below.

**(i) Agreed or Qualified Loans**

All of the Loans are qualified loans.

Characteristics of qualified loans:

- Qualified loans are loans granted by financial entities to the buyers of protected housing under the Collaboration Agreements.
- Loans to buyers may be granted directly to them or by substituting the buyer as borrower in a loan granted to a developer, once building of the home is completed. When a buyer is substituted for a developer in a loan, the grace period is interrupted and so is payment of interest for the period in question in respect of the relevant qualified loan.
- Through the deed of sale of the home the buyer becomes the owner of the protected home and becomes liable for the mortgage, being required to start repaying the mortgage loan as from the date of sale of the home.
- Loans granted directly to buyers or individuals awarded protected homes must be granted taking into account the requirements of the National legislation that apply to protected housing and govern the Collaboration Agreements:
  - (a) the protected home in question must be finally rated as a VPO, in the case of VPO homes;
  - (b) the relevant sale agreement or purchase option, or agreement under which the individual is awarded the home, duly approved by the Administration, must be executed between the buyer and the developer or seller of the protected home;
  - (c) if the developer or seller has received a qualified loan in respect of the same protected home, the developer or seller is required to cancel the loan before the loan is granted to the buyer or individual

awarded the home;

- (d) not more than six (6) months may elapse between the date of approval of the relevant sale agreement or purchase option, or agreement under which the individual is awarded the home by the responsible body of the Administration, and the date when the application for a qualified loan is filed with the relevant financial entity.
- The main features of qualified loans (foreseen in the National Government legislation applying to protected housing, to which Collaboration Agreements refer) include:
  - (a) the ceiling amount of the loan is a percentage of the sale price of the protected home. This may be 70%, 80% or 95% of the ceiling price of the loan calculated as described above. If the protected home includes a garage registered at the Real Estate Registry as forming part of the property, the total amount of the loan referred to above may be increased by 60% or 80% of the ceiling sale price of the garage according to the applicable National Government Housing Scheme. This possibility is foreseen for all types of protected homes, including those falling under the general or special rules for VPO homes or under Collaboration Agreements, as the case may be;
  - (b) the effective annual interest rate is fixed by the Council of Ministers;
  - (c) the installments to repay the principal and pay interest on the loan are constant (French system) or growing, depending on the applicable National Government housing scheme;
  - (d) the term of repayment of the loan may be fifteen (15), twenty (20) or twenty five (25) years. No grace periods are foreseen for starting to repay qualified loans;
  - (e) the loans are secured with mortgages or with such guarantees as the financial entities may demand, as the case may be.

**(ii) Direct financial aid:**

- a. Grants for agreed or qualified loans;

- b. Subsidies; some specific subsidies for those who purchase a home of their own for the first time (RD 2190/1995, RD 1186/1998, RD 1/2002 and RD 801/2005);
- c. Other direct financial aid (known by the Spanish acronym AEDE, for “Ayudas Económicas Directas para facilitar el pago de la Entrada”) to help meet the down payment in the case of those who purchase a home of their own for the first time (RD 1186/1998, RD 1/2002 and RD 801/2005);
- d. Other subsidies to develop the leasing out of “free” housing and help lessees pay the rent (RD 1/2002). There are no Loans that have benefited from subsidies of this type.

Characteristics of direct financial aid:

- The loans are subsidized, pursuant to the provisions of most of the Royal Decrees, by paying the Originator a percentage of the installments for repaying the principal and paying interest, due by borrowers in respect of Loans (according to RD 801/2005, the relevant grants are a fixed sum calculated according to the amount of the loan granted to a borrower, the borrower’s family income and the type of protected home). The Originators charge the National Government the relevant amounts on a quarterly basis. The National Government does not pay Originators these amounts at regular intervals, however. By the date of registration of this Prospectus, the longest period of time that the National Government has delayed making such payments to Originators has been 12 months as from the date when the relevant grant or subsidy accrued.
- The percentage of qualified or agreed loans covered by subsidies or grants depends on various factors, such as: (i) the weighted (individual or family) income of those acquiring or awarded protected housing, or of the lessees or those developing VPO homes for their own use; (ii) whether the loan is for a borrower to gain access to a home of his own for the first time (in which case a special qualified financing system applies); (iii) whether the beneficiary of the subsidy or grant has opened a bank account to buy a home under the terms foreseen in the Royal Decrees; (iv) whether the beneficiary forms part of a large family; or (v) other circumstances foreseen in RD 1186/1998 (such as: the number of members of the family unit, whether any of the members of the family unit is handicapped by some disability, or the beneficiary or any other member of his family is under 35). If the subsidy or grant consists on a fixed sum as foreseen in RD 801/2005, the amount of the subsidy depends on the amount of each installment and the agreed number of installments to be paid.

As for the Borrowers, as of May 18, 2009, direct financial aid is provided on



59.77% of the Balance Not Yet Fallen Due of the Loans in the form of subsidies on the installments (principal and interest) paid in respect of the Loans assigned to the Fund. That means the Borrowers pay the Originator the non-subsidized part of the installments, and the National Government pays the Originators the subsidized part.

- As we have said, some home buyers are entitled to benefit from the reinforced qualified financing arrangements for those who first acquire a home of their own (RD 2190/1995, RD 1186/1998, RD 1/2002 and RD 801/2005). Under the provisions of RD 1186/1998 and RD 1/2002, those benefitting from this specific type of qualified financing for acquiring a first home of their own are not entitled to receive, in addition, the AEDE aid, and are required to choose between one form of financial aid or the other (except where, as determined in RD 1186/1998, the homes in question fall under the special rules for VPOs; these do receive a subsidy of 15 per cent of each installment payable during the first five years of the period during which the loan is repaid). Both forms of aid are consistent with each other and may be accumulated under RD 801/2005.
- Principal repayments and interest payments on the relevant loans are subsidized for a period of five (5) years, unless the Royal Decrees provide otherwise.

Notwithstanding that, RD 1932/1991, RD 2190/1995 and RD 1186/1998 allow the period during which such payments are subsidized to be extended for similar periods of five (5) years at a time, although the aggregate period of time during which they are subsidized may in no case exceed the agreed term of repayment of the loan (or the ceiling eligible for subsidizing over the life of the loan specified in each case, pursuant to the provisions of RD 1186/1998). To be entitled to an extension of the period during which the subsidy is paid, a borrower who wishes to benefit from such aid is required to apply for the extension and to prove -in the fifth (5th) year of the relevant period- that he continues to meet the requirements to be entitled to the subsidy. If a subsidy is not extended into the following period, then it may not be claimed again during the rest of the life of the loan.

Besides, under RD 1/2002 the beneficiaries of this subsidy or grant whose family income does not exceed a certain percentage of the minimum inter-occupational wages (the lower-income beneficiaries) may apply for the initial duration of the subsidy, of five (5) years, to be extended for an additional period of five (5) years (i.e., for up to ten (10) years). To be entitled to an extension of the duration of the subsidy, the beneficiary of this type of aid is required to apply for the extension and to prove, within the fifth (5th) year of the first period, that he continues to meet the requirements to be entitled to the subsidy or grant. Besides, in the case

of large families, the percentage of the relevant installments that is subsidized is increased by five (5) percentage points during the first five (5) years of the term over which the qualified loan is repaid.

- According to the provisions of RD 1186/1998, RD 1/2002 and RD 801/2005, the Loans granted to those who purchase a home of their own for the first time do not lose their status as qualified loans and are not deemed to be defaulted loans in the event that payment of installments (principal repayments and interest payments on them) are deferred as an exceptional measure for a term of up to two years by agreement between the Originator and the Borrower, in the event that such payments are temporarily suspended because of unemployment situations. Such suspension may not take place for the first time in respect of a Loan until the first three years of installments have been fully paid.
- The AEDEs consist of paying the buyer, as a lump sum payment, a fixed amount determined according to the income level and the personal and family circumstances of the applicant, for meeting the down payment required for buying the first home he owns.

According to what is foreseen under certain National Government Schemes, the buyer in question is paid the AEDE amount directly as a lump sum payment by the Originator of the qualified loan, which the buyer must be granted in order to be paid the AEDE at the time when the qualified loan is formally agreed. The Administration may refund the Originators in question the amounts paid by them as AEDEs on a cash basis and without interest or over a period of up to five (5) years. In the latter case, the applicable rate of interest is that in force under the Collaboration Agreements from time to time.

The Collaboration Agreements govern the commitments of both parties (the National Government and the Originators) for granting agreed or qualified loans, the operational terms under which such loans are to be granted, as well as the terms for paying the AEDEs and the operational terms to be observed in managing the loans and refunding Originators for the AEDEs they pay.

Lastly, it is the responsibility of the Regional Governments and of the authorities of the cities of Ceuta and Melilla to process and decide on applications for direct economic aid as well as to manage payments of the subsidies or grants according to the Collaboration Agreements made between the Ministry of Housing or the Ministry of Development and the Regional Governments or the authorities of Ceuta and Melilla.

**b) Essential features of the legal system for officially supported or protected**

### **housing (VPO).**

The rules on living in, preserving and using officially supported or protected homes apply to these for a period of thirty (30) years, as from the date when they are rated as VPOs, according to Section 1 of Royal Order-in-Council 31/1978.

#### **A. Complying with the specific requirements for receiving aid under the Schemes**

If the buyer of a home, during the period that the home falls under the VPO rules, wishes to gain access to qualified loans and to the non-financial aid foreseen in Section 5.1 of RD 801/2005 (among other forms of aid: the fixing of ceiling sale prices and being awarded protected homes, as well as reduced Notary Publics' and Registrars' fees for the event that the protected homes are transferred), the buyer must meet the requirements of the applicable legislation in order to benefit from such loans or aid.

RD 801/2005 specifically provides that homes falling under the VPO Scheme are to be sold or awarded to applicants who are registered in the public registers foreseen for the purpose by the relevant Regional Governments.

If the buyer of a VPO home fails to comply with the relevant requirements, besides the penalties that may be in order according to the type of infringement, the loan in question will cease to be a qualified loan, the subsidies that have been granted to the buyer will cease to be paid, and the buyer must pay back any direct economic aid he has received from the Administration, plus interest at the legal rate of interest for the period since he received the aid.

In general, taking into account the specific provisions contained in the legislation applying to VPO housing according to the different Royal Decrees, those who receive financial aid to acquire VPO homes (including both qualified loans and direct economic aid) must meet, among other requirements, the following:

- (i) they must not own in fee simple or hold real property rights of using or enjoying a VPO home, or own a "free" home whose market value exceeds a certain percentage of the price of the VPO home;
- (ii) their family income must not exceed such ceiling as may be fixed depending on the circumstances. To purchase a VPO home, eligible buyers must do so under the relevant rules (general, special, or those of a Collaboration Agreement,) depending on their family income. The rules that apply depending on the ceiling income levels, in order from the lower to the higher levels, are the following: VPO homes governed by

special rules, VPO homes governed by the general rules, and lastly, VPO homes falling under a Collaboration Agreement;

The income ceilings for beneficiaries are calculated taking as a reference the Minimum Inter-occupational Wages or the IPREM benchmark, as mentioned above.

- (iii) the buyer must not have received such financial aid for a period of ten (10) years before filing the new application for aid;
- (iv) a VPO acquired with the financial aid in question must be used by those awarded the aid as their usual permanent dwelling.

#### B. Prohibition of disposing of VPO homes

RD 1932/1991 and RD 2190/1995 provide that regulated price housing (i.e., VOP homes being transferred for the second time or more, and “free” homes brought under the VOP system) may not be transferred in any way (they may only be transmitted by inheritance) for a period of five years after the qualified loan is granted, unless the loan is settled and the seller applies for and is granted permission by the responsible body of the Administration to sell the property, pays back to the Administration the subsidies as well as the grants he has received, and pays the interest that has accrued on these, at the legal rate of interest, during the period since he received the subsidies and grants originally.

RD 1186/1998 and RD 1/2002 provide that buyers of VPO homes who have received a qualified loan are forbidden from disposing of the home in any way or granting others the right of using it in any capacity, for a period of ten<sup>1</sup> (10) years after entering into the relevant loan agreement. Failure to comply with such prohibition, except in the case mentioned below, provides grounds for terminating the loan agreement and for imposing an administrative penalty on the offender. A clause forbidding the buyer from disposing of the home is included in the deed of sale of the home and in the mortgage deed, which are registered at the relevant Real Estate Registry Office, thereby preventing any act of disposal of the home from being registered at the Real Estate Registry during the 10-year period (the Administration controls compliance with the prohibition indirectly, through the notaries public and registrars).

Notwithstanding that, pursuant to the provisions of Section 12 and Section 10,

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<sup>1</sup> The time period initially specified in Section 12.2 of RD 1186/1998 was five years. This was extended to ten years under paragraph 6 of the single Section of RD115/2001, through which RD 1186/1998 was amended.

respectively, of RD 1186/1998 and RD 1/2002, the prohibition may be waived by the responsible Regional Government in the event that the home is put up for auction on Court order, the owner of the home moves to another town, or there is some other justified reason for doing so. For the owner to be allowed to sell off the home under the above-mentioned provisions of RD 1186/1998 or RD 1/2002, he must settle the qualified mortgage loan and pay back any direct financial aid he has received plus the interest that has accrued since he received such aid, at the legal rate of interest.

If the home is transferred in any way or others are granted the right of using it in any capacity after ten (10) years have elapsed since a qualified loan was formally arranged, the subsidy ceases to be paid, the loan ceases to be a qualified loan, and the lending entity may terminate the loan. However, once ten (10) years have elapsed, the owner is no longer forbidden from disposing of it and the home may be transferred without the prior approval of the Administration and without having to pay back the aid received.

RD 801/2005 also forbids owners from disposing of a VPO home for a period of at least ten (10) years after formally acquiring the home (irrespective of whether the home has been acquired with a qualified loan or not). The deed of sale of the home and any mortgage deed executed in respect of the home must include a clause to that effect, and are registered at the relevant Real Estate Registry Office, thus preventing registration of any act of disposal before the 10-year period has elapsed. The Administration controls compliance with this indirectly, through the notaries public and registrars).

The latter prohibition may be waived in the event that the home is put up for auction on Court order, without the prior approval of the responsible Regional Government being required in this case, as opposed to what is the case with the prohibition foreseen in RD 1186/1998 or RD 1/2002. However, if the owner has received financial aid, he is required to previously cancel any agreed loan and to pay back any financial aid received from the National Administration, plus the interest accrued since the aid was received, at the legal rate of interest.

The prohibition may likewise be waived in the event that the owner of the home moves to another town, or for other justified reasons, provided always that, in such cases, the owner secures the approval of the responsible Regional Government and settles the agreed loan or pays back any direct financial aid received plus the interest accrued at the legal rate of interest. Notwithstanding that, if the prohibition of disposing of the home is waived for any of the following reasons: (i) a large family needs to acquire a larger home or a member of the family becomes disabled and needs a home with specific features, (ii) the individuals in question are over 65, (iii) the individuals in question are disabled or victims of gender violence or victims of

terrorist acts or, (iv) the individuals in question need to move into a smaller home as their usual and permanent dwelling because of justified personal circumstances, and, besides, the owner has received financial aid, the owner is only required to settle the agreed loan yet is not required to pay back any direct financial aid received or pay any interest on this.

If a VPO home is transferred in any way, or others are granted the use of the home in any capacity, once ten (10) years have elapsed since the date of acquisition, any agreed loan secured with the home loses that status and may be terminated by the lending entity. However, once the ten-year period has elapsed, the owner is no longer forbidden from disposing of the home and this may be transferred without any need to secure prior approval for doing so or to pay back any aid received.

#### C. Regulated Price

The sale price of a VPO home (or the price for which the home is transferred voluntarily in any other way) while the home is subject to the VPO rules may not exceed the ceiling regulated price for such homes.

Notwithstanding that, as the Spanish Supreme Court has repeatedly noted in its judgments on the subject, a failure to observe this duty, as well as the duty of the buyer of observing the statutory requirements mentioned in point A above, only gives rise to penalties being imposed by way of Administrative law. It has no implications by way of Civil law, because it does not provide grounds for voiding a sale of the dwelling if this is carried out without meeting such requirements. In the event of a failure to comply with these requirements, the National Government may file claims against the party who has committed the administrative offence (i.e., against the seller who has been paid a higher price than the ceiling regulated price, or against the buyer who has acquired the home but does not meet the requirements of the applicable legislation).

#### D. Voluntary disqualification and loss of the VPO status

For a home subject to VPO rules to be transferred for a higher price than that required by law, the owner must previously have applied for the home to be disqualified or deprived of its legal status as a VPO home, and the application must have been approved.

RD 1932/1991 and RD 2190/1995 do not carry any provisions on voluntary disqualification of VPO homes. Therefore, the applicable provisions are those of Section 112 of the Decree of July 24, 1968, under which disqualification is conditional on any qualified loan outstanding being repaid, and on the owner paying the

difference between the agreed and the legal rates of interest, as well as paying back any subsidies or grants received and any tax rebates or exemptions claimed, plus the interest that has accrued in either case at the legal rate of interest.

RD 1186/1998 and RD 1/2002, however, bar owners from applying for voluntary disqualification of their VPO homes for a period of fifteen (15) years after the date when they were finally declared or rated as VPO homes. Besides, in the event of disqualification of a VPO home, the owner is required to repay such financing as he may have been granted.

Besides, RD 801/2005 prevents VPO home owners from applying for disqualification during the useful life of the home (the duration of the VPO status), which is thirty (30) years in the case of "newly-built VPO homes" and of fifteen (15) years in the case of "second-hand VPO homes".

#### E. Paying Back Aid Received

In principle and as a rule the duty of paying back the financial aid received from the National Government for a VPO home applies only where the owner voluntarily, (i) transfers the home to a third party in breach of the prohibition of disposing of the home or of the mandatory terms of sale of the home, or (ii) applies for it to be disqualified or deprived of its status as a VPO home. Consequently, given that the owner of his own free will wishes to cease complying with the requirements to be entitled to qualified financing, the duty of paying back any direct financial aid received rests with the borrower and buyer of the VPO home, as it is he who has received it and then decides to forego such aid.

RD 1186/1998, RD 1/2002 and RD 801/2005 provide, besides, that a failure to secure a final VPO rating for a home means the relevant loan will lose its status as a qualified loan, any subsidies or grants will be discontinued, and the home owner must pay back any direct financial aid received, plus interest at the legal rate since the time when he received the aid.

Besides, the Collaboration Agreements provide that:

1- In the event of termination of the loan agreement on the grounds that a home has been denied a final rating as a VPO home, the borrower would be required to pay back any direct aid he has received from the National Government (the Collaboration Agreements made by the Originators under the 2005-2008 Housing Scheme provide that borrowers must also pay penalty interest as from the time when they received the direct financial aid). In these cases, if the Originators undertake mortgage foreclosure proceedings to recover the loan, they must refund the National

Government for any direct financial aid it has granted in respect of the home (plus penalty interest, as the case may be) that they succeed in recovering as a result of the mortgage foreclosure proceedings.

2- In the event that the loan agreement is terminated as a result of mortgage foreclosure proceedings on the grounds of non-performance by the borrower, Originators must suspend charging for the relevant subsidy. In these cases, if an Originator undertakes mortgage foreclosure proceedings, it must pay back to the National Government any direct aid that the borrower has received and that the Originator recover as a result of the mortgage foreclosure proceedings.

More specifically, in this case, the Originator would only be required to pay back to the National Government the subsidies that the National Government has paid to the Originator as from the date when the borrower first went into default on the loan (as the borrower would only then be required to pay the full mortgage loan installments) until the date when the Originator suspended charging the National Government for the subsidies or grants (because the loan agreement is terminated) and which the Originator has claimed as well as received from the borrower in the mortgage foreclosure proceedings.

In the deed of establishment of the Fund the Originators will undertake to pay back to the relevant body of the Administration, in the name of the Fund, any direct financial aid that the Fund is required to pay back to it for any reason according to what is specified in this Prospectus, in the event that such refunds are claimed and have not previously been received by the Fund from the borrower.

That is without prejudice to an Originator subsequently being entitled to claim to be refunded by whoever it deems fit, other than the Fund, for any direct financial aid the Originator may have to pay back to the National Government.

#### F. Right of Redemption and Pre-emption

According to the Royal Decrees, foreclosure of a mortgage on a VPO home does not bring about its disqualification and has none of the effects foreseen in the Royal Decrees concerning the period of time during which it falls under the rules for VPOs which remain in force until the end of that term, as mentioned in this paragraph, so in principle, although there are no specific applicable provisions to that effect:

- (i) A ceiling price would apply in the event of a voluntary or foreclosure sale of a VPO home; and



- (ii) It is necessary to report the mortgage foreclosure proceedings to the Administration to give the latter an opportunity to exercise its right of pre-emption, as the case may be.

Under RD 1932/1991, RD 2190/1995 and RD 801/2005, the Regional Government (or such public entity to which the Regional Government may assign its rights) has rights of redemption and pre-emption (i.e., a right of having the sale of a home to another party set aside and then buying the home for the same price, and a right of first refusal), respectively, during a period of ten (10) years. However, that is only in respect of homes falling under special VPO rules, whether these are transferred voluntarily or in a Court-ordered public sale. These rights must be recorded at the Real Estate Registry Office.

RD 1186/1998 and RD 1/2002 do not grant any rights of redemption or pre-emption over VPO homes falling under the respective Scheme.

For clarification purposes, the rights of redemption and pre-emption are defined as follows:

- (i) right of pre-emption: it is a right of first refusal that entitles a party, in this case the Regional Government (or such public entity to which the Regional Government may assign its rights) to acquire, with preference over any other person, a VPO home that is about to be sold by its owner to a third party, for the same price that the latter is about to pay for it. For these purposes, the transferor is required to report to the Regional Government that holds the right of pre-emption that he plans to transfer the home as well as the terms of the proposed transfer, and the Regional Government may exercise this preferential acquisition right within a given period of time that starts running on the date when the proposed sale is reported. When the Regional Government exercises the right of pre-emption, it substitutes for the third party that originally planned to acquire the home, in the legal position of the third party, taking over the latter's rights and duties provided that these conform to the regulations in force.
- (ii) right of redemption: this is a preferential right of acquisition under which the Regional Government (or the public entity to which the Regional Government may assign its rights) has a right of substituting for whoever has acquired the VPO home in question under the same terms stipulated in the sale-and-purchase agreement. Notwithstanding that, if the VPO home has been transferred for a price in excess of the ceiling price, the Regional Government may substitute for the party who has acquired the

VPO home, regarding the latter's legal position, but regarding the transfer price, the Regional Government may pay only the ceiling price. According to the regulations of some Regional Governments, the right of redemption works as a guarantee of the right of pre-emption, because the right of redemption arises in the event that the proposed transfer fails to be reported to the Regional Government so that the latter can exercise its right of pre-emption, or in the event that the terms of the proposed transfer have not been fully disclosed to the Administration or the reported terms are different than those under which the transfer has actually taken place.

**c) Foreclosure sales of VPO homes**

The foreclosure of mortgages created on VPO homes is processed like any other foreclosure of a mortgage on real property, according to the procedure for executory proceedings to collect money foreseen in the Spanish Code of Civil Procedure, with the special requirements foreseen in Section 681 *et seq* of said Code.

However, some additional steps may have to be taken in the event of foreclosing on a mortgage on a VPO home. Among other things, an application must be filed with the responsible Regional Government for the latter to waive the prohibition of disposing of the mortgaged home. These steps may extend the mortgage foreclosure proceedings somewhat, beyond the time they normally take.

Besides, when the public sale of the VPO home takes place, the regulated ceiling price of the home must be observed in principle. Besides, those who take part in the bidding must meet the requirements for those who wish to benefit from the non-financial aid and from qualified financing, as the case may be. The notice of the public sale on Court order must fully inform prospective bidders of the terms of the sale and the bidding requirements.

However, there is no uniform practice followed by all Spanish courts of law on the subject. Some courts require that these restrictions be observed and others do not.

Lastly, the costs of foreclosure would be similar to those of any mortgage foreclosure proceedings, because the Court costs are calculated on the basis of the unpaid amount of the loan claimed in undertaking the executory proceedings, and this figure does not depend on whether the mortgaged property is a VPO home or not.

**G. Duration of the VPO status**

The National Government provisions governing the different types of VPOs have undergone changes concerning the time during which the homes fall under VPO rules. Because of these changes it is necessary to review each type of VPO rules in the context of each VPO scheme in order to find out the exact period of time during which the homes are subject to those rules.

#### ***Audit of the Loans Securitized through the Fund***

The Loans have been audited by the firm Deloitte SL, having a registered office at Plaza Pablo Ruiz Picasso number 1, 28020 Madrid, taxpayer number B-79104469, and registered as firm number S0692 in the Official Register of Auditors (R.O.A.C. – Registro Oficial de Auditores de Cuentas), to comply with the provisions of Section 5 of RD 926/1998.

The audit report has been drawn up as of May 18, 2009. The audit has been carried out using sampling techniques which are a generally accepted method of verifying the records held by an entity in relation to a set of items ("population"), and allow drawing conclusions on said population by reviewing a number of items ("sample") of the population. The level of confidence measures the probability of the actual number of items of a population that depart from a given standard not exceeding a previously determined limit ("precision"). The size of the sample and the level of confidence chosen determine a maximum number of inferred errors for the population, which is never nil, if the sample is error-free. The verification covers a number of both quantitative and qualitative attributes of the transactions included in the sample. Specifically, the verification covers: the legalization of the loans, the type of borrower whose loan is assigned, the purpose of the loan, the date when the loan was formally arranged, the date of maturity of the loan and the initial amount of the loan. It also covers the current amount of the loan (principal outstanding), the rate of interest or reference rate, the mark-up on the reference rate, the interest rate applied, default situation, arrearages, the address of the mortgaged property, the mortgaged property, damage insurance, ceiling sale value, mortgage security, ratio of the balance outstanding of the loan to the appraisal value of the property, ownership, asset transfers, proof of being a VPO home, age of the loan, collaboration agreements for financing the purchase of VPO homes, and insurance against damages.

The audit results are reflected in a report drawn up by the Auditors. This is one of the documents on display pursuant to point 10 of the Registration Document.

Any selected Loans which on verifying the sample are found to involve errors are not assigned to the Fund.

#### **2.2.1. Law governing the pool of assets**

The assets being securitized are governed by the laws of Spain.

### 2.2.2. General description of the obligors and of the economic environment, as well as overall statistical data concerning the securitized assets

The Borrowers of the Loans are private individuals.

#### a) Information on the subsidized amounts by Originator

| BREAKDOWN OF THE CURRENT AID BY ORIGINATOR |                  |                       |                      |                |             |              |                      |                |             |
|--------------------------------------------|------------------|-----------------------|----------------------|----------------|-------------|--------------|----------------------|----------------|-------------|
| Originator                                 | Subsidies        | Principal Outstanding |                      |                |             | Loans        |                      |                |             |
|                                            |                  | Amount (€)            | Sub-total Amount (€) | %              | Sub-total % | No. of Loans | Sub-total Amount (€) | %              | Sub-total % |
| CAIXA CATALUNYA                            | Aid of some kind | 222,897,951.87        |                      | 49.01%         |             | 3,742        |                      | 40.94%         |             |
|                                            | No aid           | 54,119,691.81         |                      | 11.90%         |             | 1,014        |                      | 11.09%         |             |
|                                            | Total            |                       | 277,017,643.68       |                | 60.914%     |              | 4,756                |                | 52.035%     |
| CAIXA MANRESA                              | Aid of some kind | 69,926,791.82         |                      | 15.38%         |             | 1,218        |                      | 13.33%         |             |
|                                            | No aid           | 4,531,817.64          |                      | 1.00%          |             | 72           |                      | 0.79%          |             |
|                                            | Total            |                       | 74,458,609.46        |                | 16.373%     |              | 1,290                |                | 14.114%     |
| CAIXA Penedès                              | Aid of some kind | 6,647,595.26          |                      | 1.46%          |             | 146          |                      | 1.60%          |             |
|                                            | No aid           | 49,116,433.64         |                      | 10.80%         |             | 1,939        |                      | 21.21%         |             |
|                                            | Total            |                       | 55,764,028.90        |                | 12.262%     |              | 2,085                |                | 22.812%     |
| CAIXA TERRASSA                             | Aid of some kind | 24,375,439.47         |                      | 5.36%          |             | 420          |                      | 4.60%          |             |
|                                            | No aid           | 23,156,041.19         |                      | 5.09%          |             | 589          |                      | 6.44%          |             |
|                                            | Total            |                       | 47,531,480.66        |                | 10.452%     |              | 1,009                |                | 11.039%     |
| <b>Totals</b>                              | <b>Total</b>     | <b>454,771,762.70</b> |                      | <b>100.00%</b> |             | <b>9,140</b> |                      | <b>100.00%</b> |             |

**b) Information on the type of financial aid**

| BREAKDOWN BY TYPE OF AID     |                       |                |              |                |
|------------------------------|-----------------------|----------------|--------------|----------------|
| Subsidized Installments      | Principal Outstanding |                | Loans        |                |
|                              | Amount (€)            | %              | No. of Loans | %              |
| No direct aid                | 130,923,984.28        | 28.79%         | 3,614        | 39.54%         |
| Only subsidized installments | 68,702,798.64         | 15.11%         | 1,542        | 16.87%         |
| Only with AEDE               | 52,047,402.61         | 11.44%         | 904          | 9.89%          |
| With Subsidy and AEDE        | 203,097,577.17        | 44.66%         | 3,080        | 33.70%         |
| <b>Totals</b>                | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

**c) Information on the subsidy percentage**

The following table shows the distribution of subsidized installments (principal and interest) under each of the schemes for the 1992-1995, 1996-1999, 1998-2001, 2002-2005 and 2005-2008 periods.

**BREAKDOWN BY NATIONAL GOVERNMENT HOUSING SCHEME**

| Scheme        | Principal Outstanding |                | Loans        |                |
|---------------|-----------------------|----------------|--------------|----------------|
|               | Amount (€)            | %              | No. of Loans | %              |
| 1992-1995     | 8,814,604.06          | 1.94%          | 510          | 5.58%          |
| 1996-1999     | 20,760,796.38         | 4.57%          | 987          | 10.80%         |
| 1998-2001     | 118,341,278.49        | 26.02%         | 3,083        | 33.73%         |
| 2002-2005     | 284,194,500.15        | 62.49%         | 4,330        | 47.37%         |
| 2005-2008     | 22,660,583.62         | 4.98%          | 230          | 2.52%          |
| <b>Totals</b> | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

**BREAKDOWN BY SUBSIDY PERCENTAGE (1992-1995 SCHEME)**

| Subsidized Installments | Principal Outstanding |              | Loans        |              |
|-------------------------|-----------------------|--------------|--------------|--------------|
|                         | Amount (€)            | %            | No. of Loans | %            |
| Not Subsidized          | 8,814,604.06          | 1.94%        | 510          | 5.58%        |
| <b>Totals</b>           | <b>8,814,604.06</b>   | <b>1.94%</b> | <b>510</b>   | <b>5.58%</b> |

**BREAKDOWN BY SUBSIDY PERCENTAGE (1995-1998 SCHEME)**

| Subsidized installments | Principal Outstanding |              | Loans        |               |
|-------------------------|-----------------------|--------------|--------------|---------------|
|                         | Amount (€)            | %            | No. of Loans | %             |
| Not Subsidized          | 20,760,796.38         | 4.57%        | 987          | 10.80%        |
| <b>Totals</b>           | <b>20,760,796.38</b>  | <b>4.57%</b> | <b>987</b>   | <b>10.80%</b> |

**BREAKDOWN BY SUBSIDY PERCENTAGE (1998-2001 SCHEME)**

| Subsidized install-<br>ments | Principal Outstanding |               | Loans        |               |
|------------------------------|-----------------------|---------------|--------------|---------------|
|                              | Amount (€)            | %             | No. of Loans | %             |
| Not Subsidized               | 80,014,265.32         | 17.59%        | 1.987        | 21.74%        |
| 0-5                          | 263,122.09            | 0.06%         | 7            | 0.08%         |
| 5-10                         | 7,816,384.23          | 1.72%         | 248          | 2.71%         |
| 10-15                        | 17,279,336.96         | 3.80%         | 470          | 5.14%         |
| 15-20                        | 12,359,780.28         | 2.72%         | 354          | 3.87%         |
| 20-25                        | 533,182.96            | 0.12%         | 15           | 0.16%         |
| 30-35                        | 75,206.65             | 0.02%         | 2            | 0.02%         |
| <b>Totals</b>                | <b>118,341,278.49</b> | <b>26.02%</b> | <b>3.083</b> | <b>33.73%</b> |

**BREAKDOWN BY SUBSIDY PERCENTAGE (2002-2005 SCHEME)**

| Subsidized Install-<br>ments | Principal Outstanding |               | Loans        |               |
|------------------------------|-----------------------|---------------|--------------|---------------|
|                              | Amount (€)            | %             | No. of Loans | %             |
| Not Subsidized               | 51,588,999.83         | 11.34%        | 812          | 8.88%         |
| 5-10                         | 17,569,536.12         | 3.86%         | 249          | 2.72%         |
| 10-15                        | 45,586,145.20         | 10.02%        | 628          | 6.87%         |
| 15-20                        | 84,816,342.27         | 18.65%        | 1,242        | 13.59%        |
| 20-25                        | 63,911,279.51         | 14.05%        | 1,065        | 11.65%        |
| 25-30                        | 2,459,470.80          | 0.54%         | 34           | 0.37%         |
| 30-35                        | 11,074,673.27         | 2.44%         | 181          | 1.98%         |
| 35-40                        | 107,544.10            | 0.02%         | 2            | 0.02%         |
| 40-45                        | 6,312,972.97          | 1.39%         | 113          | 1.24%         |
| 45-50                        | 767,536.08            | 0.17%         | 4            | 0.04%         |
| <b>Totals</b>                | <b>284,194,500.15</b> | <b>62.49%</b> | <b>4,330</b> | <b>47.37%</b> |

|                                                              |
|--------------------------------------------------------------|
| <b>BREAKDOWN BY SUBSIDIZED PERCENTAGE (2005-2008 SCHEME)</b> |
|--------------------------------------------------------------|

| Subsidized install-<br>ments | Principal Outstanding |              | Loans        |              |
|------------------------------|-----------------------|--------------|--------------|--------------|
|                              | Amount (€)            | %            | No. of Loans | %            |
| Not Subsidized               | 21,792,721,30         | 4.79%        | 222          | 2.43%        |
| 0 - 5                        | 359,047,72            | 0.08%        | 3            | 0.03%        |
| 5 - 10                       | 451,390,65            | 0.10%        | 4            | 0.04%        |
| 25 - 30                      | 57,423,95             | 0.01%        | 1            | 0.01%        |
| <b>Totals</b>                | <b>22,660,583,62</b>  | <b>4.98%</b> | <b>230</b>   | <b>2.52%</b> |

**d) Information on the Breakdown by Intervals of the Balance Outstanding of the Loans**

The following table shows the Breakdown of the Balance Outstanding of the Loans, by intervals of 10,000 euros, as well as the amount of principal outstanding and the number of Loans.



**BREAKDOWN BY INTERVALS OF THE BALANCE OUTSTANDING**

| Principal Outstanding | Principal Outstanding |                | Loans        |                |
|-----------------------|-----------------------|----------------|--------------|----------------|
|                       | Amount (€)            | %              | No. of Loans | %              |
| 0-10000               | 2,123,428.18          | 0.47%          | 255          | 2.79%          |
| 10000-20000           | 11,469,290.30         | 2.52%          | 779          | 8.52%          |
| 20000-30000           | 26,945,222.16         | 5.92%          | 1,063        | 11.63%         |
| 30000-40000           | 52,771,160.77         | 11.60%         | 1,503        | 16.44%         |
| 40000-50000           | 60,972,069.51         | 13.41%         | 1,372        | 15.01%         |
| 50000-60000           | 72,638,524.11         | 15.97%         | 1,334        | 14.60%         |
| 60000-70000           | 51,947,050.41         | 11.42%         | 800          | 8.75%          |
| 70000-80000           | 69,241,125.55         | 15.23%         | 928          | 10.15%         |
| 80000-90000           | 42,429,598.54         | 9.33%          | 502          | 5.49%          |
| 90000-100000          | 23,938,976.04         | 5.26%          | 254          | 2.78%          |
| 100000-110000         | 18,677,646.13         | 4.11%          | 177          | 1.94%          |
| 110000-120000         | 10,973,461.16         | 2.41%          | 96           | 1.05%          |
| 120000-130000         | 5,988,155.97          | 1.32%          | 48           | 0.53%          |
| 130000-140000         | 2,240,239.32          | 0.49%          | 17           | 0.19%          |
| 160000-170000         | 1,648,851.00          | 0.36%          | 10           | 0.11%          |
| 200000-210000         | 202,980.61            | 0.04%          | 1            | 0.01%          |
| 560000-570000         | 563,982.94            | 0.12%          | 1            | 0.01%          |
| <b>Totals</b>         | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                           |                   |
|---------------------------|-------------------|
| <b>Highest Amount (€)</b> | <b>563,982.94</b> |
| <b>Lowest Amount (€)</b>  | <b>2,119.92</b>   |
| <b>Average Amount(€)</b>  | <b>49,756.21</b>  |

**e) Information on the Breakdown by Intervals of the Initial Balance of the Loans**

The table below shows the breakdown of the Initial Balance of the Loans selected for the pool, by intervals of 10,000 euros, as well as the principal outstanding and the number of Loans.

**BREAKDOWN BY INTERVALS OF THE INITIAL BALANCE OF THE LOANS**

| Amount of the Loans<br>granted | Principal Outstanding |                | Loans        |                |
|--------------------------------|-----------------------|----------------|--------------|----------------|
|                                | Amount (€)            | %              | No. of Loans | %              |
| 10000-20000                    | 387,129.55            | 0.09%          | 30           | 0.33%          |
| 20000-30000                    | 1,655,096.54          | 0.36%          | 109          | 1.19%          |
| 30000-40000                    | 12,529,404.84         | 2.76%          | 575          | 6.29%          |
| 40000-50000                    | 48,257,038.70         | 10.61%         | 1,695        | 18.54%         |
| 50000-60000                    | 69,064,692.53         | 15.19%         | 1,898        | 20.77%         |
| 60000-70000                    | 49,090,640.24         | 10.79%         | 1,067        | 11.67%         |
| 70000-80000                    | 66,970,488.94         | 14.73%         | 1,160        | 12.69%         |
| 80000-90000                    | 70,496,911.76         | 15.50%         | 1,033        | 11.30%         |
| 90000-100000                   | 51,505,929.54         | 11.33%         | 681          | 7.45%          |
| 100000-110000                  | 34,276,842.74         | 7.54%          | 401          | 4.39%          |
| 110000-120000                  | 25,602,453.70         | 5.63%          | 279          | 3.05%          |
| 120000-130000                  | 14,164,213.64         | 3.11%          | 133          | 1.46%          |
| 130000-140000                  | 6,554,771.75          | 1.44%          | 53           | 0.58%          |
| 140000-150000                  | 1,572,171.30          | 0.35%          | 12           | 0.13%          |
| 150000-160000                  | 228,162.38            | 0.05%          | 2            | 0.02%          |
| 170000-180000                  | 1,648,851.00          | 0.36%          | 10           | 0.11%          |
| 210000-220000                  | 202,980.61            | 0.04%          | 1            | 0.01%          |
| 660000-670000                  | 563,982.94            | 0.12%          | 1            | 0.01%          |
| <b>Totals</b>                  | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                           |                   |
|---------------------------|-------------------|
| <b>Highest Amount (€)</b> | <b>668,228.92</b> |
| <b>Lowest Amount (€)</b>  | <b>12,621.25</b>  |
| <b>Average Amount(€)</b>  | <b>67,254.32</b>  |

**f) Information on the Method of Repayment**

The table below gives the breakdown of the Loans according to their method of repayment, as well as the amount of the principal outstanding and the number of Loans.

There are currently no grace periods in force for repaying the principal or paying interest on the Loans and no Loans for which grace periods may be claimed in the future, except for the clauses allowing deferrals foreseen in the Royal Decrees, referred to in point 2.2 above.

#### BREAKDOWN BY METHOD OF REPAYMENT

| Repayment Method                 | Principal Outstanding |                | Loans        |                |
|----------------------------------|-----------------------|----------------|--------------|----------------|
|                                  | Amount (€)            | %              | No. of Loans | %              |
| Fixed Monthly Installments       | 307,500,267.85        | 67.62%         | 4,581        | 50.12%         |
| Rising or Graduated Installments | 147,271,494.85        | 32.38%         | 4,559        | 49.88%         |
| <b>Totals</b>                    | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

(\*) There are no bullet loans.

#### g) Information on the Loans for payment in rising or graduated installments

The table below gives the breakdown of the Loans that are for payment in installments (principal and interest) rising at rates of (i) 1%, (ii) 1.50%, y (iii) 3%, as well as the amount of principal outstanding and the number of Loans.

#### BREAKDOWN BY GRADUATED INSTALLMENTS

| Installment   | Principal Outstanding |                | Loans        |                |
|---------------|-----------------------|----------------|--------------|----------------|
|               | Amount (€)            | %              | No. of Loans | %              |
| 1%            | 115,869,678.78        | 78.68%         | 2,977        | 65.30%         |
| 1.50%         | 11,379,687.08         | 7.73%          | 401          | 8.80%          |
| 3%            | 20,022,128.99         | 13.60%         | 1,181        | 25.90%         |
| <b>Totals</b> | <b>147,271,494.85</b> | <b>100.00%</b> | <b>4,559</b> | <b>100.00%</b> |

The above-mentioned percentages of 1%, 1,5% and 3% are the rates at which the Loan installments (for repayment of the principal and payment of interest) rise, in the case of graduated payment mortgages (in the case of fixed installments, the percentage here would be 0%). The installments may increase only during five (5) years, i.e., installments may rise by those percentages over those of the previous year, but after five (5) years they must cease rising and become fixed installments.

**h) Breakdown of principal repayments by period**

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| <b>BREAKDOWN OF PRINCIPAL REPAYMENTS ACCORDING TO THE FREQUENCY WITH WHICH PAYMENT FALLS DUE</b> |
|--------------------------------------------------------------------------------------------------|

| Frequency of Payments | Principal Outstanding |                | Loans        |                |
|-----------------------|-----------------------|----------------|--------------|----------------|
|                       | Amount (€)            | %              | No. of Loans | %              |
| Monthly               | 454,771,762.70        | 100.00%        | 9,140        | 100.00%        |
| <b>Totals</b>         | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

**i) Information on the territorial breakdown by Province**

The table below gives the breakdown of the Loans by province, according to the place where the mortgaged properties (which coincide with the homes of the Borrowers) are situated, as well as the principal outstanding and the number of Loans.

**BREAKDOWN BY PROVINCE**

| Province      | Principal Outstanding |                | Loans        |                |
|---------------|-----------------------|----------------|--------------|----------------|
|               | Amount (€)            | %              | No. of Loans | %              |
| ALBACETE      | 792,404.81            | 0.17%          | 28           | 0.31%          |
| ALICANTE      | 655,566.37            | 0.14%          | 19           | 0.21%          |
| AVILA         | 33,041.18             | 0.01%          | 1            | 0.01%          |
| BADAJOS       | 4,321,745.31          | 0.95%          | 103          | 1.13%          |
| BALEARES      | 6,996,959.91          | 1.54%          | 113          | 1.24%          |
| BARCELONA     | 254,244,285.29        | 55.91%         | 5,057        | 55.33%         |
| CACERES       | 24,398,199.51         | 5.36%          | 569          | 6.23%          |
| CADIZ         | 12,248,277.99         | 2.69%          | 260          | 2.84%          |
| CASTELLON     | 6,841,153.59          | 1.50%          | 160          | 1.75%          |
| CIUDAD REAL   | 7,845,517.41          | 1.73%          | 116          | 1.27%          |
| CORDOBA       | 38,604.88             | 0.01%          | 1            | 0.01%          |
| CORUÑA        | 12,850,711.76         | 2.83%          | 168          | 1.84%          |
| CUENCA        | 8,664,941.37          | 1.91%          | 113          | 1.24%          |
| GERONA        | 14,421,468.58         | 3.17%          | 372          | 4.07%          |
| GRANADA       | 744,608.63            | 0.16%          | 14           | 0.15%          |
| HUESCA        | 239,758.39            | 0.05%          | 12           | 0.13%          |
| JAEN          | 29,452.52             | 0.01%          | 1            | 0.01%          |
| LERIDA        | 23,150,408.64         | 5.09%          | 514          | 5.62%          |
| LUGO          | 474,292.24            | 0.10%          | 8            | 0.09%          |
| MADRID        | 36,023,907.24         | 7.92%          | 533          | 5.83%          |
| MALAGA        | 47,369.63             | 0.01%          | 1            | 0.01%          |
| MURCIA        | 1,282,785.74          | 0.28%          | 44           | 0.48%          |
| ORENSE        | 132,447.48            | 0.03%          | 2            | 0.02%          |
| PALENCIA      | 435,540.76            | 0.10%          | 11           | 0.12%          |
| PONTEVEDRA    | 8,595.05              | 0.00%          | 1            | 0.01%          |
| RIOJA (LA)    | 4,335,741.84          | 0.95%          | 84           | 0.92%          |
| SORIA         | 40,012.13             | 0.01%          | 1            | 0.01%          |
| TARRAGONA     | 24,018,333.92         | 5.28%          | 605          | 6.62%          |
| TERUEL        | 30,589.68             | 0.01%          | 1            | 0.01%          |
| VALENCIA      | 9,314,778.28          | 2.05%          | 224          | 2.45%          |
| VALLADOLID    | 25,035.74             | 0.01%          | 1            | 0.01%          |
| ZARAGOZA      | 85,226.83             | 0.02%          | 3            | 0.03%          |
| <b>Totals</b> | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

j) Table showing the twenty obligors with the largest weight in the pool

The table below shows the concentration of the twenty obligors or borrowers with the most weight in the pool of Loans at May 18, 2009.

| BREAKDOWN BY OBLIGOR |                       |                |              |                |
|----------------------|-----------------------|----------------|--------------|----------------|
| Obligors             | Principal Outstanding |                | Loans        |                |
|                      | Amount (€)            | %              | No. of Loans | %              |
| Obligor 1            | 563,982.94            | 0.12%          | 1            | 0.01%          |
| Obligor 2            | 202,980.61            | 0.04%          | 1            | 0.01%          |
| Obligor 3            | 164,899.40            | 0.04%          | 1            | 0.01%          |
| Obligor 4            | 164,899.40            | 0.04%          | 1            | 0.01%          |
| Obligor 5            | 164,899.40            | 0.04%          | 1            | 0.01%          |
| Obligor 6            | 164,899.40            | 0.04%          | 1            | 0.01%          |
| Obligor 7            | 164,899.40            | 0.04%          | 1            | 0.01%          |
| Obligor 8            | 164,870.80            | 0.04%          | 1            | 0.01%          |
| Obligor 9            | 164,870.80            | 0.04%          | 1            | 0.01%          |
| Obligor 10           | 164,870.80            | 0.04%          | 1            | 0.01%          |
| Obligor 11           | 164,870.80            | 0.04%          | 1            | 0.01%          |
| Obligor 12           | 164,870.80            | 0.04%          | 1            | 0.01%          |
| Obligor 13           | 138,134.57            | 0.03%          | 2            | 0.02%          |
| Obligor 14           | 134,980.79            | 0.03%          | 1            | 0.01%          |
| Obligor 15           | 134,980.79            | 0.03%          | 1            | 0.01%          |
| Obligor 16           | 132,307.85            | 0.03%          | 1            | 0.01%          |
| Obligor 17           | 132,043.08            | 0.03%          | 1            | 0.01%          |
| Obligor 18           | 132,043.08            | 0.03%          | 1            | 0.01%          |
| Obligor 19           | 132,043.08            | 0.03%          | 1            | 0.01%          |
| Obligor 20           | 132,028.09            | 0.03%          | 1            | 0.01%          |
| Rest of Obligors     | 451,287,386.82        | 99.23%         | 9,119        | 99.77%         |
| <b>Totals</b>        | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

**k) Breakdown by date of legalization of the Loans**

The table below gives the breakdown of the Loans according to the date in which these were formally arranged, as well as the principal outstanding and the number of Loans.

**BREAKDOWN BY YEAR WHEN THE LOANS WERE GRANTED**

| Year Granted  | Principal Outstanding |                | Loans        |                |
|---------------|-----------------------|----------------|--------------|----------------|
|               | Amount (€)            | %              | No. of Loans | %              |
| 1993          | 10,901.17             | 0.00%          | 1            | 0.01%          |
| 1994          | 26,043.01             | 0.01%          | 3            | 0.03%          |
| 1995          | 514,409.79            | 0.11%          | 59           | 0.65%          |
| 1996          | 3,422,089.29          | 0.75%          | 308          | 3.37%          |
| 1997          | 3,548,392.68          | 0.78%          | 233          | 2.55%          |
| 1998          | 11,303,290.02         | 2.49%          | 492          | 5.38%          |
| 1999          | 19,776,634.32         | 4.35%          | 721          | 7.89%          |
| 2000          | 20,007,417.87         | 4.40%          | 649          | 7.10%          |
| 2001          | 27,778,092.42         | 6.11%          | 734          | 8.03%          |
| 2002          | 51,659,957.65         | 11.36%         | 1,190        | 13.02%         |
| 2003          | 41,383,314.99         | 9.10%          | 807          | 8.83%          |
| 2004          | 66,331,343.57         | 14.59%         | 1,108        | 12.12%         |
| 2005          | 59,723,090.46         | 13.13%         | 979          | 10.71%         |
| 2006          | 88,763,198.20         | 19.52%         | 1,110        | 12.14%         |
| 2007          | 60,523,587.26         | 13.31%         | 746          | 8.16%          |
| <b>Totals</b> | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                              |                      |
|------------------------------|----------------------|
| <b>Earliest Loan</b>         | <b>November 1993</b> |
| <b>Latest Loan</b>           | <b>August 2007</b>   |
| <b>Weighted Average Date</b> | <b>April 2004</b>    |

**l) Breakdown by date of maturity of the Loans**

The table below gives the breakdown of the Loans according to their Date of Maturity, as well as the principal outstanding and number of Loans.

**BREAKDOWN BY YEAR OF MATURITY**

| Maturity      | Principal Outstanding |                | Loans        |                |
|---------------|-----------------------|----------------|--------------|----------------|
|               | Amount (€)            | %              | No. of Loans | %              |
| 2010          | 394,009.41            | 0.09%          | 52           | 0.57%          |
| 2011          | 2,909,467.55          | 0.64%          | 274          | 3.00%          |
| 2012          | 3,080,859.49          | 0.68%          | 214          | 2.34%          |
| 2013          | 5,472,273.41          | 1.20%          | 298          | 3.26%          |
| 2014          | 6,092,898.53          | 1.34%          | 280          | 3.06%          |
| 2015          | 3,784,460.61          | 0.83%          | 158          | 1.73%          |
| 2016          | 517,400.84            | 0.11%          | 35           | 0.38%          |
| 2017          | 397,721.46            | 0.09%          | 18           | 0.20%          |
| 2018          | 108,668.35            | 0.02%          | 4            | 0.04%          |
| 2019          | 8,081,614.30          | 1.78%          | 265          | 2.90%          |
| 2020          | 16,393,538.64         | 3.60%          | 498          | 5.45%          |
| 2021          | 27,116,920.33         | 5.96%          | 711          | 7.78%          |
| 2022          | 50,573,532.44         | 11.12%         | 1,174        | 12.84%         |
| 2023          | 47,091,441.07         | 10.35%         | 992          | 10.85%         |
| 2024          | 72,596,684.79         | 15.96%         | 1,312        | 14.35%         |
| 2025          | 59,940,935.35         | 13.18%         | 993          | 10.86%         |
| 2026          | 87,551,970.96         | 19.25%         | 1,093        | 11.96%         |
| 2027          | 39,239,818.00         | 8.63%          | 537          | 5.88%          |
| 2028          | 766,963.55            | 0.17%          | 2            | 0.02%          |
| 2031          | 1,206,219.01          | 0.27%          | 19           | 0.21%          |
| 2032          | 21,281,568.39         | 4.68%          | 209          | 2.29%          |
| 2033          | 172,796.22            | 0.04%          | 2            | 0.02%          |
| <b>Totals</b> | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                                  |                     |
|----------------------------------|---------------------|
| <b>Earliest Date of Maturity</b> | <b>January 2010</b> |
| <b>Latest Date of Maturity</b>   | <b>April 2033</b>   |
| <b>Weighted Average Date</b>     | <b>May 2024</b>     |



# **BREAKDOWN BY TIME TO MATURITY**

| Time to Maturity (No. of months) | Principal Outstanding |                | Loans        |                |
|----------------------------------|-----------------------|----------------|--------------|----------------|
|                                  | Amount (€)            | %              | No. of Loans | %              |
| 0-12                             | 85,863.16             | 0.02%          | 15           | 0.16%          |
| 12-24                            | 1,153,650.31          | 0.25%          | 127          | 1.39%          |
| 24-36                            | 3,068,548.77          | 0.67%          | 261          | 2.86%          |
| 36-48                            | 4,225,663.69          | 0.93%          | 263          | 2.88%          |
| 48-60                            | 7,050,925.36          | 1.55%          | 347          | 3.80%          |
| 60-72                            | 3,765,516.63          | 0.83%          | 162          | 1.77%          |
| 72-84                            | 2,472,265.54          | 0.54%          | 108          | 1.18%          |
| 84-96                            | 621,100.07            | 0.14%          | 37           | 0.40%          |
| 96-108                           | 217,434.83            | 0.05%          | 10           | 0.11%          |
| 108-120                          | 1,809,015.50          | 0.40%          | 61           | 0.67%          |
| 120-132                          | 8,608,405.12          | 1.89%          | 280          | 3.06%          |
| 132-144                          | 22,117,845.20         | 4.86%          | 645          | 7.06%          |
| 144-156                          | 39,018,546.19         | 8.58%          | 968          | 10.59%         |
| 156-168                          | 50,756,916.72         | 11.16%         | 1,097        | 12.00%         |
| 168-180                          | 51,160,511.49         | 11.25%         | 1,045        | 11.43%         |
| 180-192                          | 67,953,147.57         | 14.94%         | 1,200        | 13.13%         |
| 192-204                          | 60,723,751.72         | 13.35%         | 937          | 10.25%         |
| 204-216                          | 86,573,443.63         | 19.04%         | 1,044        | 11.42%         |
| 216-228                          | 20,164,644.64         | 4.43%          | 302          | 3.30%          |
| 228-240                          | 563,982.94            | 0.12%          | 1            | 0.01%          |
| 264-276                          | 7,877,249.67          | 1.73%          | 74           | 0.81%          |
| 276-288                          | 14,783,333.95         | 3.25%          | 156          | 1.71%          |
| <b>Totals</b>                    | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                                    |            |
|------------------------------------|------------|
| <b>Longest Time to Maturity</b>    | <b>287</b> |
| <b>Shortest Time to Maturity</b>   | <b>8</b>   |
| <b>Weighted Average Time to Go</b> | <b>181</b> |

## **m) Breakdown of the Loans according to their overall term of repayment**

The following table shows the breakdown of the Loans according to the term for which they have been granted, by 12-month intervals as from month 120, as well as the principal outstanding and number of Loans.

**BREAKDOWN ACCORDING TO THE OVERALL TERM OF REPAYMENT**

| Term of Repayment (months) | Principal Outstanding |                | Loans        |                |
|----------------------------|-----------------------|----------------|--------------|----------------|
|                            | Amount (€)            | %              | No. of Loans | %              |
| 108-120                    | 89,726.27             | 0.02%          | 3            | 0.03%          |
| 120-132                    | 51,877.16             | 0.01%          | 3            | 0.03%          |
| 132-144                    | 22,565.37             | 0.00%          | 1            | 0.01%          |
| 156-168                    | 185,281.94            | 0.04%          | 9            | 0.10%          |
| 168-180                    | 6,597,906.92          | 1.45%          | 429          | 4.69%          |
| 180-192                    | 14,526,498.10         | 3.19%          | 812          | 8.88%          |
| 192-204                    | 209,832.67            | 0.05%          | 16           | 0.18%          |
| 204-216                    | 44,579.52             | 0.01%          | 3            | 0.03%          |
| 216-228                    | 80,303.88             | 0.02%          | 2            | 0.02%          |
| 228-240                    | 2,241,120.90          | 0.49%          | 39           | 0.43%          |
| 240-252                    | 394,836,714.21        | 86.82%         | 7,183        | 78.59%         |
| 252-264                    | 332,610.15            | 0.07%          | 10           | 0.11%          |
| 264-276                    | 247,630.88            | 0.05%          | 2            | 0.02%          |
| 276-288                    | 175,047.79            | 0.04%          | 5            | 0.05%          |
| 288-300                    | 11,743,289.48         | 2.58%          | 280          | 3.06%          |
| 300-312                    | 22,789,750.50         | 5.01%          | 334          | 3.65%          |
| 312-324                    | 505,294.97            | 0.11%          | 7            | 0.08%          |
| 324-336                    | 91,731.99             | 0.02%          | 2            | 0.02%          |
| <b>Totals</b>              | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                              |            |
|------------------------------|------------|
| <b>Longest Term</b>          | <b>335</b> |
| <b>Shortest Term</b>         | <b>120</b> |
| <b>Weighted Average Term</b> | <b>242</b> |

**BREAKDOWN BY AGE**

| Age (in months) | Principal Outstanding |                | Loans        |                |
|-----------------|-----------------------|----------------|--------------|----------------|
|                 | Amount (€)            | %              | No. of Loans | %              |
| 12-24           | 34,519,047.99         | 7.59%          | 454          | 4.97%          |
| 24-36           | 94,017,506.38         | 20.67%         | 1,109        | 12.13%         |
| 36-48           | 60,786,352.98         | 13.37%         | 933          | 10.21%         |
| 48-60           | 64,166,962.78         | 14.11%         | 1,065        | 11.65%         |
| 60-72           | 43,982,609.58         | 9.67%          | 814          | 8.91%          |
| 72-84           | 50,797,474.27         | 11.17%         | 1,078        | 11.79%         |
| 84-96           | 39,235,427.20         | 8.63%          | 980          | 10.72%         |
| 96-108          | 25,960,313.87         | 5.71%          | 798          | 8.73%          |
| 108-120         | 15,031,257.39         | 3.31%          | 527          | 5.77%          |
| 120-132         | 15,873,822.70         | 3.49%          | 626          | 6.85%          |
| 132-144         | 5,268,081.55          | 1.16%          | 302          | 3.30%          |
| 144-156         | 3,646,041.53          | 0.80%          | 294          | 3.22%          |
| 156-168         | 1,312,304.64          | 0.29%          | 138          | 1.51%          |
| 168-180         | 163,658.67            | 0.04%          | 21           | 0.23%          |
| 180-192         | 10,901.17             | 0.00%          | 1            | 0.01%          |
| <b>Totals</b>   | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                             |            |
|-----------------------------|------------|
| <b>Earliest Loan</b>        | <b>186</b> |
| <b>Latest Loan</b>          | <b>21</b>  |
| <b>Weighted Average Age</b> | <b>61</b>  |

**n) Information on the reference rates to which floating rates are linked**

| BREAKDOWN BY REFERENCE RATE OF INTEREST |                       |                |              |                |
|-----------------------------------------|-----------------------|----------------|--------------|----------------|
| Reference Rate                          | Principal Outstanding |                | Loans        |                |
|                                         | Amount (€)            | %              | No. of Loans | %              |
| VPO - DEVELOPMENT MINIS-TRY 1992-1995   | 8,814,604.06          | 1.94%          | 510          | 5.58%          |
| VPO - DEVELOPMENT MINIS-TRY 1996-1999   | 20,760,796.38         | 4.57%          | 987          | 10.80%         |
| VPO - DEVELOPMENT MINIS-TRY 1998-2001   | 118,341,278.49        | 26.02%         | 3,083        | 33.73%         |
| VPO - DEVELOPMENT MINIS-TRY 2002-2005   | 284,194,500.15        | 62.49%         | 4,330        | 47.37%         |
| VPO - DEVELOPMENT MINIS-TRY 2005-2008   | 22,660,583.62         | 4.98%          | 230          | 2.52%          |
| <b>Totals</b>                           | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

**o) Information on Loan interest rates**

The following table gives the breakdown of the Loans according to the applicable rate of interest at May 18, 2009, as well as the outstanding principal and number of Loans.

**BREAKDOWN BY RATE OF INTEREST**

| Interest Rate | Principal Outstanding |                | Loans        |                |
|---------------|-----------------------|----------------|--------------|----------------|
|               | Amount (€)            | %              | No. of Loans | %              |
| 2.97          | 1,751,917.72          | 0.39%          | 82           | 0.90%          |
| 2.98          | 10,529,682.59         | 2.32%          | 438          | 4.79%          |
| 3.066         | 1,111,721.56          | 0.24%          | 110          | 1.20%          |
| 3.793         | 10,901.17             | 0.00%          | 1            | 0.01%          |
| 3.889         | 25,975.61             | 0.01%          | 1            | 0.01%          |
| 4.101         | 428,522.19            | 0.09%          | 21           | 0.23%          |
| 4.102         | 7,218,084.29          | 1.59%          | 396          | 4.33%          |
| 4.553         | 39,253,220.66         | 8.63%          | 1,030        | 11.27%         |
| 4.554         | 77,051,952.21         | 16.94%         | 1,967        | 21.52%         |
| 4.908         | 10,560,676.54         | 2.32%          | 535          | 5.85%          |
| 4.975         | 22,660,583.62         | 4.98%          | 230          | 2.52%          |
| 5.013         | 284,168,524.54        | 62.49%         | 4,329        | 47.36%         |
| <b>Totals</b> | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

|                              |               |
|------------------------------|---------------|
| <b>Highest Rate</b>          | <b>5.013%</b> |
| <b>Lowest Rate</b>           | <b>2.970%</b> |
| <b>Weighted Average Rate</b> | <b>4.816%</b> |

(\*) The interest rate to which this table refers is the official rate of interest fixed according to what is stipulated in the individual Collaboration Agreements

**p) Breakdown by Interest Period**

| BREAKDOWN ACCORDING TO THE FREQUENCY OF INTEREST PAYMENTS |                       |                |              |                |
|-----------------------------------------------------------|-----------------------|----------------|--------------|----------------|
| Frequency of Payments                                     | Principal Outstanding |                | Loans        |                |
|                                                           | Amount (€)            | %              | No. of Loans | %              |
| Monthly                                                   | 454,771,762.70        | 100.00%        | 9,140        | 100.00%        |
| <b>Totals</b>                                             | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

There are currently no grace periods in force for repaying the principal or paying interest on the Loans and no Loans for which grace periods may be claimed in the future, except for the clauses allowing deferrals foreseen in the Royal Decrees, referred to in point 2.2 above.

**q) Breakdown by period over which floating interest rates are adjusted**

| BREAKDOWN BY INTEREST RATE ADJUSTMENT PERIOD |                       |                |              |                |
|----------------------------------------------|-----------------------|----------------|--------------|----------------|
| Adjustment Period                            | Principal Outstanding |                | Loans        |                |
|                                              | Amount (€)            | %              | No. of Loans | %              |
| ONCE A YEAR                                  | 339,054,833.40        | 74.50%         | 5,793        | 63.35%         |
| EVERY OTHER YEAR                             | 45,308,878.42         | 9.96%          | 1,074        | 11.74%         |
| EVERY THREE YEARS                            | 68,214,687.18         | 15.06%         | 2,117        | 23.20%         |
| EVERY FIVE YEARS                             | 2,193,363.70          | 0.48%          | 156          | 1.71%          |
| <b>Totals</b>                                | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

**r) Information on arrearages with installment payments (delinquency)**

| BREAKDOWN BY TIME OVERDUE |                       |                |              |                |
|---------------------------|-----------------------|----------------|--------------|----------------|
| Interval (No. of days)    | Principal Outstanding |                | Loans        |                |
|                           | Amount (€)            | %              | No. of Loans | %              |
| Up-to-date                | 432,183,415.18        | 95.03%         | 8,715        | 95.35%         |
| Up to 30 days             | 19,761,781.20         | 4.35%          | 377          | 4.12%          |
| 30 - 60 days              | 2,008,103.27          | 0.44%          | 36           | 0.39%          |
| 60 - 90 days              | 818,463.05            | 0.18%          | 12           | 0.13%          |
| <b>Totals</b>             | <b>454,771,762.70</b> | <b>100.00%</b> | <b>9,140</b> | <b>100.00%</b> |

On the Date of Establishment of the Fund, no Loans more than thirty (30) days overdue will be assigned to the Fund.

**2.2.3 Legal Nature of the Assets**

The assets are the Loans, all of which have been formally arranged by executing the relevant public document.

The Loans will be pooled together by the Originators issuing Mortgage Participations which will be subscribed for by the Fund, represented by the Fund Manager, as foreseen in Section 15 of Act 2/1981 and in Royal Decree 716/2009, all of which as described in point 3.3 of this Additional Building Block.

**2.2.4 Date(s) of Maturity or Expiry of the Assets**

Each of the selected Loans has a date of maturity, without prejudice to the regular installment payments to be made in repayment of the principal and payment of interest, according to the special terms of each mortgage credit.

At any time during the life of the Loans, borrowers may prepay all or part of the principal outstanding, with interest ceasing to accrue on the part prepaid on the date when prepayment takes place.

The final dates of maturity of the Loans range between January 10, 2010 and April 27, 2033. The latter date coincides with the Final Maturity Date of the Fund.

Point 2.2.2.1 above includes a table with the breakdown of the selected Loans

according to the final date of maturity of each of them.

#### **2.2.5 Asset Amount**

The assets of the Fund are made up of the Mortgage Participations assigned by the Originators, documenting the assignment of the Loans, which have been selected from among the audited portfolio, to achieve a figure equal to or as close as possible to 357,900,000 euros. The breakdown by Originator is as follows:

- a. Caixa Catalunya: one hundred and ninety six million two hundred thousand (196,200,000) euros.
- b. Caixa Manresa: sixty six million two hundred thousand (66,200,000) euros.
- c. Caixa Penedes: fifty four thousand seven hundred (54,700,000) euros.
- d. Caixa Terrassa: forty million eight hundred thousand (40,800,000) euros

The portfolio of selected credits from which the Loans will be drawn from assigning to the Fund on the Date of Establishment consists of 9,140 Loans with a total outstanding principal of 432,183,415.18 euros, and an amount of principal fallen due but not yet paid of 22,588,347.52 euros, at May 18, 2009

The Originators will choose, for assigning to the Fund on this being established: (i) Loans which are up-to-date with payments or not more than thirty (30) days in arrears, and (ii) Loans according to the Outstanding Balance of each Obligor, up to a total amount of principal of approximately or as close as possible to 357,900,000 euros.

The table included in point 2.2.2.d) above shows the breakdown of Loans selected according to the amount of principal not yet fallen due of each of them.

#### **2.2.6 Ratio of the outstanding principal to the legal sale price ceiling or the level of overcollateralization**

The ratio, stated in percentage terms, of the principal not yet fallen due at May 18, 2009 and the ceiling sale value of the mortgaged properties relating to the selected Loans stood at between 1.17% and 79.90%, with the weighted average balance outstanding of each Loan being 60.12%.



| BREAKDOWN ACCORDING TO THE CURRENT LTV RATIO |                       |             |              |             |
|----------------------------------------------|-----------------------|-------------|--------------|-------------|
| PRINCIPAL NOT YET FALLEN DUE                 |                       |             | LOANS        |             |
| %                                            | AMOUNT                | %           | Q            | %           |
| 0 - 10                                       | 661,629.44            | 0.15%       | 75           | 0.82%       |
| 10 - 20                                      | 7,453,589.33          | 1.64%       | 532          | 5.82%       |
| 20 - 30                                      | 16,951,928.14         | 3.73%       | 709          | 7.76%       |
| 30 - 40                                      | 19,717,639.61         | 4.34%       | 645          | 7.06%       |
| 40 - 50                                      | 36,336,019.52         | 7.99%       | 965          | 10.56%      |
| 50 - 60                                      | 94,173,254.11         | 20.71%      | 2,015        | 22.05%      |
| 60 - 70                                      | 157,869,647.17        | 34.71%      | 2,708        | 29.63%      |
| 70 - 80                                      | 121,608,055.38        | 26.74%      | 1,491        | 16.31%      |
| <b>Totals</b>                                | <b>454,771,762.70</b> | <b>100%</b> | <b>9,140</b> | <b>100%</b> |

|                          |                |
|--------------------------|----------------|
| <b>Lowest LTV ratio</b>  | <b>1,17%</b>   |
| <b>Highest LTV ratio</b> | <b>79,90 %</b> |
| <b>WA LTV ratio</b>      | <b>60,12%</b>  |

## 2.2.7 Method of Creation of Assets

The Loans selected for assigning to the Fund were granted by the Originators according to their usual credit risk review and evaluation procedures. The procedures that each of the Originators has in force are described below:

### (i) Caixa Catalunya:

According to the memorandum by Caixa Catalunya on the criteria for granting credits and loans secured with real estate mortgages to individuals, the main criteria for granting Individual Mortgage Loans (for both “free” and VPO homes) can be summed up as follows:

#### (I) Criteria for Granting Individual Mortgage Loans

The internal procedures of Caixa Catalunya for granting Individual Mortgage Loans are based on the same principles of operation, information processing and analysis, as well as on the same internal decision-making rules, observed in granting mortgage-backed credits or credits in general.

#### (II) Lending Authority Levels

Lending operations in general are usually negotiated through the branch offices of Caixa Catalunya.

In studying and negotiating lending operations, two criteria are considered: the risk and the price (interest rates and fees) of an operation.

Caixa Catalunya has a number of financial products for meeting the demand of lending operations, both with personal security and with collateral. Each of these products has specific financial terms depending on the type of security and the purpose for which it is to be used.

To attract borrower groups or segments there are various collaboration agreements with trades unions, groups, associations, etc.

### **1.- Applying for a Credit**

- The procedure for arranging an Individual Mortgage Loan begins by a personal interview with the applicant, during which a preliminary review of the transaction is carried out, the applicant is informed of the financial terms of the mortgage-backed credit and of the documents required for processing the application, the related costs, etc., i.e., the terms of the deal.
- Once this first phase is completed, the credit begins to be processed, with the relevant facts being entered in the electronic data processing system (credits application).
- The different steps that ensue are, in chronological order, the following: Process, Resolution (Approved, Denied, or Cancelled), Preliminary Agreement and Legalization.
- The documents submitted by the client concerning the requested credit as well as the documents generated internally on the matter make up the client credit file.

#### **Internal Documents:**

- Application for the credit. To the information requested in the credit application form is added a statement of the assets owned by the mortgagor or the borrower, as appropriate.
- A report with the proposal by the branch office. This is a document reviewing the applicant's circumstances and proposing or denying the credit.
- A risk list drawn up automatically when a credit is recorded in the system. This refers to the client's positions: liabilities, assets, RAI (Registro de Asociaciones Impagadas), Bureau de Credito, the Central Risk Reporting Office of the Bank of Spain (CIRBE), the National Association of Financial Entities ASNEF and the BADEXCUG financial database carried by Experian Bureau de Credito. This information is required from each of those taking part in the operation whether as borrower or guarantor.

The information in the internal documents is supplemented with information from other sources:

- Account movements (composition/characteristics of deposits and charges, frequency, diversification, origin, peak/average balances, etc.).
- Analysis of the relevant party's credit history as obligor/guarantor of risks with the bank.

#### **External Documents:**

- Identification papers: National Identification Card, Resident Card, Passport, Alien's Identification Card or identification paper of the country of origin
- Proof of income: PIT return (or equivalent), Wealth Tax return and photocopies of the three latest payroll slips.
- Evidence of the purpose for which the funds are to be invested.
- Valuation of the property to be mortgaged, performed by a duly commissioned appraiser.
- Title deeds and/or checking up at the Real Estate Registry on the property or properties to be mortgaged, including who owns the property and any encumbrances or charges on it. In the case of properties mortgaged to other entities, the applicant must submit the three (3) latest mortgage payment receipts.
- Insurance against damage.
- Commercial status reports by specialist agencies. Depending on what is known about the client.
- If the property is leased the applicant is required to submit the lease agreement and the three (3) latest receipts for the rent of the property to be mortgaged.

## **2.- Appraisals**

Under the provisions of Royal Decree 1289/91, financial entities are required to have the properties to be mortgaged appraised by independent companies duly registered in an Official Register carried by the Bank of Spain.

By virtue of the Ministerial Orders of November 30, 1994 and March 27, 2003, Caixa Catalunya only hires appraiser companies to carry out valuations of real property. In compliance with these Ministerial Orders, the appraisal value used by Caixa Catalunya for granting these credits in the case of properties falling under VOP rules in no case exceeds their statutory ceiling value. As of the date of verification of this Prospectus, there are five appraiser companies authorized to appraise properties as security for Individual Mortgage Loans to be granted by Caixa Catalunya, all of which are duly registered in the Register carried by the Bank of Spain:

- o Valoraciones del Mediterráneo SA

- o Assets Valoracio d'Actius SA
- o Sociedad de Tasacion SA
- o TINSA
- o Colectivo Arquitectos Tasadores SA

Irrespectively of the appraisal value, Caixa Catalunya has a control procedure in place that consists of comparing the original valuation of properties selected by chance with a valuation by another appraiser company approved by the Bank of Spain. The historic data have proven that the valuations of these five appraiser companies are similar to those carried out according to the above-mentioned control procedure. The valuations have differed in only 2% of the cases, with the differences being both ways.

### **3.- Insurance**

There is an essential statutory requirement in force that mortgaged properties must be insured against the risk of fire. The sum insured may not be less than the replacement or gross cost (the aggregate amount that needs to be spent to replace a property for another with the same characteristics). Besides, in all operations secured with a mortgage, damage insurance is required. The sum insured must necessarily match the appraisal value of the property to be mortgaged, net of the value of the land.

Besides, Caixa Catalunya advises its clients to take out a life insurance policy that would cover repayment of the amount of principal outstanding in the event that the borrower dies. However, this is only mandatory if considered essential after completing a review of the circumstances of the obligor.

The standard procedure of Caixa Catalunya includes checking all the documents relating to mandatory insurance policies.

### **4.- Authority for approving operations**

For deciding on proposed operations, Caixa Catalunya attributes levels of authority that vary depending on the centre that is to take the decision. Thus, the powers of approving operations are distributed among Branch Offices, Territorial Management Offices and Central Departments, with a favorable opinion of the lower-level centre being required for securing a decision on the part of a higher-level body.

### **5.- Scoring**

To grant Mortgage Loans, Caixa Catalunya uses an objective risk evaluation system that comprises two complementary valuation methods applied one after the other:

1. Behavior Scoring: This appraises the applicant's position with Caixa Catalunya. The applicant is classified on a preliminary basis by attributing to him a monthly amount that reflects his payment capacity, resulting from a review of the behavior regarding income, payments, use of credit card limits, standing orders for payment, repayment of other credit facilities, etc.

2. Concession Scoring: After using the Behavior Scoring method, if the resulting amount that reflects the applicant's payment capacity is less than that required for the loan in question or the available information has not sufficed to calculate that amount, the Concession Scoring method is used. This evaluates the applicant's risk profile in relation to the operation by calculating a score that reflects the probability of non-payment. The score results from a review of the information contained in the loan application, the purpose of the loan, the loan-to-value ratio, etc.

The evaluation that results from combining the two methods described above is binding for most operations in this segment. Thus:

- i. Those applications with the poorest scores which therefore carry the highest associated risk are automatically rejected and may in no case be reconsidered.
- ii. Those applications with the highest scores are positively binding. This policy is implemented by granting the branch offices increased authority for approving these applications and cutting through administrative red tape in processing them. Nevertheless, the responsible body may decide to reject an application despite the score attributed to it.

In evaluating other applications, the Scoring methods are used as a tool to help reach a final decision.

## **6.- Approval Criteria**

The following is a generic description of the most significant aspects to be taken into account in analyzing an operation, although each case may require a more in-depth review of significant individual aspects, or of other less usual aspects which are not mentioned.

### **Review of the applicant:**

- Personal and family circumstances (age, number of members of the family unit, single- or two-parent family structure).

- Track record with Caixa Catalunya and borrowing history of the client (standing payment orders, insurance, seniority as a client, meaningful and favorable credit experience, average liability balances, etc).
- Occupational stability (job seniority, type of employment agreement, occupational category of the borrower, etc.).
- Borrowing capacity (review of the borrower's borrowing capacity, sensitivity analysis of his borrowing capacity in the face of possible interest rate hikes). The accepted ceiling for borrowing purposes is 40% of the total annual net income reported for tax purposes. The 40% threshold may be exceeded provided always that the following requirements are met: (i) that the operation has a favorable score (low or very low risk); (ii) the borrowing percentage may reach 50% if the loan-to-value ratio is less than 80% or the parties concerned are found to have sufficient net assets from which they may obtain income by operating and/or selling them.
- Net asset picture.

#### **Review of the Property to be Mortgaged:**

- Review of the appraisal report, especially checking whether it includes any warnings or qualifications. Other aspects to be taken into account are the type of home, the age of the property, its location, distribution, finishing, orientation, etc.
- Review of the information furnished by the Real Estate Registry, checking the areas, ownership, encumbrances, etc.

Once the review of the above-mentioned aspects is completed, a decision is taken on whether to approve or reject the proposed operation. Depending on the percentage of the purchase price to be financed and on the occupational circumstances of the applicant, Caixa Catalunya may request that sufficient supplementary security be provided: guarantors, deposits, etc., for the operation to be approved

#### **7.- Collection Management Processes**

Without prejudice to the rights of creditors under Mortgage Loan agreements, the collection of overdue amounts is managed as described below.

##### **Managing Collection of Overdue Amounts:**

To recover overdue amounts, Caixa Catalunya takes steps in respect of delinquent clients as from the first day, giving priority to out-of-court procedures by negotiating agreements designed to regularize the arrearages in question, which allows the severity to be rationalized.

To recover arrearages within 90 days after payment becomes overdue, the debt recovery module of Caixa Catalunya uses the following processes:

- i. An electronic data processing system that controls the amounts overdue and automatically records payments on a daily basis. If the debtor is in arrears, the related liability account is blocked and the balance in said account is used to recover the debt. If such balance does not suffice, each payment into the account is used to partly regularize the amount overdue but not yet paid.
- ii. Charging penalty interest (as a rule, this is the loan rate plus 1,000 basic points).
- iii. Getting in touch with the debtor to remind him that it has not been possible to debit the relevant installment on the loan within a term of not more than 10 days after it fell due for payment.
- iv. Using third-party telecollection and recovery services hired by Caixa Catalunya.
- v. Automatic cycle of letters demanding payment. The first letter is generated 5 days after payment becomes overdue and takes the form of a notice of non-payment sent to the borrower. A second letter is sent 20 days after payment becomes overdue, in the form of a first letter demanding payment from the borrower. The third step is to send a second letter demanding payment from the borrower and a first letter demanding payment from surety, 35 days after payment falls due. Once 60 days have elapsed since payment fell due, a fourth step is taken in the form of a third letter demanding payment from the borrower and a second letter demanding payment from surety.
- vi. When payment becomes more than 60 days overdue, the fact is reported to the credit reporting organizations in which Caixa Catalunya takes part. During this period, before undertaking legal action to collect, the client who is in default may negotiate an arrangement with the manager which, if approved, will prevent internal actions from being undertaken while the arrangement is in force. If the debtor fails to abide by this, the date when the debt originated will apply to all effects and purposes.

An arrangement negotiated as described above may involve among other solutions a loan renewal agreement or even a sale-and-purchase of the mortgaged property, in which the debtor hands over the property to a member company of the Caixa Catalunya Group in exchange for total cancellation of the mortgage. In this case, the Fund will be paid the proceeds of the sale-and-purchase of the property in question. A sale-and-purchase is ruled out where:

- There is a possibility of refinancing the mortgage loan.
  - Any of the liable parties has, or may be foreseen to have in the medium term, sufficient payment capacity to pay off the debt that would remain outstanding in the event of foreclosing on the mortgage and auctioning off the mortgaged property.
  - The loss resulting from the difference between the debt (principal and interest) and the current market value of the mortgaged property is more than 15. This difference is calculated on the basis of an up-to-date appraisal of the property that is requested specifically for the purpose
  - There is evidence that the mortgaged property has structural defects, is earmarked under zoning plans, or is in any situation like that.
  - There are charges pending payment in respect of the mortgaged property (attachments, debts with the Community of Owners, unpaid Real Estate Tax, etc.). In these cases, the client is required to settle the charges before being entitled to propose a sale-and-purchase operation.
- vii. If the debt remains outstanding 85 days after the date when payment fell due originally, the office managing collection must propose the steps to be taken to the managers of the Debt Recovery Department. In case the proposal is to undertake legal action, the debt recovery manager will take a decision as to when and how foreclosure will take place, approximately before 100 days have elapsed since payment originally became overdue. While determining and preparing the method of recovery, collection management efforts continue with the cooperation of the debt recovery agencies.
- viii. In the event that legal action is undertaken in the end, Caixa Catalunya has an in-house debt recovery department with a team of lawyers supported by seventy eight external legal counsels and 282 attorneys admitted to represent them before the different Courts of Law.

**(ii) Caixa Manresa:**

**(I) General Procedures for Granting Loans**

Decisions within this entity are taken at various levels:

- Office
- Central Committees



- o Standing Committee
- o Risks Committee
- Executive Committee and Board of Directors

In this entity, the responsibility for risks is delegated in individuals. That is to say, the responsibility rests with individuals rather than with decision-making units.

With regard to individual responsibilities, we have defined different modules which are associated to our managers according to their capability, knowledge and experience. Besides, there are different responsibilities by type of product, by type of security and depending on the purpose of the operation, so we discriminate and make a distinction between the various types of operations and the risks they involve.

There are also a number of scoring modules that are used automatically in processing operations. On one hand, there are the "reactive" modules fed partly with the information contributed by the individual customers, and supplemented with historic data retrieved from the system. These modules are used in processing applications for new operations and, depending on the result, the office analysts may approve an operation automatically or refer them for review by the Central Services.

On the other hand, there are "proactive" modules fed solely with historic information retrieved from the system, which give the individual clients a certain "default probability" score and a "paying capacity" score. These two scores are used to pre-classify clients and be able to offer them pre-approved financing products.

#### **1.- We have seven different classes of products or risks:**

|                            |                                                                                                                                      |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Personal Surety (PS)       | Operations guaranteed personally by surety, rather than with collateral.                                                             |
| Collateral Security (CS)   | Operations secured with mortgages for acquiring or renovating first homes, where the loan-to-value ratio is not more than 80%.       |
| Borrower Substitution (BS) | The borrower substitutes for the developer financed by Caixa Manresa as the mortgagor in a mortgage loan for acquiring a first home. |
| Other Mortgage Loans (OML) | Mortgage Operations for OTHER purposes than acquiring a home, originating in developers financed by Caixa Manresa.                   |

|                  |                                                                                                     |
|------------------|-----------------------------------------------------------------------------------------------------|
| Pledges          | Operations 100% secured with pledged deposits, fixed-interest securities or other risk-free assets. |
| Overdrafts       | Current account overdrafts and operations that involve exceeding credit limits.                     |
| Card Credit (CC) | Operations that involve granting risk limits for credit cards.                                      |

According to this classification, the different individual responsibility modules are the following:

| THOUSANDS OF EUROS |     |     |     |     |         |            |     |
|--------------------|-----|-----|-----|-----|---------|------------|-----|
| RISK PRO-FILES     | PS  | CS  | BS  | OML | Pledges | Overdrafts | CC  |
| MODULE A           | 0   |     |     | 0   | 0       | 0,3        | 0   |
| MODULE B           | 0   |     |     | 0   | 0       | 0          | 0   |
| MODULE C           | 0   |     |     | 0   | 0       | 30         | 30  |
| MODULE D           | 0   |     |     | 0   | 0       | 1,6        | 0   |
| MODULE E           | 0   |     |     | 0   | 0       | 1,6        | 0   |
| MODULE F           | 0   |     |     | 0   | 0       | 1,6        | 2   |
| MODULE G           | 0   |     |     | 0   | 0       | 4,5        | 3   |
| MODULE H           | 0   | 150 | 150 | 30  | 240     | 1,6        | 2   |
| MODULE I           | 10  | 150 | 150 | 30  | 240     | 1,6        | 2   |
| MODULE J           | 20  | 190 | 190 | 30  | 300     | 3          | 6   |
| MODULE K           | 30  | 220 | 220 | 60  | 300     | 3          | 6   |
| MODULE L           | 40  | 220 | 220 | 60  | 300     | 6          | 12  |
| MODULE M           | 50  | 240 | 240 | 60  | 300     | 6          | 12  |
| MODULE N           | 70  | 240 | 240 | 90  | 300     | 18         | 18  |
| MODULE O           | 100 | 300 | 300 | 120 | 300     | 18         | 18  |
| MODULE P           | 130 | 300 | 300 | 180 | 300     | 18         | 18  |
| MODULE Q           | 150 | 300 | 300 | 180 | 300     | 18         | 18  |
| MODULE R           | 150 | 300 | 300 | 180 | 300     | 90         | 18  |
| MODULE S           | 60  | 240 | 240 | 60  | 330     | 30         | 30  |
| MODULE T           | 90  | 270 | 270 | 90  | 330     | 60         | 60  |
| MODULE U           | 120 | 300 | 300 | 120 | 330     | 90         | 18  |
| MODULE V           | 150 | 300 | 300 | 150 | 330     | 120        | 120 |
| MODULE W           | 180 | 300 | 300 | 180 | 330     | 120        | 120 |
| MODULE X           | 210 | 330 | 330 | 210 | 360     | 150        | 150 |
| MODULE Y           | 240 | 330 | 330 | 240 | 360     | 150        | 150 |
| MODULE Z           | 350 | 600 | 600 | 350 | 600     | 602        | 600 |

Said amounts are not for operations; rather, they are for the overall volume of exposure to a client in each area.

The individual responsibilities of the managers of the entity with responsibilities relating to risks are defined according to the above method of classification and discrimination, naturally considering their degree of training, experience, and capability. These individual responsibilities are reviewed annually by the Risks Department and the Risk Monitoring Department according to the risk reviews carried out, and proposals to change or confirm the responsibilities are submitted to the Risks Committee of the entity, who ratify these proposals.

Operations are approved or decided at the level of branch offices according to the scope of responsibility of the relevant individuals, if they have sufficient authority. If the operations or volume of risks relating to a client exceed the responsibilities delegated in the manager or person who runs the branch office in question, the operation must be submitted for deciding at a higher level, i.e. at the level of Central Services risk committees.

Irrespectively of the amount of an operation or the exposure to a client, if the client or the operation has special implications (the operation is considered to involve a high risk, or the client is subject to internal or external warnings, or is an employee), the matter is considered to be beyond the scope of responsibility of the branch office and must be submitted to the Central Services risk committees.

The limits of authority, high-risk modules and client warnings are triggered automatically and monitored by computer, so there is no possibility of approving or deciding on this type of operation at the branch office level.

## **2.- Central Services Risk Committees**

The Risks Department of this entity is divided into two major areas of responsibility:

- Risk Analysis
- Risk Monitoring

Generally speaking, this department is responsible for:

- Analyzing the operations involving a credit risk submitted by the branch offices.
- Deciding on those operations that fall within its scope of authority.
- If the operation is beyond its scope of authority, the department must review the operation and submit it for deciding by the Risks Committee and/or the Executive Committee.

- Reviewing the risks of the bank's credit portfolio regularly and as appropriate.
- Reviewing the operations approved at branch office level regularly and as appropriate.
- Monitoring the credit risks of the bank and taking preventive action to ensure that they debt-claims are recovered eventually (reviewing internal and external warnings).
- Monitoring and controlling risks in an irregular situation.
- Deciding on the steps to take or risk policies to apply with clients who are in an irregular situation or relating to overdue receivables.
- Manage friendly collection of risks relating to overdue receivables.

Besides, given the significance of mortgage lending for this entity and the need to have a fully specialized technical department, the Risks Department has a real estate market expert, an official expert from the TINSA real estate appraisal company registered with the Bank of Spain that provides the necessary in-house advice.

## 2.1. Standing Committee

The members of the Committee are the Risks Manager, the Risk Analysis Manager, the managers of the team of analysts, and one or more risk analysts. As its name suggests, the committee meets daily to decide on operations that fall beyond the scope of authority of the branch offices (either because of the amount involved or because they involve special risks beyond the scope of branch offices), up to the following limits of exposure to individual clients:

| EUROS   |         |         |            |
|---------|---------|---------|------------|
| PS      | CS      | Pledges | Overdrafts |
| 350,000 | 600,000 | 600,000 | 1,203,000  |

## 2.2. Risks Committee

Its members are the General Manager, the Manager for Business Units and Affiliated Companies, the Manager for Operations, the Risks Manager, the Risk Analysis Manager and the risk analysts. The required quorum for the Committee to be in session is one half plus one of its members.

This Committee meets twice a week and approves, at the proposal of the Risks Department, those operations that exceed the scope of authority of the branch offices and the Standing Committee, up to the following limits of exposure to individual clients:

| EUROS     |           |           |            |
|-----------|-----------|-----------|------------|
| PS        | CS        | Pledges   | Overdrafts |
| 2,500,000 | 4,250,000 | 4,250,000 | 2,000,000  |

### **2.3. Executive Committee**

This Committee meets monthly. Its members are the Chairman, the Deputy Chairman, the General Manager who acts as Secretary of the Committee, and two members. The Executive Committee finally confirms operations falling beyond the scope of authority of the Risks Committee which have been approved by the latter and may not be legalized until they are so confirmed, except for those which in the view of the Committee need to be legalized before being confirmed by the Executive Committee, for emergency reasons or in exceptional circumstances, which the General Manager must report to the Executive Committee.

### **2.4. Board of Directors**

The Board meets every other month. It includes the Chairman, the Deputy Chairman, the Secretary, the Deputy Secretary, and 11 members. The board approves loans, bonds and other guarantees granted by the Bank to Members of the Board of Directors, to members of the Control Committee, to the Managing Director, or to their spouses, parents, offspring and collateral family members up two times removed, or to companies in which such persons own shareholdings which, either singly or jointly, are majority shareholdings, or in which they hold positions as chairman, members of the board, director, manager, managing director or the like. These risks are also required to be reported to the Department of Economics and Finance of the Regional Government of Catalonia, whose explicit approval is required.

Such approval is required too for the persons referred to in the previous paragraph to sell own property or securities or securities issued by the Bank itself.

As an exception, such approval is deemed to be given in those cases foreseen by the laws and regulations in force from time to time.

## **II) Processing, Approving and Legalizing Mortgage Loans secured with VPO homes**

Applications for mortgage loans to be granted under the VPO Agreement in Force are processed as follows.

### **1.- At Caixa Manresa Offices. Processing and Approval**

The office receives from the client the relevant Rating Bill issued by the Office of the Councilor for Housing and Environmental Protection of the Regional Government of Catalonia. The office also receives the necessary documents for analyzing the risks involved by the operation.

- A valuation of the property is required if the developer of the home is not financed by Caixa Manresa. In the event that the buyer is substituted as mortgagor for a developer financed by Caixa Manresa, a new appraisal is not required as a rule, because there already is a recent appraisal available. If a valuation is required, the appraiser must be a firm approved by the Bank of Spain, and it is advisable that the firm be one of those approved by Caixa Manresa: TINSA or SOCIEDAD DE TASACION. VPO homes all have a value determined by law, of which the loan covers up to 80%.
- Documentary proof of the income of the borrowers and surety (as the case may be): wage slips and PIT returns.
- Information furnished by the CIRBE concerning the borrowers and surety. There is an automated procedure available for requesting and receiving this information.
- Information on the main expense items.
- Checks are performed to make sure who is/are the owner(s) of the property, and that it is free of encumbrances, by consulting the Real Estate Registry. These checks are carried out by the Notary Public before executing the mortgage loan agreement

The Risk Analyst at the Branch Office is required to review the operation and fill in an internal "Report-Resolution", reporting on and endorsing the operation.

All the above-mentioned documents are kept in a paper file.

### **2.- Computer File**

The Branch Office starts a file in the computer system of Caixa Manresa, entering all the necessary information for duly processing, legalizing and subsequently managing the loan.

On starting the computer file, the bad debt files of Badexcug, Credit Bureau or Experian, as well as the own warning system of Caixa Manresa, are automatically consulted. An enquiry is made for each of the borrowers and sureties involved in the operation. If any adverse development is found in the ASNEF files or reported by the Internal Warning System, the operation cannot be approved at the Branch Office level, even if the Branch Office has the necessary authority to do so from the point of view of the size of the risk.

### **3.- Transferring the File to the Central Services Risk Analysis Department**

Operations that cannot be approved at the Branch Office level are forwarded to the Central Services Risk Analysis Department for approval according to the criteria described above. If the operation is approved, the file is forwarded to the Loan Management Department for seeking the approval of the Housing Ministry.

### **4.- Loan Management. Applying for the Approval of the Housing Ministry**

The applications that are cleared for further processing are forwarded to the Loan Management Department for this to seek the approval of the Housing Ministry. The Loan Management Department enters the key information in the computer system to allow an application report to be generated each Monday and Wednesday. This is transmitted to the Ministry using the PROTEGER website (a special website used for the purpose). In addition, the detailed applications and specific documents concerning each operation must be forwarded by ordinary mail.

### **5.- Loan Management. Receiving the Housing Ministry Approvals**

The Housing Ministry informs the Bank by email that the mortgage operations have been approved and conform to the specific terms of the relevant agreement in force. The notice of approval is included in the relevant computer files carried by Caixa Manresa, and the loans are ready to be legalized.

### **6.- Branch Office Prepares Legalization**

Once the relevant risks are accepted and the operation is approved by the Housing Ministry, the Branch Office prepares a file with the information to be included in the mortgage deed, and sends it to the Notary Public before whom the deed is to be executed and the operation is to be legalized.

### **7.- Expenses Charged to the Obligor**

No fees are charged to the borrower in the case of VPO loans. The expenses to be borne by the borrower are those charged by the Notary Public and those of registering the deed at the Real Estate Registry office (taxes, paralegal services, and Registrar's fees). Through the paralegal managers hired to provide the relevant service, Caixa Manresa follows up on the registration process and makes sure that the deed is registered without any hitches (the deed must be finally registered within 60 days after being filed for registering with the Real Estate Registry office; otherwise, the application for registering the deed must be renewed as many times as necessary until this is finally registered).

#### **8.- Legalization**

Once the relevant mortgagor substitution or mortgage deed is executed before the Notary Public, the Branch Office pays the borrower the relevant sum for the borrower to pay the developer. From then on the loan is managed according to the terms of the loan agreement and the terms of the collaboration agreement between the Bank and the Government.

#### **9.- Insurance**

There is an essential statutory requirement in force that mortgaged properties must be insured against the risk of fire. The sum insured may not be less than the replacement or gross cost (the aggregate amount that needs to be spent to replace a property for another with the same characteristics). Besides, in all operations secured with a mortgage, damage insurance is required. The sum insured must necessarily match the appraisal value of the property to be mortgaged, net of the value of the land.

Besides, Caixa Manresa recommends that clients take out a life insurance policy for an amount covering the cost of repaying the principal outstanding in the event that the borrower dies. The life insurance policy is only mandatory if Caixa Manresa deems it appropriate after completing a review of the circumstances of the obligor.

The standard procedure of Caixa Manresa includes checking all the documents relating to mandatory insurance policies.



### **(III) Collection Management Procedures**

The steps taken to manage collection of amounts payable under mortgage loans are the following:

1. Each day, a computer application is executed to retrieve from the Mortgage Loan Database the amounts falling due on that day.
2. The system checks that the balance in the account linked to the loan suffices for paying those amounts.
3. If the balance in the related account suffices to meet the charge, the system debits the account and generates the receipt for the customer.
4. The receipt is included in the Integrated Mail System of Caixa Manresa, and is sent out along with the rest of the statements to be forwarded to the client.
5. If the balance in the related account does not suffice to meet the charge, the computer system holds this in abeyance and attempts to collect the amount in the following five days.
6. When any funds are paid into the account at a later date, the computer system detects the payment and makes the charge (for the total amount, during the 15 days following the date when payment fell due, and for such partial amount as may be available in the account after that period).
7. If the client has other overdue payments to make, or five days have elapsed since the due date of payment, and the necessary funds for meeting the mortgage payment have not been paid into the account, the system issues a specific letter informing the borrower that the payment has not been made. Besides, the fact is entered in a GENERAL LIST OF ARREARAGES carried by the Branch office. The list is a report of all adverse developments relating to financing facilities.
8. If a payment cannot be collected, successive notices of non-payment are issued, including a notice to surety once 30 days have elapsed. Once 90 days have elapsed, or earlier if the Branch Office so decides, the matter is reported to the Contentious Matters Department, where collection is attempted through a centralized procedure, and the process of demanding payment before the courts of law is undertaken as the case may be.

**(iii) Caixa Penedes:**

According to the procedures for granting mortgage-backed credits or loans to individuals for buying VPO homes, the principal criteria of this Originator for granting mortgage loans are those contained in the Internal Memorandum on Granting Mortgage Loans, which applies to both "free" homes and "VPO" homes, to be attached as a schedule to the Deed of Establishment. Said criteria are summarized below.

**Processing and approving applications**

The Branch Office is responsible for entering in the loan processing system those applications that pass the required prior review.

The key aim of this preliminary review is to screen out any applications that do not meet the minimum quality requirements without causing the client or the bank to incur unnecessary expenses and delays. For the purpose, the Branch Office evaluates the repayment capacity, the loan-to-value ratio (based on its knowledge of the area where the property is situated), and whether the applicants are contributing an adequate volume of resources for the purpose for which the loan is requested.

Another point considered in the preliminary review is the possibility of including additional guarantees, such as sureties, for example, where necessary to guarantee the recovery of the loan.

If the application passes the preliminary review, the Branch Office begins processing the application, compiling the documents required by the applicable regulations for the relevant type of operation and entering them in the computer system for approval by the responsible body. For the purpose, the Branch Office starts a computer file with all the necessary information for reviewing and automatically screening the application. The information must include the income and expenses of the client, the place where the property is situated, the appraisal value of the property, as well as reports and views on the operation in question. Apart from that information, to be entered manually, certain information is entered automatically. This includes the client's positions, the profitability and the client / loan tradeoffs, as well as information on the client's overall borrowings (provided by the CIRBE) and his behavior regarding payments within the system. In addition to such information, the supporting documents are digitalized and added to the file so that it can be consulted by Bank staff.

The loan request processing application assures that the file is reviewed and the

request is approved by officers at the appropriate level who have sufficient authority for the purpose. It also prevents processing applications for which the minimum required documents have not been entered (such as enquiries on adverse developments or delinquency or on the client's overall borrowings as reported by the CIRBE). This is achieved through the policy module, which requires and assures compliance with restrictions to the authorities foreseen in the Regulations (repayment capacity, loan-to-value ratio, unfavourable reports on payment behavior, internal events...).

While the application is being processed it goes through various responsible bodies within the Bank until reaching the one empowered to approve it. The various levels of responsibility involved in this process are the following:

- Branch Office
- Risks Area
- Risk Committee
- Operations Committee

There are three different levels of authority within Branch Offices. Only the individuals holding positions of responsibility at an Office are empowered for these purposes. The level of authority attributed to each of these employees depends on how experienced they are.

Unless it is directly empowered to approve the application, each body through which this goes through must issue an opinion on the viability of the risk after performing the relevant review, adding to the file a Report with the relevant conclusions and a recommendation on whether the application should be approved or not.

In the case of new loans to customers who are or have been materially in arrears with Caixa Penedes, the application must also be reviewed by the Recoveries Area, so the full cycle it must go through is as follows:

- Branch Office
- Recoveries Area
- Risks Area
- Risk Committee
- Operations Committee

The authorities delegated in these bodies concern two different parameters:

- o Risk limit (ceiling amount of the loans that may be approved by each body)

o Tariffs (the financial terms for individual loans)

The authorities relating to risk specify the ceiling amount of loans that may be granted to a client, by means of two limits. The first limit is based on the type of principal guarantee of the loan (collateral / surety) –for VPO purposes, a real property guarantee is required – and the second limit is an overall ceiling, irrespectively of the guarantees given.

These authorities are restricted when the application has any features that involve a heightened risk in the view of the Bank, such as: the loan-to-value ratio and the repayment capability of the borrower depending on the type of property on which the mortgage is created and the purpose for which the property is to be used, when these exceed certain levels, the client's payment record.

Given any of these circumstances, the most usual consequence is that the application is sent on to a given body or, simply, the highest-ranking body, depending on how serious the implications may be.

Besides the above quantitative aspects, applications undergo a qualitative review to assess aspects such as the purpose of the loan, the job situation of the applicants, their seniority as clients, their saving capacity, etc.

**Documents required**

To review an application, the Branch office must compile the documents required according to in-house regulations. These documents come from different sources. Some of the documents required, grouped together by source, are for example the following:

Consulting information drawn from internal applications: client file, positions, and situation regarding earlier operations with the client.

Consulting external sources: unfavorable developments and delinquency, enquiry with the CIRBE (the relevant information is available internally for clients with risks outstanding with Caixa Penedes), note from the Real Estate Registry concerning ownership and encumbrances of the property to be mortgaged (or for any other properties of the borrowers or sureties that the Bank deems necessary to check).

Information to be furnished by the client: this includes especially the pay slips for the last few months, an annual income certificate, VAT and PIT returns (as the case may be), a sworn statement of the properties and wealth or net assets of the relevant parties, the prior title deed of the property to be mortgaged, earnest money deposit or

promise to sell (if any), etc.

Valuation of the property by an expert with any of the valuation firms acceptable to Caixa Penedes, from among those approved and duly registered in the relevant Register.

Once these documents are available, the application is reviewed by the Branch Office and the successive bodies through which it is required to go before it is approved, according to the scope of authority granted to each of them as described above. These bodies evaluate:

- The applicant's capacity to repay the loan and any personal circumstances that may influence such capacity. Specifically, the Branch Office must evaluate the share of the applicant's income that is committed to regularly paying installments, rent and other fixed expenses, as well as the volume and composition of the applicant's income (fixed and steady income, such as wages, and variable or sporadic income). The job stability of the applicant must likewise be evaluated taking into account the type of employment contract, his seniority, job turnover, etc. Another point to be evaluated is whether the remaining income after meeting the installments and rent suffice for meeting the usual family expenses. As a rule, it is recommended that the installment payments and rent do not exceed 35% of the applicant's steady income. In any case, a Branch Office may not approve a loan if that percentage is greater than 40%.
- Client's behavior regarding payments, to both the Bank and other creditors. The degree of performance of his liabilities, financial or otherwise, must be evaluated. The Bank's warning system must be consulted on any unpaid installments, as well as the available databases with adverse information.
- Customer loyalty: average balance, credit card operations, standing orders of payment, insurance taken...
- Applicant's wealth: Assets he owns, charges on them,...
- Situation of the property to be mortgaged: after appraising the property, checking the registral information and examining the sale-and-purchase agreement, the Bank reviews the physical condition of the property to be mortgaged as well as its legal status regarding registered charges or encumbrances, the level of transactions with similar properties, the loan-to-value ratio as well as the repayment capacity and volume of resources invested by the client. As mentioned above, the Appraisal must be carried out by one of companies accepted by the Bank.

## **Legalization**

The next step after approving the mortgage loan is to comply with the statutory requirement of drawing up a binding offer before the relevant deed is executed before a Notary Public.

Before the deed is executed, the client must take out a damage insurance policy with the Bank's own insurance company "Cep d'Assurances Generals SA", in respect of the property on which the mortgage is created, providing suitable coverage considering the type of property, and covering its appraisal value net of the value of any items that by their own nature cannot be insured, such as the land, naming the Bank as beneficiary. In case the client decides to take out the insurance policy with another company, the Branch Office must make sure that the policy includes a clause naming the Bank as beneficiary, and that it is regularly renewed.

## **Checking the Quality of the Lending Operation**

To ensure that the reviews performed by the various bodies meet the minimum quality requirements of the Bank, such reviews are checked subsequently. This task is performed by:

- o The Territorial Area Manager, in the case of operations approved by Branch Offices.
- o The Risk Monitoring Department, when the operation has been approved by the Territorial Area Manager, the Risks Area, or the Recoveries Area.

## **Following up on Payments**

If an installment fails to be paid in due course, the loan is automatically entered in the unpaid items management system, concerning which the following points may be noted:

- A daily attempt is made to collect unpaid items, as well as the penalty interest accruing on them.
- As from the first day, the loan is registered in the file of delinquent loans carried by the Bank, which serves as the basis for managing the recovery effort. Given the importance of moving fast once an item falls in arrears, the Branch Office is responsible for placing the first calls to the client demanding payment.

## **Following up on Overdue Receivables**

The treatment of overdue receivables prior to undertaking legal action to collect is as described below. While payment remains overdue, the Branch Office works together with the Monitoring and Recoveries Area to try to get the situation regularized as soon as possible.

There are phases in which the client is automatically sent letters demanding payment, and at the same time the office takes supplementary steps in the form of calls and visits.

The collection efforts during those phases depend on the overall exposure of Caixa Penedes to the client concerned as well as on the non-performing product.

#### OVERALL EXPOSURE TO THE MAIN OBLIGOR: LESS THAN 100,000 EUROS

##### PHASE 1: Warning

This phase starts on day 1 after the payment becomes overdue, and ends on day 5. During this first phase, the Branch Office calls up and visits the client to try to get the situation regularized before the irregular position enters the second phase.

Phase 1 ends with a warning letter that opens the way to phase 2.

##### PHASE 2: Claiming payment

This phase begins on day 6 after the payment becomes overdue and ends on day 32, when a letter demanding payment is sent out automatically to the borrowers and the sureties. This move is combined with calls and visits from the Branch Office.

##### PHASE 3: Putting the matter in the hands of an external collection company

This phase begins on day 33 after the payment becomes overdue and ends on day 90 for all products. This phase also applies to claims against clients involving an Overall Risk of more than 100,000.00 euros, where the main obligor is a foreign citizen.

During this phase, the debt collection effort is managed by an External Recovery Firm. It includes making telephone calls and visits as well as sending SMS and letters to the client. In a parallel move, on day 75 the system sends out a requisition letter.

During this phase the Branch Office also makes telephone calls and visits the client to seek to get the situation regularized.

##### PHASE 4: Undertaking legal proceedings

Once the recovery firms return the accounts they have been managing, the Monitoring and Recoveries Area orders legal proceedings to be undertaken.

The system automatically allocates these claims to recovery firms other than those that have managed the collection effort in the previous phase. A distinction is made between clients involving an Overall Risk of less than 6,000 euros, and more than 6,000 euros.

According to procedural law, proceedings involving an Overall Risk of less than 6,000 euros are not liable to be prosecuted and are handled through an out-of-court procedure.

In proceedings involving an Overall Risk of more than 6,000 euros, the agent has a term of 60 days in which to seek collection through an out-of-court procedure, apply for checking the registral information, and report to the Recoveries Department Committee on the assets and liabilities of the parties concerned, as well as to propose that a complaint be filed or dropping the claim.

Once the report is reviewed, the Recoveries Department informs the collection agent of the decision taken on the subject, and starts "GIREC" proceedings in the form of SOCOB1 (Out-of-Court Procedure), SOCOBM (European Order for Payment Procedure) or SOCOBE (Executory Proceedings).

#### OVERALL EXPOSURE TO THE MAIN OBLIGOR: MORE THAN 100,000 EUROS

##### PHASE 1: Warning

This phase starts on day 1 after the payment becomes overdue, and ends on day 5.

During this first phase, the Branch Office calls up and visits the client to try to get the situation regularized before the irregular position enters the second phase.

Phase 1 ends with a warning letter that opens the way to phase 2.

##### PHASE 2: Claiming payment

This phase begins on day 6 after the payment becomes overdue and ends on day 32, when a letter demanding payment is sent out automatically to the borrowers and the sureties. This move is combined with calls and visits from the Branch Office.

##### PHASE 3: Collection is managed internally



This phase begins on day 33 after the payment becomes overdue and ends on day 60 for all products.

During this period, the Branch Office takes such steps as are deemed fit to recover the debt. Beginning in this phase, the steps in question are also taken in respect of the sureties.

#### PHASE 4: Undertaking legal proceedings

On day 60, the Recoveries Area orders legal proceedings to be undertaken. Besides, the case is also reported to the Territorial Area Manager for the same purpose. On day 75 the system sends out a requisition letter.

Once the legal proceedings become a matter of the Recoveries Area, the managers review the client on an overall basis, the decision on undertaking legal proceedings is approved, and the procedure for enforcing the Bank's debt-claims is specified, with the matter being put in the hands of the external lawyers who will press the claims before the courts.

#### (iv) Caixa Terrassa:

Mortgage loan applications filed under the collaboration agreement in force for financing VPO homes are processed as described below.

### **(I) Origination and granting of Mortgage Loans**

#### **1.- Description of the process**

In the case of mortgage loans granted directly, these are originated at the Branch Office itself, which may decide to grant the loan using authorities that may be exercised singly or jointly (by the Manager and the Controller).

As a rule, all loans must be approved by the Branch Manager and the Branch Controller acting jointly.

All applications for mortgage loans whose amount exceeds the limit of authority of the Branch Manager and Controller acting jointly must be processed and reviewed by the Central Services Risk Review and Monitoring Area.

#### **2.- Commitment to Customer Service**

In the context of the Risk Review process for granting loans there is the so-called customer service commitment. As far as loans are concerned, this includes:

**2.1. On the part of the Risk Review Department:**

- Reviewing and deciding on properly documented applications for loans filed by private individuals before 9 a.m. of a given day, falling within the scope of authority of the Risks Committee: the decision is taken that same day.
- Reviewing and deciding on properly documented applications for loans filed by corporate clients and developers for “free” or VPO homes before 9 a.m. of a given day, falling within the scope of authority of the Risks Committee: the decision is taken the next day at the latest.
- Reviewing and deciding on properly documented applications for loans filed by private individuals, falling within the scope of authority of the Investment Committee: the decision is taken by no later than six working days after receiving the application.
- Reviewing and deciding on properly documented applications for loans filed by corporate clients, falling within the scope of authority of the Investment Committee: the decision is taken by no later than 10 working days after receiving the application.
- Reviewing and deciding on properly documented applications for loans filed by private individuals, corporate clients and developers for “free” or VPO homes, falling within the scope of authority of the Executive Committee or the Board of Directors: the decision is taken by no later than 15 working days after the application is received.

## **2.2. On the part of the Risk Management Unit:**

- Making the report from the Real Estate Registry available to the Branch Office within not more than three working days after it is requested.
- Making the appraisal report available to the Branch office within not more than five working days after it is requested.

Preparing the necessary documents for arranging properly documented financing operations (indemnity bonds, cross-border operations, discounting of commercial paper, credit agreements, consumer loans, corporate loans, leasing operations, loans for industrial or commercial purposes, and mortgage loans) within a period of one working day after the relevant application is received and before the relevant decision is taken.

Compliance with all these commitments regarding service to clients is checked continuously, and statistical figures are generated. Caixa Terrassa currently has the figures for 2004, 2005, 2006 and 2007, and these figures will be compared for the first time with those of other Saving Banks, using statistics prepared by the business organization of Spanish Saving Banks.

## **3.- Required Documents**

The following is a list of the documents required for granting any type of mortgage loan for buying “free” or VOP homes.

- Written resolution approving the loan.
- Written application for the loan.
- Branch Office report.
- Appraisal report.
- Economic and financial papers.
- Real Estate Registry note on the charges or encumbrances on the property to be mortgaged.
- Other relevant papers for studying and deciding on the loan application.
- Notices reporting to the Ministry of Development that the loan is to be granted under the relevant collaboration agreement.
- Rating of the loan by the Regional Government of Catalonia
- Report on the client’s overall borrowings, issued by the Bank of Spain’s Central Risks Monitoring Unit (CIRBE).
- Credit status report (Experian, Asnef/Equifax).
- Fire insurance policy

#### **4.- Decision-making Bodies**

According to the CET rules in force, the Decision-making Bodies regarding risks are the following:

- The managers and controllers of Branch Offices, up to their limit of authority when acting jointly.
- The manager of the Risk Review unit.
- The manager of the Lending Department.
- Risks Committee: a Committee that meets regularly once a week, made up of the manager for Lending Risks and the manager for Risk Reviews.
- The Manager of the Resources and Investments Division.
- The Investments Committee: a Committee that meets regularly once a week, made up of the General Manager, the Manager of the Investments Division, the Manager of the Commercial Division, the Manager of the Lending Department and the Manager of the Risk Review Unit.

The limits of authority of each Body responsible for approving loans refer to the overall permitted exposure to each client or group of clients.

#### **5.- Criteria for Granting Loans**

According to the rules in force at Caixa Terrassa, the points to be evaluated when it comes to granting a loan for acquiring a “free” or VOP home are the following:

Originator of the operation: The utmost prudence is required with clients “coming out of the blue”. Unless clear and sufficient information is available on the project, the decision must be to reject the application. In the case of loan applications filed by persons introduced by professionals who usually act as motivators, the experience and information available concerning their ethics, transparency and professional ability of the latter must be evaluated.

Information on the applicant, the requested loan and the purpose for which it is to be used: in all cases, the Bank must have suitable and clear information available about the applicant’s occupation, his financial position, his borrowings, the project and purpose for which the loan is to be used, and the security, with all of these facts to be adequately reported on and documented in the relevant file.

Consulting the Bank of Spain’s Central Risks Monitoring Unit (CIRBE), as well as the RAI, ASNEF and EXPERIAN credit reporting organizations.

As for the securities, solid guarantees are required to be posted for loans which

because of their size, repayment term or description, involve a high degree of risk.

Loan applications are always evaluated objectively from the point of view of the risk, focusing primarily on the viability of the proposal and its risk factors. How well known or trustworthy the applicant may be, or other such aspects that commend him to the Bank, may contribute value-added but never justify not evaluating the risk or considering the evaluation of the risk to be a secondary matter.

No loans that fail to be clearly and consistently stated may be granted or submitted for deciding at a higher level. Once the viability of the operation becomes clear, the relevant remuneration items must be negotiated.

The operation must be consistent with the characteristics of the applicant and the purpose of the loan, in the case of Mortgage Loans for a purpose other than that of acquiring a home.

Other points to be evaluated are the LTV ratio, the financial standing and wealth of the applicant, as well as any additional guarantees that may need to be provided.

Borrowing capacity: Percentage of income available for repaying loans after meeting all the client's other payment obligations.

The appraisal report is checked for any warnings concerning the value of the property.

Review of the main financial-economic magnitudes: trend in sales, borrowings, own resources, gross profit margin, cash-flow, job situation.

## **6.- Scoring**

Scoring is born from the need to rate the risk involved by all operations of private individuals, and thus be able to determine the quality of the risk that Caixa Terrassa is accepting in this operating segment (New Capital Accord – Basel II).

The Overall Risk Control Unit manages all that has to do with the Scoring tool.

SCORING is an operation ranking or rating system. As such, it identifies those operations that show a better payment performance and those showing a poorer payment performance. However, it is not an automatic decision-making system, as it is not designed to change the Risk Criteria of Caixa Terrassa, which remain applicable.

Its forecasting power is based on statistical figures which identify on the basis of a sizeable volume of information which variables are capable of forecasting the payment behavior relating to an operation and to what extent those variables are at play (based on the historic information and on an analysis of the correlations between the variables and the subsequent actual payment behavior).

Two Scoring models are currently used at Caixa Terrassa: for Mortgage Loans to private individuals and for personal consumer loans. Both types of loans are for non-business purposes (for business purposes, a scoring system for self-employed individuals would be used).

From a functional viewpoint, the task of entering Scoring data concerning an operation is integrated in the usual process of drawing up the relevant loan documents, in order to minimize its impact.

## **7.- Insurance**

There is an essential statutory requirement in force that mortgaged properties must be insured against the risk of fire. The sum insured may not be less than the replacement cost, and in most cases this policy is arranged through the Caixa Terrassa Group. In all cases, the Bank checks that the policy includes a clause naming Caixa Terrassa as beneficiary. The standard procedure of Caixa Catalunya includes checking all the documents relating to mandatory insurance policies.

## **8.- Monitoring Recovery**

Without prejudice to the rights of the creditor stipulated in Mortgage Loan contractual documents, arrearages are managed as described below.

### **Managing Collection of Overdue Receivables:**

There is a computer application that daily controls amounts in arrears and records payments automatically. The application performs a number of automatic moves to collect, according to an established time schedule, which range from sending out automatic warnings by mail to assigning the task of collecting the overdue amounts to external collection agents in certain cases. When these tasks are completed, the outcome is evaluated and a decision is made on whether to file claims before the courts of law.

### **Automatic / manual steps for collecting arrearages**

Getting in touch with the borrower and the sureties: between day 1 and day 5 after

payment becomes overdue, the Branch Office calls the individual debtor over the telephone to let him know he is in arrears with a given payment and to request that he propose a payment solution.

From day 5 to day 29, before the next installment falls due, the Bank calls up the debtor again to remind him of the overdue payment and claiming that he comply with the solution he proposed in response to the first call. This time, the Bank also gets in touch with the sureties.

As from day 31, the debtors and securities are called up again every now and then, until between days 61 and 67, when the calls are made by another employee of the Branch Office, who may be the Manager.

Between days 80 and 89, the Client and the sureties are warned that if the fourth installment fails to be paid too, he will soon be placed on the list of delinquent borrowers and will be reported to the Bank of Spain.

(iv) Management of the collection efforts is taken over by the Loan Recovery department: all these steps taken by the Branch Office are recorded in a default log. As from day 100 after the borrower falls in arrears, collection begins to be handled by the Loan Recovery department.

## **(II) Managing the Collection of Overdue Receivables**

### **1.- Situations and Procedures**

#### **1.1. Administrative Situation**

Delinquency situations are classified by Caixa Terrassa, for internal purposes, according to how the collection efforts are managed, as follows:

- Collection managed by the Branch Office (from day 1 after payment becomes overdue, until day 90 at the latest, for any amount overdue).
- Collection managed by the Loan Recovery Unit (This Unit manages collections as follows: if the client and the Bank are in agreement concerning the payment due, the Unit monitors compliance with what is agreed on the matter. Otherwise, if the amount overdue is less than 500 euros, collection is managed by an external agent, and if the amount is more than 500 euros, the Recovery Union prepares to file a complaint before the courts).

- Collection is managed by external collection experts depending on the age and type of the debt, and where the debtor is situated.
- Collection is claimed before the courts (by in-house lawyers).

## **1.2. Accounting Situation**

Delinquent loans are classified by Caixa Terrassa for accounting purposes according to the criteria set forth in Circular 04/2004 of the Bank of Spain, as follows:

- Loans in a normal situation, with arrearages of less than 90 days.
- Doubtful debts which have been overdue for more than 90 days and up to four years, which according to Bank of Spain Circular 4/2004 must be removed from Assets.
- Loans removed from assets for being more than 4 years overdue.
- Loans finally removed or condoned after analysing situations such as: the death of parties to the loan, special bankruptcy situations, compromise settlements, not being entitled to claim the debt...

## **2.- Recovery from Delinquent Borrowers**

### Notification Process

Caixa Terrassa issues a number of automatic notices claiming payment of arrearages beginning between 6 and 16 days after payment becomes overdue, depending on the product.

Specialist personnel dealing with delinquency

The Loan Recovery Unit has a staff of eleven. Its operating procedure may be summed up as follows: the Unit receives from the branch offices the files on overdue receivables, secures supplementary information on the assets of the relevant borrowers and evaluates the options for recovery purposes. In this phase the Unit chooses one of the following three methods of recovery:

1) Putting the matter in the hands of an external expert to try to collect before going to court, for a period of not more than 45 days. If these efforts prove unsuccessful, the Unit undertakes the procedure described in the following point.



- 2) Preparing to claim payment before the courts of law. The Loan Recovery Unit draws up certificates and notices to be sent as registered fax messages through the Burofax service of the Spanish Post Office, and puts the matter in the hands of a Lawyer for the latter to bring the relevant legal action, punctually following up on the procedure through a diary available to the entire branch office network.
- 3) The matter is placed in the hands of an external agent specializing in bankrupt debtors in case it is not possible to claim the debt before the courts. For these cases, Caixa Terrassa has a team of lawyers specializing in this type of operation, who follow up punctually on all the moves and/or meetings carried out as a result of the Bankruptcy Situation.

External support to companies that manage collection from delinquent borrowers

External collection managers meet the need for claiming debts that cannot be claimed successfully before the courts.

The Bank regularly resorts to several agencies to recover debts for which different management terms are specified depending on the characteristics of the product in respect of which a client is in default. The aim is to get the debt settled entirely, for which purpose the collection agent may make agreements of other types with the prior consent of Caixa Terrassa. One type of agreement is to reschedule the debt, provided always that the client shows he can pay the new installments in due course. To prove this, the debtor is required to pay in partial settlement of the debt, during a period of three months, a monthly amount equal to the proposed installment. For the loan rescheduling agreement to be accepted, it is essential that the guarantees (Sureties, Contractual, "In Rem") be increased.

#### **2.2.8 Indication of the representations made to the Issuer in relation to the assets**

The Fund Manager has obtained from the Originators the representations and warranties concerning the characteristics of the individual Originators, the Loans and the Mortgage Participations, mentioned in this point, which will be confirmed in the Deed of Establishment on the Date of Establishment of the Fund.

#### **Representations and warranties relating to each of the Originators**

1. The Originators are credit entities duly established in accordance with the legislation in force, are registered at the Mercantile Registry Office as well as in the Register of Credit Entities carried by the Bank of Spain, and are authorized to operate in the mortgage market.
2. Neither on the Date of Establishment of the Fund, nor at any other time since

they were established, have the Originators been in a situation of bankruptcy giving rise to a liability that could lead to revoking the authorization for any of them to operate as a credit entity.

3. The Originators have secured all the necessary administrative and corporate approvals, including, if in order according to the common Spanish legislation in force, the approval of any third parties who may be affected by the assignment of the Loans, for assigning these to the Fund and for issuing the Mortgage Participations, as well as for validly executing the Deed of Establishment, the instruments it is committed to execute under the Deed of Establishment and the rest of the agreements relating to the establishment of the Fund.
4. Caixa Catalunya has available audited annual accounts closed at December 31 of the three latest business years (2006, 2007 and 2008).
5. Caixa Manresa has available audited annual accounts closed at December 31 of the three latest business years (2006, 2007 and 2008)
6. Caixa Penedes has available audited annual accounts closed at December 31 of the three latest business years (2006, 2007 and 2008).
7. Caixa Terrassa has available audited annual accounts closed at December 31 of the three latest business years (2006, 2007 and 2008).
8. The auditors have issued favourable opinions in their audit reports on the 2008 annual accounts of the Originators.
9. On September 22, 2008, ICO entered into a Guarantee Commitment and Collaboration Agreement with the Originators, and on November 3, 2008, ICO entered into a similar Agreement with the Fund Manager. Both agreements are for establishing Securitization Funds guaranteed by ICO to help finance VPO homes (ICO-FTVPO Funds).
10. The Originators undertake to refund, in the name of the Fund, such direct economic aid as the Fund may be required to pay the National Government without previously having received the relevant amounts from borrowers, without prejudice to the Originators subsequently being entitled to claim from whoever they deem fit, other than the Fund, any direct economic aid they pay the Spanish National Government as refunds.

#### **Representations and warranties relating to the Loans**

On the Date of Establishment of the Fund, the Loans will meet the following requirements:

1. All the Loans are duly documented and acknowledged into public documents, with the Originators keeping the first copy of same available for the Fund Manager.
2. All the Loans exist and are valid as well as enforceable according to the applicable legislation.
3. The Originators are the absolute owners of all the Loans, which they hold free of charges or liens, and there is nothing to prevent the Loans from being assigned by them to the Fund.
4. All the Loans are denominated in euros and the amounts receivable in respect of them are payable solely in euros.
5. The information on the Loans included as a Schedule of the Deed of Establishment of the Fund accurately reflects the current situation as reflected in the public deeds documenting the Loans and in the computer files on the relevant Loans. The information is accurate, complete and not misleading. Besides, any other additional information on the characteristics of the portfolio of Loans of the Originators contained in this Prospectus is accurate and not misleading.
6. At the time of being legalized, the Loans had a term of repayment of not less than one year.
7. The criteria contained in their respective "Internal Memorandum on Financing Operations", mentioned in point 2.2.7 of this Additional Building Block, are those normally used by the Originators in granting loans to finance VPO homes.
8. The Originators have faithfully applied, in granting the loans included in the portfolio, the criteria stipulated by each of them on each relevant date.
9. All the Loans are clearly identified in both computer supports and the public deeds held by the Originators, and are reviewed and monitored by the Originators since they were granted according to their standard procedures.

10. Ever since they were granted, all the Loans have been and continue to be managed by the Originators according to the procedures normally used by them in managing loans financing VPO homes.
11. The Originators are not aware that there is any kind of litigation under way in relation to the Loans that may prejudice their validity and enforceability or lead to applying the provisions of Section 1,535 of the Spanish Civil Code.
12. The Originators are not aware that any Obligor of a Loan is entitled or prepared to offset any debt-claims he holds under a loan to an Originator.
13. None of the Obligors may raise any defence whatsoever against paying the Originators any amount receivable by the latter in respect of the Loans.
14. The deeds documenting the respective Loans do not contain any clauses that prevent these from being assigned or require any approval for assigning them, other than approvals duly secured prior to the Date of Establishment of the Fund. Besides, all requirements for the assignment of the Loans foreseen in the public deeds documenting these have been met.
15. There is no payment in respect of a Loan that has been overdue for thirty (30) days or more as of the Date of Establishment of the Fund,.
16. As of the Date of Establishment of the Fund, the Originators have not received any notice of total prepayment of any Loan.
17. None of the Loans has a final date of maturity beyond April 27, 2033.
18. The principal of all the Loans has been fully drawn down or disbursed.
19. Interest payments and repayments of principal in respect of all the Loans are made by direct debiting.
20. That according to the internal records of the Originators, none of the Loans has been granted to real estate developers for financing the building or renovation of homes and/or commercial premises to be sold off.
21. The guarantees securing the Loans are valid and enforceable according to the applicable legislation, and the Originators are not aware that there are any circumstances which prevent them from being enforced.

22. Nobody holds preferential rights over and above those of the Fund, as the owner of the Loans, to collect any amounts receivable in respect of them, other than statutory preferential rights.
23. The financing provided under the Loans has been granted to private individuals, either directly or by the latter substituting for the developer as borrower for acquiring, renovating or building VPO homes situated in Spain under the Royal Decrees.
24. The Loans have been granted, assigned to the Fund, and have been arranged in every sense, on an arm's length basis.
25. The data and information in point 2.2.2 of this Additional Building Block on the Loans selected for assigning to the Fund faithfully reflect the situation as of the relevant dates and are accurate as well as complete.
26. None of the Loans has been granted to employees or member companies of the financial group of the Originators.
27. No Loans in respect of which the Obligors have received notices of early termination of the Loan will be assigned to the Fund.
28. All the Loans have a regular repayment schedule which has been stipulated in advance.
29. None of the Loans contains clauses that allow deferring regular interest payments, except for deferrals foreseen in the Royal Decrees.
30. As of the Date of Establishment, none of the Loans will be in a grace period for repaying the principal and/or paying interest.
31. The appraisal value for the VPO Loans is calculated on the ceiling price of the home at the time when the Loan is granted.
32. The Loans have an age of more than one (1) year.
33. The Balance Outstanding of the Loans does not exceed 80% of the ceiling sale price of the property mortgaged as security for the relevant Loan, as foreseen in the Collaboration Agreements.
34. As of the Date of Establishment, the Loan-to-Value (LTV) ratio of none of

the Loans is greater than 80%.

35. None of the Loans has been in a default situation, as this is defined in Circular 04/2004 of the Bank of Spain, during the latest twelve (12 months) of the life of the Loan.
36. As of the Date of Establishment, all of the Obligors are individuals residing in Spain.
37. All of the Loans are repaid in monthly installments.
38. As of the Date of Establishment, all of the properties are used as first homes.
39. That the information concerning the Loans included in the Multiple Certificate accurately reflect the current situation according to the computer files and to the public deeds relating to the Loans, and is accurate and complete.
40. The Loans are not securitized as registered securities or as securities made to order or bearer securities, other than as the Mortgage Participations being issued for subscribing by the Fund.
41. The Originators are not aware that the value of any of the mortgaged properties has been impaired by more than 20% of its appraised value and/or of its ceiling permitted sale price, as the case may be.
42. The Originators are not aware that any of the Obligors is in a bankruptcy situation of any kind.
43. The final date of maturity of all of the Loans is earlier than, or coincides with, the Final Maturity Date of the Loans.
44. All of the properties on which mortgage guarantees have been created are covered by a "global" policy covering all the operations, which provides insurance coverage for the risk of fire and other damage,, in the event that there is no individual insurance or the sums insured do not suffice. The "global" policy will remain in force throughout the life of the Fund.

#### **Representations and warranties on the Mortgage Participations and the Loans**

1. The respective Directors of the Originators have duly approved all the

necessary resolutions for assigning the Loans and issuing the Mortgage Participations.

2. The facts concerning the Loans included in the Multiple Certificates accurately reflect the current situation as per the computer files and the public deeds relating to the Loans and are accurate as well as complete.
3. The Mortgage Participations are being issued under the provisions of Act 2/1981, Royal Decree 716/2009, Act 19/1992, and other applicable provisions, and meet all the requirements of said provisions, in particular those of Section II of Act 2/1981.
4. All the Loans are secured with first mortgages on the absolute ownership of each and all of the properties, which are not subject to any prohibition that prevents the owners from freely disposing of them, to any resolutive conditions, or to any other limitation of absolute ownership.
5. All the Loans are legalized in the form of deeds, and all of the mortgages are duly created and registered in the relevant Real Estate Registry offices, and their registration particulars are as mentioned in the relevant Multiple Certificates. The registration of the mortgaged properties is in force and is not contested at all
6. All the VPO homes securing the Loans have a ceiling sale price pursuant to the provisions of the Royal Decrees governing the financing of officially supported or protected housing and of land under the Land Schemes for the relevant time periods (regulating the basic price of land at the nationwide level), as well as to the applicable regional legislation (on the ceiling sale prices).
7. The Loans are not securitized as registered securities or as securities made to order or bearer securities, other than as the Mortgage Participations being issued for subscribing by the Fund.
8. The Loans are not tied to any issue of mortgage bonds, mortgage participations or mortgage transfer certificates other than to the Mortgage Participations and, once these are issued, the Loans will not be tied to any issue of mortgage bills, mortgage bonds, mortgage participations or other mortgage transfer certificates.
9. The properties securing the Loans are finished properties situated in Spain.
10. The Originators are not aware of any circumstances which prevent foreclosure of the mortgages.

11. The Mortgage Participations are issued for a similar period to that left to go until the date of maturity and at a similar rate of interest to that carried by each of the related Loans.
12. No person has preferential rights over the Loans, over and above those of the Fund as holder of the Mortgage Participations.

The above characteristics of the Originators, of the Loans and the Mortgage Participations must hold true on the Date of Establishment.

The Fund Manager has obtained the representations and warranties of the Originators concerning the characteristics of both the Loans and of the Originators themselves which are described in this point and will be confirmed in the Deed of Establishment.

#### **2.2.9 Substituting Securitized Assets**

In the event that, at any time while the Loans are in force, any of them is found not to comply with the representations made in point 2.2.8 of this Additional Building Block, or a Loan has hidden defects on the Date of Establishment of the Fund, the Fund Manager will notify the relevant Originator for the latter to correct the non-compliance or defect. This may be corrected even by replacing the Loan in question with another with similar characteristics as to the Outstanding Balance, remaining term, interest rate, internal rating, guarantee, and payment frequency. Also as to the rank of the mortgage, the quality of the Loan in terms of the Balance not yet fallen due and the ceiling value of the property in question, and -if in order- a Loan falling under the same Housing Scheme. The relevant Originator is required to state that the new Loan complies with the representations in point 2.2.8 of this Additional Building Block. The substitution must take place within a term of fifteen (15) Working Days after the notice is served, and may not adversely affect the credit rating of the Bonds.

The Originator in question undertakes to replace the relevant Mortgage Participation with another having similar financial characteristics (as to the Outstanding Balance, remaining term, interest rate, internal rating, guarantee, and payment frequency) to the satisfaction of the Fund Manager acting for and on behalf of the Fund. In the event that a Mortgage Participation is replaced, the originator will issue a new Multiple Certificate to be exchange for that being handed over by virtue of what is foreseen in this Prospectus.

The substitution will be acknowledged into a public document observing similar formalities to those foreseen for the acquisition of the Loans or the establishment of



the Fund according to the specific characteristics of the new Loans assigned thereby.

The Fund Manager will deliver a copy of the relevant deed to the CNMV, to the entity responsible for carrying the accounting records relating to the Bonds, and to the Credit Rating Agencies.

Alternatively to the undertakings mentioned in the previous paragraphs, for the event that all the adversely affected Loans are not replaced because that is not possible in the reasonable opinion of the Fund Manager acting for and on behalf of the Fund, which opinion must be reported to the Originators and the CNMV, the assignment of the adversely affected Loans that fail to be replaced will be terminated and the relevant Mortgage Participation will be cancelled, as the case may be. Such termination will be effected by the relevant Originator reimbursing the Fund, in cash, the principal pending repayment of the adversely affected Loans that are not replaced, the interest that has accrued on them up to the date of reimbursement and has not yet been paid, as well as any other amount that the Fund is entitled to be paid by virtue of said Loans.

If the Outstanding Balance of a Loan being replaced is greater than the Outstanding Balance of the Loan which replaces it, the difference will be paid into the Cash Account.

In any of the above cases the substitution of the Loans will be reported to the CNMV.

#### **2.2.10 Insurance policies relating to the securitized assets**

The assets on which the mortgages securing the Loans have been created have been insured as appropriate pursuant to the Economy Ministry order ECO/805/2003, on the rules for appraising real properties and given rights for certain financial purposes.

No information is included on the concentration of the insurance companies because the current situation of the insurance policies taken out by the Obligors and their particulars is not supported or updated in the computer files of the Originators.

#### **2.2.11. Information relating to the borrowers where the securitized assets comprise obligations of 5 or fewer borrowers that are juristic persons or where a borrower accounts for 20% or more of the assets, or for a material portion of the asset**

Not applicable.

#### **2.2.12 Details of the relationship between the issuer, the guarantor and the**

**borrower, if such relationship is material to the issue**

There is no relationship between the Fund, the Originators, the Fund Manager and the rest of the entities involved in the operation, other than that described in point 5.2 of the Registration Document.

**2.2.13 Description of the principal terms of any fixed-interest securities included among the assets**

Not applicable.

**2.2.14 Description of the principal terms of any equity securities included among the assets**

Not applicable.

**2.2.15 Description of the principal terms of any equity securities included among the assets, where such securities are not traded on a regulated or equivalent market, if such securities account for more than ten (10) per cent of the securitized assets**

Not applicable.

**2.2.16 Valuation reports on the properties and the cash flow / income streams where a material portion of the assets are secured with real properties**

The ceiling sale prices of the properties securing the selected Loans described in point 2.2.2 of this Additional Building Block are prices fixed in accordance with the provisions of the Royal Decrees governing the financing of officially supported or protected housing and of land under the Land Schemes for the relevant time periods (regulating the basic price of land at the nationwide level), as well as to the applicable regional legislation (on the ceiling sale prices), at the time when the Loans were originally granted, for the purposes of granting and legalizing the selected Loans.

**2.3 ACTIVELY MANAGED ASSETS BACKING THE ISSUE**

Not applicable.

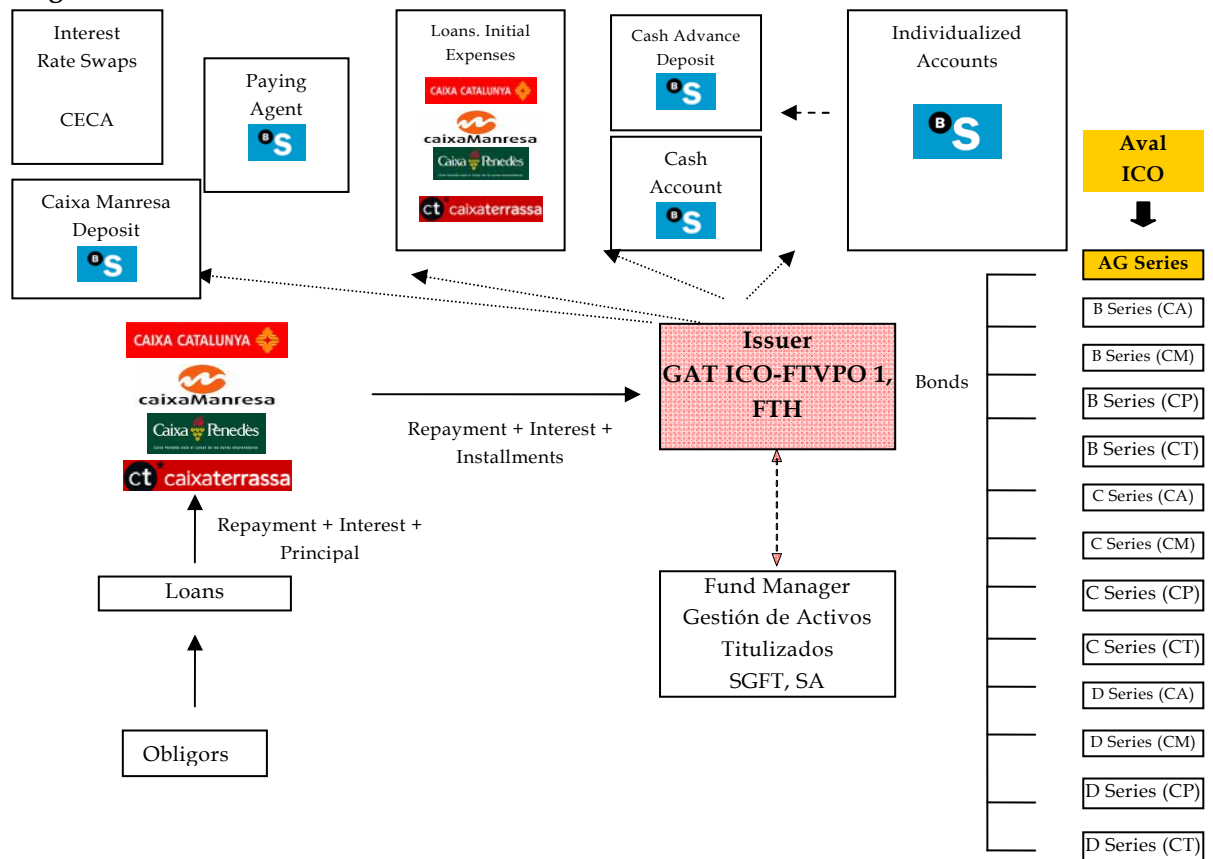
**2.4 STATEMENT REQUIRED IN THE EVENT THAT THE ISSUER PROPOSES TO ISSUE FURTHER SECURITIES BACKED BY THE SAME ASSETS, AND DESCRIPTION OF HOW THE HOLDERS OF THE RELEVANT SERIES WILL BE INFORMED**

Not applicable.

### 3. STRUCTURE AND CASH-FLOW

#### 3.1 DESCRIPTION OF THE STRUCTURE OF THE TRANSACTION INCLUDING, IF NECESSARY, A STRUCTURE DIAGRAM

##### Diagram



##### Opening Balance Sheet of the Fund

The Balance Sheet of the Fund, in euros, at the close of the Disbursement Date, will be as follows:

| ASSETS                          |                | LIABILITIES                  |                |
|---------------------------------|----------------|------------------------------|----------------|
| <b>Fixed Assets</b>             | 357,900,000    | <b>Bond Issue</b>            | 369,500,000    |
| Loans                           | 357,900,000    | Bonds AG Series              | 331,600,000    |
| Initial Expenses (*)            |                | Bonds B Series (CA)          | 9,800,000      |
|                                 |                | Bonds B Series (CM)          | 3,300,000      |
|                                 |                | Bonds B Series (CP)          | 2,700,000      |
|                                 |                | Bonds B Series (CT)          | 2,000,000      |
|                                 |                | Bonds C Series (CA)          | 3,200,000      |
|                                 |                | Bonds C Series (CM)          | 2,300,000      |
|                                 |                | Bonds C Series (CP)          | 1,500,000      |
|                                 |                | Bonds C Series (CT)          | 1,500,000      |
|                                 |                | Bonds D Series (CA)          | 6,100,000      |
|                                 |                | Bonds D Series (CM)          | 2,500,000      |
|                                 |                | Bonds D Series (CP)          | 1,600,000      |
|                                 |                | Bonds D Series (CT)          | 1,400,000      |
| <b>Current Assets</b>           | 15,176,492.92  | <b>Long-term Liabilities</b> | 3,576,492.91   |
| Cash Account total              |                | Liquidity Facility           | 3,576,492.91   |
| - Amount for Initial Expenses * | 3,576,492.91   |                              |                |
| Individualized Accounts         |                |                              |                |
| - Reserve Fund (CA)             | 6,100,000      |                              |                |
| - Reserve Fund (CM)             | 2,500,000      |                              |                |
| - Reserve Fund (CP)             | 1,600,000      |                              |                |
| - Reserve Fund (CT)             | 1,400,000      |                              |                |
| <b>Total</b>                    | 373,076,492.91 | <b>Total</b>                 | 373,076,492.91 |

(\*) Estimated figure; includes ICO Guarantee fee. (See point 6 of the Securities Note).

### 3.2 DESCRIPTION OF THE ENTITIES PARTICIPATING IN THE ISSUE AND THE RESPECTIVE ROLES THEY MUST PERFORM

The entities taking part in the issue and the roles they play are described in point 5.2 of the Registration Document and point 3.1 of the Securities Note.

#### Amending the Agreements relating to the Fund

The Fund Manager may extend or amend the agreements it has made on behalf of the Fund and replace each of the parties providing services to the Fund under the agreements, as well as enter into such additional agreements as may be necessary, and hire one or more additional Credit Rating Agencies, provided there is nothing to prevent it from doing so according to the laws and regulations in force from time to time. In any case, the Fund Manager is required to report such moves in advance to

the CNMV, or to seek the prior approval of the CNMV if necessary, or to the responsible administrative authority, and to the Credit Rating Agencies. Besides, such moves do not call for the Deed of Establishment to be amended provided that they do not alter the Individual Order of Precedence of Payments of the individual Originators.

### **Replacing Participant Entities**

The Fund Manager may terminate the relevant agreements binding the entity in question to the Fund. It may do so provided that such termination is permitted under the applicable legislation, in the event that any of the entities taking part in this securitization operation fails to comply with its contractual duties. Also, in the event that a corporate, regulatory or judicial decision is made to wind up, dissolve or appoint a receiver or comptroller for any of the entities taking part in this securitization operation, or any of them is declared bankrupt, or an application filed by a third party to that effect is admitted to hearing. Once the relevant Agreement comes to an end, if the applicable legislation permits the new participant will be appointed by the Fund Manager after consulting with the responsible administrative authorities.

Any such substitution will be reported to the CNMV, the Credit Rating Agencies and the Originator.

### **Subcontracting by Participant Entities**

The entities taking part in the GAT ICO-FTVPO 1, FTH securitization operation may, in accordance with their respective agreements, hire sub-contractors or delegate in persons who are capable and in good standing for the latter to perform any of the services in question, provided that is legally possible, as well as that (i) the Fund Manager gives its prior consent in writing, and that (ii) the sub-contractor or person acting by delegation waives filing any liability claims against the Fund. They may also put an end to the relevant sub-contracts and/or delegation of duties. In any case, such sub-contracting or delegation may not involve any extra costs or expenses to the Fund or to the Fund Manager. Notwithstanding any sub-contract or delegation of duties, the participant entities will not be exempted or released from any of the responsibilities foreseen in the respective agreements. Sub-contractors must have the degree of qualification required by the Credit Rating Agencies for performing their role.

The Fund Manager must report any such sub-contracting to the CNMV, and, if required by law, such sub-contracting must have the prior approval of the CNMV.

In particular and specifically, with regard to any sub-contracting or delegation of the servicing duties of the Servicers, the provisions of point 3.7.2.1.11 of this Additional Building Block or the equivalent point of the Deed of Establishment will apply.

### **3.3 DESCRIPTION OF THE METHOD AND DATE OF THE SALE, TRANSFER, NOVATION OR ASSIGNMENT OF THE ASSETS OR OF ANY RIGHTS AND/OR OBLIGATIONS IN THE ASSETS OF THE ISSUER**

#### **3.3.1. Legalizing the Assignment of the Loans**

The assignment of the Loans by the Originators to the Fund and the pooling of the Loans as assets of the Fund are governed by the laws of Spain and fall under the jurisdiction of the the Courts and Magistrates of Barcelona.

The Originators will issue the Mortgage Participations as the instruments of assignment of the Loans, and the Fund will subscribe for them, by executing the Deed of Establishment of the Fund effective as of the same date.

The Obligors will not be notified of the assignment of the Loans by the Originators. Such notification is not necessary for the assignment of the Loans to be valid.

The foregoing notwithstanding, in certain cases the Fund Manager will demand that the Servicers notify the Obligors and the National Government (as well as any third party guarantors and insurance companies concerned) that the Loans outstanding have been assigned to the Fund. It will do so in the event of bankruptcy or of signs of bankruptcy, or if the Bank of Spain appoints a comptroller, or of the winding up or replacement of the Servicers, or because in the view of the Fund Manager this is reasonably justified. Also, that any payments made in respect of these will only discharge the Obligors from liability if paid into the Cash Account carried to the name of the Fund. However, if the Servicers fail to do so within five (5) Working Days after that is demanded by the Fund Manager, or any of the Servicers undergoes bankruptcy proceedings, the Fund Manager will directly notify the Obligors and the National Government (as well as any third party guarantors and insurance companies concerned).

#### **3.3.2 Assignment of the Loans**

The Originators will assign the Loans to the Fund by issuing Mortgage Participations corresponding to the Loans so that these are pooled in the Fund, with the Fund Manager to subscribe for them on behalf of the Fund as foreseen in Section 15 Act /1981, as currently worded, and in Royal Decree 716/2009, as currently worded.

On the Date of Establishment, the Originators will issue, effective as of that Date, one Mortgage Participation for each Loan they assign. The Initial Balance of the Loans represented by the Mortgage Participations on the Date of Establishment of the Fund will be equal to approximately 96.86% the total Bond issue (excluding the Bonds of the D(CA), D(CM), D(CP) and D(CT) Series.

Each Mortgage Participation is a share, as from the Date of Establishment, of (i) 100% in the initial balance of each of the Loans, and yields interest equal to the nominal interest rate accruing on the relevant Loan from time to time.

The Mortgage Participations will be represented by four (4) registered Multiple Certificates to be issued one each by the Originators, in respect of the Loans assigned by each Originator. The Multiple Certificates mention all the points required by Section 64 of Royal Decree 716/2009, along with the registration particulars of the properties mortgaged as security for the Loans.

The Fund Manager will deposit the Multiple Certificates with the Paying Agent, which for these purposes will act as depository, as stipulated in the Paying Agency Agreement.

The Loans will be fully and unconditionally assigned by the Originators by issuing the Mortgage Participations, to be subscribed for by the Fund Manager acting on behalf of the Fund. They will be assigned as of the Date of Establishment for the whole of the remaining term until total maturity of the Loans. This is without prejudice to what is foreseen in point 4.4 of the Registration Document, which refers to the right of first refusal of the Originators over the remaining Loans in the event of liquidation of the Fund, with this right in no case involving a covenant or statement of repurchase of the Loans on the part of the Originators.

The Mortgage Participations may be transferred by a written statement to that effect on the certificate itself and, in general, by any means admitted at law. The buyer must notify the issuer of the transfer of the Mortgage Participations and of the address of the new holder. The Mortgage Participations may only be transferred to qualified investors and may not be acquired by the public at large.

The Originators undertake to split any multiple certificates into as many individual or multiple certificates as will be necessary, or to replace or exchange a multiple certificate for the above purposes, given certain circumstances. These are when a Mortgage Participation has to be replaced as foreseen in point 2.2.9 of this Additional Building Block, or the Fund Manager, acting for and on behalf of the Fund, has to enforce payment of a Loan as foreseen in point 3.7.2 of this Additional Building Block,



or when the Mortgage Participations are sold because of Liquidation of the Fund given the circumstances and requirements of point 4.4.3 of the Registration Document.

As the issuers, the Originators will carry a special register of the Mortgage Participations issued and of any changes of address of which they are notified by the holders of the Mortgage Participations. The special register will also mention: (i) the date of legalization and of maturity, the amount, and the method of liquidation of the Loans; as well as (ii) the registration particulars of the mortgages securing the Loans.

No caveats will be annotated at the Real Estate Registry concerning the issuance of the Mortgage Participations in connection with the individual mortgages registered as securing the individual Loans, for the purposes of Section 29.1, second paragraph, of Royal Decree 716/2009. That is because the Mortgage Participations are being acquired by the Fund which has the status of a qualified investor.

### **3.3.3 Effective Date of the Assignment**

The assignment of the Loans and the issuance of the Mortgage Participations will be fully effective between the parties as from the Date of Assignment, which coincides with the Date of Establishment.

### **3.3.4 Assignment Price**

The price payable in consideration of the assignment of the Loans is equal to the sum total, at the Date of Establishment, of (i) the Balance Outstanding of the Loans, (ii) the interest that has accrued in benefit of the relevant Originators on each of the Loans (equal to the ordinary interest that has accrued on each of the Loans since their latest individual interest settlement date until the Date of Establishment), (iii) interest due but not yet paid which is not more than thirty (30) days in arrears as of the Date of Establishment (iv) the Cost of Deferral, and (v) the difference -being a positive figure- there may be between the Balance Outstanding of the Loans and the Outstanding Principal Balance of the Bonds, which sum is to be paid to the Originators by the Fund Manager acting for and on behalf of the Fund on the Disbursement Date, this being the value date, upon the Fund being paid the Bond subscription price. The difference between the subscription price of the Bonds and the Balance Outstanding of the Loans will be deposited in the Individualized Accounts.

The Fund Manager will pay the Originators, in the name of the Fund, the interest that has accrued on each of the Loans no later than five (5) Working Days after the first interest settlement date of each Loan, as from the Date of Establishment. These payments will not be subject to the Order of Precedence of Payments foreseen in point 3.4.6 of this Additional Building Block.

### **3.3.5 Liability of the Originators as assignors of the Loans**

Pursuant to Section 348 of the Spanish Commercial Code, the Originators only answer to the Fund for the existence and lawfulness of the Loans in the terms and under the conditions stated in the Deed of Establishment and in the Prospectus of which this document forms part, as well as for their personality as assignors. However, they do not accept liability for any non-repayment of principal or non-payment of interest or of any other amount due in respect of the Loans by the Obligor.

The Originators do not accept any responsibility for the effectiveness of any ancillary securities given for the Loans. Nor do they take, in any other way, responsibility for directly or indirectly guaranteeing final collection, and they do not give any security or post any guarantees, or undertake to repurchase or replace the Loans, other than as foreseen in point 2.2.9 of this Additional Building Block. All of that is in compliance with the provisions of Royal Decree 926/1998 and other applicable provisions.

The foregoing is without prejudice to the duties of the Originators of servicing the assigned Loans according to this Prospectus and to the Deed of Establishment, as well as to their duties under the Liquidity Facility Agreement. It is without prejudice to the responsibility of the Originators arising from their representations in point 2.2.8 of this Additional Building Block. Until the Date of Assignment of the Loans, the Originators will continue to bear the risk of insolvency on the part of the borrowers.

The Originators will be liable towards the Fund for any loss, expense, tax or sanction incurred by the Fund or that the Fund is required to pay to third parties in connection with the assignment of the Loans, other than the sum payable on the Date of Assignment, for having furnished incomplete information concerning the Loans.

### **3.3.6 Advances**

The Originators will advance to the Fund the grants accrued on the subsidized Loans as follows: the Originators will advance to the Fund the subsidized part of the installment (principal and interest) that has accrued but has not yet been paid by the National Government, which the Obligor is not required to advance, provided that the rest of the installment (i.e., the non-subsidized part) has been settled.

In this case, the Originators are entitled to be reimbursed the amounts they have advanced, out of the sums they actually receive from the National Government.

Besides, the Fund may draw from the Cash Advance Deposit any amounts that the relevant Originator fails to advance to cover the subsidized part of principal of the Loans subsidized by the National Government which have accrued but have not yet been paid by the National Government.

Besides, the relevant amounts of interest accruing on the Loans will be made available to the Fund under the Interest Rate Swap Contract.

### **3.3.7 Rights acquired by the Fund as a result of being assigned the Loans**

As the party holding title to the Loans the Fund will have the rights acknowledged to assignees by Section 1,528 of the Spanish Civil Code. Specifically, the Fund will be entitled to receive all payments due by the Obligors, by the National Government for the subsidized amounts, and any other payments receivable in respect of the Loans, as from the Date of Establishment.

Specifically, as a result of the assignment the Fund will have the following rights, which are mentioned for illustrative purposes and without limitation, in connection with each of the Loans as from the Date of Establishment:

- a) To be paid all amounts due in repayment of the principal of the Loans.
- b) To be paid all amounts due as ordinary interest or as penalty interest on the Loans.
- c) To receive all sums accruing as subsidies on the Loans that are paid to the Originators out of budget appropriations by the Ministry of Development and the Housing Ministry, covering a percentage of installments due in repayment of the principal and payment of interest (save in exceptional circumstances, while the obligor is unemployed) for the relevant qualified loan, pursuant to the provisions of the Royal Decrees that govern the financing of officially supported or protected housing and of land under the Land Schemes during the relevant time periods.
- d) To receive any other sums, property or rights that the Originators receive in repayment of the principal or payment of ordinary interest, whether as the auction price or as an amount determined by Court decision or resulting from a mortgage foreclosure process conducted by a Notary Public, or from the sale or operation of real or other property whose management or interim possession it has been awarded in the process of foreclosure, up to the assigned and guaranteed amount.

- e) To receive any other payment that the Originators received by the Originators in respect of the Loans, such as fees or duties arising from any ancillary rights, and any claims or indemnities to which they are entitled under insurance contracts relating to properties mortgaged as security for the Loans, up to the sum insured and assigned.

There is no duty of applying Withholding Tax or paying Interim Tax on any income payable to the Fund under the Mortgage Participations, loans or other debt-claims, by virtue of the provisions of Section 59.k of the Spanish Corporate Income Tax Regulation approved through Royal Decree 1777/2004.

In the event of full or partial prepayment of Loans, these will not be replaced.

The rights of the Fund arising from the Loans are linked to the payments made by the Obligors and to the payments of subsidized amounts by the National Government, and are therefore directly affected by performance, arrearages, prepayments and any other developments concerning the Loans.

The Fund will bear any expenses or Court costs that may be incurred in the name of the Originators in seeking to recover amounts due in the event of non-performance by Obligors. These include expenses incurred in any enforcement proceedings that may be undertaken against Obligors, as appropriate according to what is foreseen in point 3.7.2 of this Additional Building Block, will be for the account of the Fund.

### **3.4 EXPLANATION OF THE FLOW OF FUNDS**

#### **3.4.1 How the cash flows from the assets will be used to meet the obligations of the issuer towards the holders of the securities**

Each of the Originators will pay the Fund the amounts it receives in respect of the Loans for which it acts as Servicer as follows:

The Fund Manager, acting for and on behalf of the Fund, will open an Individualized Account for each Originator with Banco de Sabadell SA. The following amounts will be paid into these Individualized Accounts: (i) on each Collection Date, by the Originators, the sums due and paid by the Obligors to the Originators under the Loans serviced by the latter, and (ii) the Reserve Fund amount relating to each Originator. The balance in the Individualized Accounts will be transferred to the Cash Account two working days before each Payment Date. If at any time during the life of the Fund, the rating of any of the Originators becomes equal to or better than P-1 on Moody's rating scale, or equal to or better than F1 on that of Fitch, the Fund Manager may cancel the Individualized Account in question and open a new

Individualized Account with the Originator itself, in which case the relevant transfers to the Cash Account may take place two (2) Working Days ahead of each Payment Date.

The Fund Collection Dates will be all the Working Days in which payments are made by the Obligor or the National Government in settlement of principal or interest on the Loans.

In the event that, at any time during the life of the Bonds, the rating of the non-subordinated unsecured short-term debt of Banco de Sabadell SA is lowered to less than P-1 on Moody's rating scale or less than F1 on that of Fitch, the Fund Manager must choose and implement one of the options described below. It must do so within a term of thirty (30) Working Days after such situation arises, for Moody's, and within thirty (30) calendar days for Fitch, according to the Fitch criteria in force from time to time. In particular, according to the Fitch criteria dated June 9, 2004, in "Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria", or such criteria as may replace these. The purpose of choosing and implementing one of the options described below is to preserve an adequate level of security in respect of the commitments hereunder:

- a) Securing an indemnity from an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, respectively. The indemnity must assure to the Fund, merely upon the Fund Manager so requesting, punctual performance of the obligation of Banco de Sabadell SA of reimbursing the sums deposited in the Individualized Accounts, for as long as the credit rating of Banco de Sabadell SA remains downgraded to less than P-1 and/or F1.
- b) Transferring the Individualized Accounts of the Fund to an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, at the highest possible rate of interest on the balances in them. This rate of interest may be different from that agreed with Banco de Sabadell SA in the Cash Account Agreement.

In the case of option b), the Fund Manager may subsequently transfer the balances back to Banco de Sabadell SA under the Individualized Accounts Agreement, if the non-subordinated unsecured short-term debt of Banco de Sabadell SA eventually recovers the P-1 and F1 ratings on the Moody's and Fitch scales, respectively.

Quarterly, on each Payment Date, the Bondholders will be paid the interest that has accrued and will be repaid the relevant amount of principal of the Bonds of each of the AG, B(CA), B(CM), B(CP), B(CT), C(CA), C(CM), C(CP), C(CT), D(CA), D(CM),

D(CP) and D (CT) Series according to the terms specified for each Series in points 4.8 and 4.9 of the Securities Note and to the Order of Precedence of Payments described in point 3.4.6 of this Additional Building Block.

On each Payment Date, the Available Funds for meeting the liabilities of the Fund towards the Bondholders will be those that result from the sources described in this paragraph. 1) The income received as principal repayments, interest payments and any subsidies or grants in respect of the Loans. This income will be calculated as of each Determination Date between the last day of the calendar month preceding the previous Determination Date, including that day, and the last day of the Calendar month preceding the current Determination Date, excluding this day. As an exception, for the First Determination Date, the Available Funds will be those obtaining between the Date of Establishment, including this day, and the last day of the calendar month preceding the current Determination Date, excluding this day. 2) The interest that has accrued on the Cash Account and on the Individualized Accounts. 3) The net amount inuring to the Fund under the Interest Rate Swap Contracts. 4) The balances in the Reserve Funds. 5) Any proceeds from liquidating the Fund assets, if such liquidation is in order. That is except for any sums drawn against the Cash Advance Deposit, which are to be used as foreseen in point 3.4.2.3 of this Additional Building Block and in point 4.9.3 of the Securities Note, and for any amounts paid out of the ICO Guarantee as per point 3.4.7.2 of this Additional Building Block.

The Fund Manager will draw up monthly and quarterly reports on the performance of the Fund, the portfolio and the Bonds.

### **3.4.2 Information on All Credit Enhancements**

#### **3.4.2.1. Description of the credit enhancements**

To consolidate the financial structure of the Fund, increase the security or regularity of payments for the Bonds, bridge any leads and lags arising between the scheduled flows of Bond and Loan principal and interest payments, and, in general, to transform the financial characteristics of the Bonds issued, as well as to arrange supplementary Fund management tools, the Fund Manager, acting for and on behalf of the Fund, will legalize the agreements and operations summed up below, in accordance with the applicable regulations, on executing the Deed of Establishment.

- ICO Guarantee for the Bonds of the AG Series: the ICO Guarantee secures payment of the principal and the interest on the Bonds of the AG Series, waiving the right of surety foreseen in Section 1,830 of the Spanish Civil Code to force a creditor to make use of legal remedies against the principal debtor before having recourse against surety.

- Accounts Yielding a Guaranteed Rate of Interest: the accounts opened to the name of the Fund by the Fund Manager (Cash Account and Individualized Accounts) will be remunerated at rates agreed so as to guarantee a minimum yield on the balances held in each of them.
- Reserve Funds: these will be funded once the Bonds of the D(CA), D(CM), D(CP) and D(CT) Series are paid up, for meeting payments to be made by the Fund in the event of losses resulting from defaulted or delinquent Loans.
- Interest Rate Swaps: The interest rate swaps are designed to hedge against: (i) the interest rate risk of the Fund arising from the fact that the Loans carry floating rates of interest which are linked to several different reference rates and are updated at different intervals than those stipulated for the Bonds, and (ii) the risk that the agreed interest rates may be adjusted downward in the event of the Loans being renegotiated.
- Financial Spread: under the Interest Rate Swap Contracts, the Fund is paid a excess gross spread of 1% over the Notional of the Swaps.
- Cash Advance Deposit: the amounts accrued but not yet paid to subsidize the principal of the Loans subsidized by the National Government Fund are made available to the Fund out of the Cash Advance Deposit.
- Caixa Manresa Deposit: a deposit with Banco de Sabadell SA designed to protect the Fund in case Caixa Manresa is declared bankrupt and fails to perform its obligation of transferring to the Cash Account the balances relating to the Loans it has assigned which are held in deposit in its Individualized Account and are payable to the Fund. Besides, this deposit may be reimbursed to Caixa Manresa as foreseen in point 3.4.3.2., provided that a Credit Line is arranged with another entity.
- Subordination and postponement of the Bonds of the B and C Series.

#### **3.4.2.2. Reserve Funds**

Four Reserve Funds will be funded as a security device for the event that any losses are incurred in connection with delinquent or defaulted Loans, to enable the Fund to make payments in the Order of Precedence of Payments described in point 3.4.6 of this Additional Building Block. These are referred to jointly as the Reserve Funds, and individually as the CA Reserve Fund, the CM Reserve Fund, the CP Reserve Fund and the CT Reserve Fund.

The initial Reserve Funds (i.e., the required initial balances) will be funded on the Disbursement Date with the amount received in payment for the Bonds of the D(CA), D(CM), D(CP) and D(CT) Series, on these being subscribed for. The amounts of the Reserve Funds will be the following:

1. CA Reserve Fund: six million one hundred thousand (6,100,000) euros, equal to 3.11% of the Initial Balance of the Loans assigned by Caixa Catalunya (hereinafter, the “**Required CA Initial Balance**”).
2. CM Reserve Fund: two million five hundred thousand (2,500,000) euros, equal to 3.78% of the Initial Balance of the Loans assigned by Caixa Manresa (hereinafter, the “**Required CM Initial Balance**”).
3. CP Reserve Fund: one million six hundred thousand (1,600,000) euros, equal to 2.93% of the Initial Balance of the Loans assigned by Caixa Penedes (hereinafter, the “**Required CP Initial Balance**”).
4. CT Reserve Fund: one million four hundred thousand (1,400,000) euros, equal to 3.43% of the Initial Balance of the Loans assigned by Caixa Terrassa (hereinafter, the “**Required CT Initial Balance**”).

The Reserve Funds will be used, on each Payment Date, to performing liabilities according to the Individual Order of Precedence of Payments of each Originator or to the Individual Order of Precedence of Liquidation Payments of each Originator, as the case may be, foreseen in point 3.4.6 of this Additional Building Block.

On each Payment Date, the necessary sums will be appropriated in accordance with the Individual Order of Precedence of Payments of each Originator so that the Reserve Funds reach the Minimum Required Level of the Reserve Funds according to the rules below.

The Minimum Required Level of the Reserve Funds is whichever is lower of the following amounts:

- An amount equal to the Required CA Initial Balance, the Required CM Initial Balance, the Required CP Initial Balance or the Required CT Initial Balance, as the case may be; or
- Whichever is greater of the following amounts:
  - Twice (2 times) the amount that results from applying to the Outstanding Principal Balance on each Payment Date, the percentage of the Initial Balance of the Loans assigned by each Originator to which the Required CA Initial Balance, Required CM Initial Balance, Required CP Initial



Balance o Required CT Initial Balance, respectively, is equal; and

- Half the percentage of the Balance Outstanding of the Loans to which the Required CA Initial Balance, Required CM Initial Balance, Required CP Initial Balance and the Required CT Initial Balance, respectively, is equal.

Notwithstanding that, the Reserve Fund may not be reduced where, on a Payment Date, any of the following circumstances is given:

- The Date of Payment in question is before the third (3rd) anniversary of the Date of Establishment of the Fund.
- On the previous Payment Date, none of the Reserve Funds reached the respective Minimum Required Level of the Reserve Funds as of that Payment Date.
- On the Determination Date preceding the relevant Payment Date, the Outstanding Balance of the Defaulted Loans was equal to more than 1.00% of the Outstanding Balance of the Non Defaulted Loans, calculated on each of the portfolios assigned by the Originators.
- On the Determination Date preceding the relevant Payment Date, el Importe of the Defaulted Loans Amount was equal to more than 1.00% of the Outstanding Balance of the Non Defaulted Loans, calculated on each of the portfolios assigned by the Originators.

The Reserve Funds will be deposited in the respective Individualized Accounts.

On each Payment Date, the Reserve Funds will be used to meet Fund liabilities according to the Individual Order of Precedence of Payments of each Originator and to the Individual Order of Precedence of Liquidation Payments of each Originator.

#### **3.4.2.3. Cash Advance Deposit**

On the Date of Establishment, the Fund Manager, acting for and on behalf of the Fund, will enter into a deposit agreement (hereinafter, the “**Cash Advance Deposit**”) with Banco de Sabadell SA as the depository entity and the Originators as the depositor entities, for an amount equal to four million one hundred thousand (4,100,000) euros, i.e. an amount equal to 1.50% of the subsidized amounts of principal, at May 18, 2009. The breakdown of the total amount according to the amounts to be contributed by the individual Originators is as follows:

1. Caixa Catalunya: two million three hundred and seventy eight thousand (2,378,000) euros;
2. Caixa Manresa: eight hundred and thirty one thousand (831,000) euros;
3. Caixa Penedes: four hundred and sixty seven thousand (467,000) euros;
4. Caixa Terrassa: four hundred and twenty four thousand (424,000) euros;

all of which according to the following:

#### **1. Object of the Cash Advance Deposit**

The object of the Cash Advance Deposit is to make available to the Fund the subsidized part of the principal of the Loans subsidized by the National Government that has accrued but (ii) has not yet been collected from the National Government, and (ii) has not been advanced by the relevant Originator as foreseen in point 3.3.6 (Advances). For these purposes, subsidized Loans with which the relevant Obligors are up-to-date and, therefore, are entitled to benefit from the subsidies granted by the National Government pursuant to the Royal Decrees.

The Originators will furnish to the Fund Manager all the information that the latter may reasonably request from them in accordance with what is foreseen in the previous point.

#### **2. Duration of the Cash Advance Deposit**

The Cash Advance Deposit will remain in full force and effect until whichever is earlier of the following dates:

1. The Legal Date of Maturity;
2. The date on which Liquidation of the Fund comes to an end according to what is foreseen in point 4.4.3 of the Registration Document, when the Loans and remaining assets of the Fund have been liquidated and all the Funds Available for Liquidation have been paid out according to the Individual Order of Precedence of Liquidation Payments of each Originator; or
3. In the event that the Fund Manager finds an entity whose non-subordinated unsecured short-term debt has a rating of at least P-1 on the Moody's scale and offers a liquidity facility agreement to make available to the Fund the subsidized part of the Loans subsidized by the National Government that has accrued but has not yet been collected, on which date the Fund Manager, acting for and on behalf of

the Fund, will withdraw the cash amount from the Cash Advance Deposit to refund each of the Originators, respectively. All expenses, charges and taxes that may be incurred in connection with the liquidity facility, will be fully borne by the Originators pro rata of their share of the Cash Advance Deposit mentioned in the first paragraph of this point 3.4.2.3.

### **3. Cases in which Amounts may be Drawn from the Cash Advance Deposit**

The Fund may use the balance in the Cash Advance Deposit in the following cases and in the following amounts:

- On each Payment Date, if the Fund has not received from the relevant Originator, during the period between two consecutive Determination Dates, the subsidized part of the principal of the subsidized Loans.
- In this case, the amount that may be drawn from the Cash Advance Deposit is equal to the subsidized part of the principal of the subsidized Loans that has not been received during the three calendar months preceding the current Payment Date.

The amounts drawn from the Cash Advance Deposit will be used for repaying the principal of the Bonds of the AG, B(CA), B(CM), B(CP), B (CT), C(CA), C(CM), C(CP) and C(CT) Series, according to what is foreseen in point 3.4.6 of the Additional Building Block.

### **4. Using and Replenishing the Cash Advance Deposit**

The sums withdrawn from the Cash Advance Deposit will be paid back into the relevant account the moment the Originators pay the Fund the relevant subsidized parts of the principal of the Loans subsidized by the National Government, without such payments being subject to the Individual Order of Precedence of Payments of each Originator.

The Originators will answer for their respective liabilities-drawings pursuant to the Cash Advance Deposit Agreement, according to the amounts they are required to contribute towards said deposit, mentioned at the beginning of this point

Any amounts drawn from the Cash Advance Deposit and paid back by each Originator into the Cash Advance Deposit account with Banco de Sabadell SA may be drawn out again, up to the ceiling amount of the Cash Advance Deposit of four million one hundred thousand (4,100,000) euros.

Interest will accrue from day to day on the balance in the Cash Advance Deposit account at an annual rate of interest to be adjusted monthly, equal to the one-month (1-month) EURIBOR rate published on the Reuters monitor two working days before the beginning of each month, which will apply during the relevant calendar month as from and including the first day of that month, through to and excluding the last day of the month (except for the first interest period, which will begin on the Disbursement Date and end on June 30, 2009).

The interest accruing must be paid so that the value date is the last Working Day of the month for which the interest is settled, and will be calculated on the basis of a calendar year of three hundred and sixty (360) days.

As foreseen in the previous paragraphs, the amount drawn out of the Cash Advance Deposit account is paid back into the account the moment the Fund receives, through the relevant Servicer, the subsidized parts of the principal of the Loans subsidized by the National Government which have been assigned by that Originator. Therefore, until the relevant Servicer transfers said amounts to the Fund, the failure to pay back the amount drawn from the Cash Advance Deposit account by the Fund will not be considered a failure to perform the Cash Advance Deposit Agreement.

## **5. Exceptional Circumstances**

In the event that, at any time during the life of the Bonds, the rating of the non-subordinated unsecured short-term debt of Banco de Sabadell SA is lowered to less than P-1 on Moody's rating scale or less than F1 on that of Fitch, or its non-subordinated unsecured long-term debt is lowered to less than A on the Fitch rating scale, the Fund Manager must choose and implement one of the options described below. It must do so within a term of thirty (30) Working Days after such situation arises, for Moody's, and within thirty (30) calendar days for Fitch. The purpose of choosing and implementing one of the options described below is to preserve an adequate level of security in respect of the commitments hereunder:

- a) Securing an indemnity from an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, respectively. The indemnity must assure to the Fund, merely upon the Fund Manager so requesting, the amounts deposited by the Originators in the Cash Advance Deposit account, for as long as the credit rating of Banco de Sabadell SA remains downgraded to less than P-1 and/or F1.
- b) Finding an entity to substitute for Banco de Sabadell SA as depository under the Cash Advance Deposit Agreement. The non-subordinated unsecured short-term

debt of the substitute entity must be rated at no less than P-1 on Moody's rating scale or less than F1 on that of Fitch, or its non-subordinated unsecured long-term debt must be rated at no less than A on the Fitch rating scale.

- c) Make a cash deposit of four million one hundred thousand (4,100,000) euros in the name of the Fund with an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, or whose non-subordinated unsecured long-term debt is rated at no less than A on the Fitch rating scale.

In the event that the credit rating of Banco de Sabadell SA recovers, none of the three options mentioned above is required, and Banco de Sabadell SA may be the depository of the Cash Advance Deposit once again.

In the event that, at any time during the life of the Bonds, the rating of the non-subordinated unsecured short-term debt of Banco de Sabadell SA is downgraded to less than F3, or its non-subordinated unsecured long-term debt is lowered to less than BBB+, on the Fitch rating scale, the Fund Manager must choose and implement one of the options described below. It must do so as soon as possible to preserve an adequate level of security in respect of the commitments hereunder.

- (a) Finding an entity to substitute for Banco de Sabadell SA as depository under the Cash Advance Deposit Agreement. The non-subordinated unsecured short-term debt of the substitute entity must be rated at no less than F1, or its non-subordinated unsecured long-term debt must be rated at no less than A, on the Fitch rating scale.
- (b) Making a cash deposit of four million one hundred thousand (4,100,000) euros to the name of the Fund with an entity whose non-subordinated unsecured short-term debt has a rating of no less than F1 or whose non-subordinated unsecured long-term debt is rated at no less than A on the Fitch rating scale.

In the event that the credit rating of Banco de Sabadell SA recovers, none of the two options mentioned above is required, and Banco de Sabadell SA may be the depository of the Cash Advance Deposit once again.

Despite the Fitch criteria mentioned above, found in its paper "Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria" currently in force, dated June 9, 2004, such criteria as may be approved and published by Fitch to replace it in the future will be taken into account. They will be taken into account even if they are different from those set forth in this Prospectus. That is provided

always (i) the Fitch criteria in force from time to time have been directly reported in writing by Fitch to the Fund Manager and the latter has received such communication with the relevant changes in the criteria, and (ii) such changes do not involve breaching any regulations in force or call for amending the Deed of Establishment.

If the depository entity is replaced because it resigns as depository, the outgoing depository entity will bear all expenses incurred in the process of replacing it. The administrative and management expenses incurred in replacing the depository of the Cash Advance Deposit as a result of the credit rating of the depository entity being downgraded will be for the account of the entity being replaced. The Fund will reimburse Banco de Sabadell SA for said expenses on the following Payment Date. Such liability will rank in place (xiii) in the Individual Order of Precedence of Payments of each Originator (pro rata of the individualized Available Funds of each Originator). Thus, such reimbursement will only be effected on the relevant Payment Date if there are Available Funds left after meeting the payment obligations ranking between place (i) and place (xii) in said Individual Order of Precedence of Payments of each Originator. Banco de Sabadell may in no case demand to be reimbursed on later Payment Dates for these expenses it is up to Banco de Sabadell to pay on the Payment Date in question, in the event that it is not been fully reimbursed on that Payment Date. In such event, the amount that remains unpaid will be treated as stipulated in the Cash Advance Deposit Agreement.

In the event that the credit rating of one or more of the Originators recovers to P-1 or better in Moody's rating scale or to F1 or better in Ficht's rating scale, any of those Originators may be depository for the purposes of the Cash Advance Deposit.

### **3.4.3 Details of any Subordinated Debt Finance**

The Fund Manager represents that the summary descriptions of the agreements through which said operations are legalized, contained in the relevant paragraphs of the Prospectus, to be executed by the Fund Manager for and on behalf of the Fund, include the more essential and material information concerning each of said agreements, and truly reflect the their contents. Furthermore, the Fund Manager represents that it has left out no information that may affect the contents of this Prospectus.

All the agreements described below will be terminated in case the provisional ratings issued by the Credit Rating Agencies are not affirmed as final ratings before the Subscription Date. In the event that the Liquidity Facility Agreement is terminated on those grounds, the Originators undertake to bear all of the expenses incurred in establishing the Fund.

#### **3.4.3.1. Liquidity Facility**

The Fund Manager, acting on behalf and for the account of the Fund, will enter into a commercial subordinated loan agreement called the Liquidity Facility Agreement for a total of three million five hundred and seventy six thousand four hundred and ninety two euros and ninety one cents (3,576,492.91 euros), whose breakdown by Originator is as follows:

1. Caixa Catalunya: one million nine hundred and eighty one thousand five hundred and ninety four euros and ninety five cents (1,981,594.95 euros);
2. Caixa Manresa: six hundred and thirty eight thousand three hundred and eighty two euros and twenty six cents (638,382.26 euros);
3. Caixa Penedes: five hundred and thirty five thousand eight hundred and forty eight euros and seventy seven cents (535,848.77 euros); and
4. Caixa Terrassa: four hundred and twenty thousand six hundred and sixty six euros and ninety three cents (420,666.93 euros).

The Liquidity Facility amounts will be disbursed on the Disbursement Date by paying them into the Cash Account.

The purposes for which the Liquidity Facility is to be used by the Fund Manager are: (i) paying the expenses involved in establishing the Fund and Issuing the Bonds (in point 6 of the Securities Note there is an estimate of said Initial Expenses) and (ii) partly financing the Loans as well as paying interest due but not yet paid which is not more than thirty (30) days in arrears on the Date of Establishment, as well as the Cost of Deferral.

The Liquidity Facility will be remunerated on the basis of an annual rate of interest, to be adjusted monthly, equal to the going one-month Euribor rate from time to time. Such interest will be paid according to the Individual Order of Precedence of Payments of each Originator foreseen in paragraph 3.4.6 hereinafter.

The Payment Dates for the purposes of interest accruing on the Liquidity Facility will coincide with the Payment Dates of the Bonds, according to what is foreseen in the Deed of Establishment and in the Prospectus.

The interest payable on a given Payment Date will be calculated on the basis of a calendar year of three hundred and sixty five (365) days, taking into account the actual number of days of each Interest Accrual Period.

The interest accruing on the Liquidity Facility will be liquidated and become demandable at the end of each Interest Accrual Period, on each Payment Date, until the Liquidity Facility is totally repaid. The first date of liquidation will coincide with the first Payment Date.

The Liquidity Facility will mature on the Legal Date of Maturity of the Fund or on the date of liquidation of the Fund, if this takes place ahead of maturity.

The first repayment will take place on the first Payment Date, i.e. September 21, 2009, and the rest on the subsequent Payment Dates, in accordance with the Order of Precedence of Payments foreseen hereinafter, in point 3.4.6 hereinafter.

Any part of the Liquidity Facility not drawn down for meeting the payments foreseen in the third paragraph of this point 3.4.3.1 will be repaid on the first Payment Date of September 21, 2009, in accordance with the Order of Precedence of Payments in point 3.4.6 hereinafter.

All sums payable to the Originators for interest accrued on and in repayment of the principal of the Liquidity Facility will be subject to the Order of Precedence of Payments foreseen in point 3.4.6 hereinafter. Consequently, such sums will only be paid to the Originators on a specific Payment Date if the Available Funds on the Payment Date in question suffice for meeting the liabilities of the Fund relating to interest as per paragraphs (i) through (xvii) of said point 3.4.6, and as per paragraphs (i) through (xviii) in the case of principal.

All sums not paid to the Originators by virtue of what is foreseen in the preceding paragraphs will be paid to them on subsequent Payment Dates when the Available Funds permit, according to the Individual Order of Precedence of Payments of each Originator foreseen in point 3.4.6 hereinafter.

No penalty interest will accrue in benefit of the Originators on any sums due but not paid to them by virtue of what is foreseen in the previous paragraphs. Nor will such sums be accumulated to the principal. Therefore, such sums will be paid on the subsequent Payment Dates when the Available Funds permit according to the Order of Precedence of Payments of each Originator.

The Liquidity Facility will be terminated if the provisional ratings issued by the Credit Rating Agencies fail to be affirmed as final before the Subscription Date.

#### **3.4.3.2. Caixa Manresa Deposit and Credit Line**



On the Date of Establishment, the Fund Manager acting on behalf and for the account of the Fund will enter into a deposit agreement (hereinafter, the “**Caixa Manresa Deposit**”), with Caixa manresa as depositor and Banco de Sabadell SA as the depository entity, for one million seven hundred thousand (1,700,000) euros, for the purpose of protecting the Fund in the event that Caixa Manresa is declared bankrupt and fails to perform its duty of transferring the balances relating to the Loans assigned by Caixa Manresa into the relevant Individualized Account with Banco de Sabadell SA.

Notwithstanding that, as an alternative to the Caixa Manresa Deposit, the Fund Manager may enter at any time into a credit line agreement of a commercial nature (the “**Credit Line Agreement**” or the “**Credit Line**”) with an entity whose unsecured non-subordinated short-term debt has a rating equal to F1 on the Fitch credit rating scale (the “**Lender**”), for the same purpose as the Caixa Manresa Deposit. In such event, the duties and responsibilities of Caixa Manresa as depositor of the Caixa Manresa Deposit will cease immediately.

The Credit Line Agreement will be executed as soon as Caixa Manresa finds an eligible counterparty for doing so. Any and all expenses, fees and taxes accruing in connection with the Credit Line will be fully borne by Caixa Manresa.

The ceiling amount available out of the Caixa Manresa Deposit or the Credit Line (the “**Credit Ceiling Amount**”), as the case may be, will be whichever is lower of the following:

- (i) The amount of the deposit: one million seven hundred thousand (1,700,000) euros.
- (ii) An amount equal to the estimated aggregate installments for repaying principal and paying interest (including any subsidized amounts) that would accrue on the Loans assigned by Caixa Manresa during forty five days following each Determination Date, assuming that the rate of delinquency on the Loans is 0.00% and the annual rate of prepayments is 10%. Such such amount is to be determined from time to time by the Fund Manager, acting for these purposes as calculating agent.

Interest will accrue daily in benefit of Caixa Manresa, on the balances in the Caixa Manresa Deposit, at an annual rate to be adjusted monthly, equal to the one-month (1-month) EURIBOR rate published on the Reuters monitor two working days before the beginning of each month, which will apply during the relevant calendar month as from and including the first day of that month, through to and excluding the last day

of the month (except for the first interest period, which will begin on the Disbursement Date and end on June 30, 2009).

The interest that accrues will be paid so that the value date of the payment is the last Working Day of the month for which the interest is settled, and will be calculated on the basis of a calendar year of three hundred and sixty (360) days.

The Fund Manager, acting on behalf and for the account of the Fund, will draw on the Caixa Manresa Deposit in any of the following cases:

- a) in the event that Caixa Manresa is declared bankrupt;
- b) in the event that the non-subordinated unsecured short-term debt of Banco de Sabadell SA or of the Lender, as the case may be, is downgraded at any time during the life of the Bonds to less than F1 according to the Fitch credit rating scale;
- c) in the event that the Credit Ceiling Amount is at any time less than one million seven hundred thousand (1,700,000) euros, or than the actual balance in the Caixa Manresa Deposit account according to what is foreseen in point (ii) above.

In the case foreseen in point b) above, the Fund Manager must choose and implement one of the options described below, within a term of thirty (30) calendar days after the situation arises in terms of the Fitch credit rating. The purpose of these options is to maintain a suitable level of security with regard to performance of the commitments made under said agreement:

- a) Obtaining an indemnity from an entity whose non-subordinated unsecured short-term debt has a rating of F1 according to the Fitch credit rating scale, which assures punctual payment to the Fund by Banco de Sabadell SA or by the Lender, as the case may be, merely upon the Fund Manager so requesting, of its liability in the amount of the Caixa Manresa Deposit, or such drawings as the Lender may request, respectively, up to the Credit Ceiling Amount, during the time that the credit rating of Banco de Sabadell SA or the Lender remains below F1.
- b) Finding an entity to substitute for Banco de Sabadell SA or the Lender, as the case may be, as a party to the Caixa Manresa Deposit agreement or the Credit Line, respectively, whose non subordinated unsecured short-term debt is rated at no less than F1, or whose non subordinated unsecured long-term debt is rated at no less than A, on the Fitch credit rating scale.

- c) Making a cash deposit to the name of the Fund, equal to the Credit Ceiling Amount, with an entity whose non-subordinated unsecured short-term debt is rated at no less than F1, or whose non-subordinated unsecured long-term debt is rated at no less than A, according to the Fitch credit rating scale.

In the event that the credit rating of Banco de Sabadell SA or the Lender, as the case may be, recovers to the required level, none of the three options mentioned above is required, and the depositor for the purposes of the Caixa Manresa Deposit may be Banco de Sabadell SA, or the Lender may grant said Credit Line, as the case may be, once again.

In the event that, at any time during the life of the Bonds, the rating of the non-subordinated unsecured short-term debt of Banco de Sabadell SA or of the Lender is downgraded to less than F3, or its non-subordinated unsecured long-term debt is downgraded to less than BBB+, on the Fitch rating scale, the Fund Manager must choose and implement one of the options described below. It must do so as soon as possible, to preserve an adequate level of security in respect of the commitments hereunder:

- (a) Finding an entity to substitute for Banco de Sabadell SA or the Lender, as the case may be, as depository under the Caixa Manresa Deposit agreement or the Credit Line agreement. The non-subordinated unsecured short-term debt of the substitute entity must be rated at no less than F1, or its non-subordinated unsecured long-term debt must be rated at no less than A, on the Fitch rating scale.
- (b) Making a cash deposit of one million seven hundred thousand (1,700,000) euros to the name of the Fund with an entity whose non-subordinated unsecured short-term debt has a rating of no less than F1 or whose non-subordinated unsecured long-term debt is rated at no less than A on the Fitch rating scale.

In the event that the credit rating of Banco de Sabadell SA or the Lender, as the case may be, recovers to the required level, none of the two options mentioned above is required, and Banco de Sabadell SA may be the depository of the Caixa Manresa Deposit, or the Lender may grant the Credit Line, respectively, once again.

Despite the Fitch criteria mentioned above, found in its paper “Structured Finance Criteria Report” currently in force, the latest paper with criteria that Fitch may approve and publish in the future will be taken into account, even if they are different from those set forth in this Prospectus. That is provided always (i) the Fitch

criteria in force from time to time have been directly reported in writing by Fitch to the Fund Manager and the latter has received such communication with the relevant changes in the criteria, and (ii) such changes do not involve breaching any regulations in force or call for amending the Deed of Establishment.

If the substitute entity is replaced because it resigns as such, the outgoing substitute entity will bear all expenses incurred in the process of replacing it. The administrative and management expenses incurred in replacing the depository of the Caixa Manresa Deposit as a result of its credit rating being downgraded will be for the account of the entity being replaced. The Fund will reimburse Banco de Sabadell SA for said expenses on the following Payment Date. Such liability will rank in place (xiii) in the Individual Order of Precedence of Payments of each Originator (pro rata of the individualized Available Funds of each Originator). Thus, such reimbursement will only be effected on the relevant Payment Date if there are Available Funds left after meeting the payment obligations ranking between place (i) and place (xii) in said Individual Order of Precedence of Payments of each Originator. Banco de Sabadell may in no case demand to be reimbursed on later Payment Dates for these expenses which are up to Banco de Sabadell to pay on the Payment Date in question, in the event of not having been fully reimbursed on that Payment Date. In such event, the amount that remains unpaid will be treated as stipulated in the Cash Advance Deposit Agreement.

In the event that the credit rating of one or more of the Originators (other than Caixa Manresa) recovers to P-1 or better on Moody's rating scale or to F1 or better on the Ficht rating scale, any of those Originators may be depository for the purposes of the Caixa Manresa Deposit.

#### **3.4.3.3. Subordination of the Bonds of the B and C Series**

The Bonds of the B Series rank after those of the AG Series for the purposes of interest payments and repayment of the principal, according to what is foreseen in the Individual Order of Precedence of Payments and in the Individual Order of Precedence of Fund Liquidation Payments described in point 3.4.6 hereinafter.

The Bonds of the C(CA), C(CM), C(CP) and C(CT) Series rank after those of the AG and B(CA), B(CM), B(CP) and B(CT) Series, respectively, regarding payment of interest and repayment of the principal, according to what is foreseen in the Individual Order of Precedence of Payments and in the Individual Order of Precedence of Fund Liquidation Payments described in point 3.4.6 hereinafter.

The Bonds of the D(CA), D(CM), D(CP) and D(CT) Series rank after those of the AG Series, the B(CA), B(CM), B(CP) and B(CT) Series, and the C(CA), C(CM), C(CP) and C(CT) Series, respectively, regarding payment of interest and repayment of the principal, as well as of appropriations to the Reserve Fund, according to what is foreseen in the Individual Order of Precedence of Payments and in the Individual Order of Precedence of Fund Liquidation Payments described in point 3.4.6 hereinafter.

The rank of each of the Series of the Bonds in the Individual Order of Precedence of Payments of each Originator for the purposes of interest payments and repayments of the principal is specified in points 4.6.1 and 4.6.2 of the Securities Note.

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

Temporary surplus liquidity will be deposited in the Cash Account and in the Individualized Accounts, yielding interest at a guaranteed rate of interest, as described below.

##### **3.4.4.1 Cash Account**

According to what is foreseen in point 3.4.1 of this Additional Building Block none of the Originators may carry the Cash Account to the name of the Fund. This is because, on the date of registration of this Prospectus, none of them has a rating of P-1 or better on Moody's credit rating scale or of F1 or better on the Fitch scale. Therefore, the account is carried by Banco de Sabadell SA, as foreseen in this point. Notwithstanding that, in the event that any of the Originators, at any time during the life of the Fund, meets the requirements mentioned above as to its credit rating, they

may cancel the Cash Account with Banco de Sabadell SA according to the rules of this point and open a single new Cash Account with an Originator that meets those credit rating requirements mentioned above, according to the Fitch criteria of June 9, 2004, in *"Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria"*.

According to what is foreseen in the previous point, the Fund will have available at Banco de Sabadell SA, pursuant to the Agreement on an Account Yielding a Guaranteed Rate of Interest (the Cash Account), to be carried to the name of the Fund and to be used by the Fund Manager acting on behalf of the Fund, a Cash Account into which will be paid daily, except in the case of an Originator with a credit rating of P-1 or better on Moody's rating scale and of F1 or better on the Fitch rating scale, in which case the relevant transfers into the Cash Account may be made two (2) Working Days ahead of each Payment Date, at the latest, any sums paid by the Originators, to which they are entitled by virtue of the Loans they service, into the Individualized Accounts referred to below (as well as such interest as may have accrued and may have been liquidated and paid into the Individualized Accounts), by virtue of which Banco de Sabadell SA will guarantee a variable yield on the balances held in it.

The amounts to be deposited in the Cash Account are all liquid amounts received by the Fund, which will mainly be:

- b. The actual amount, net of commissions, received on the subscription price of the Bonds of the AG Series being paid up, and on the Bonds of the B, C and D Series being subscribed.
- c. The amount of principal drawn down under the Liquidity Facility.
- d. The net amounts paid into the Fund under the Interest Rate Swap Contracts.
- e. The interest earned on the balances in the Cash Account itself plus such interest as accrues on the Individualized Accounts.
- f. Such amounts as may be drawn out of the Cash Advance Deposit and Caixa Manresa Deposit accounts, as well as under the Credit Line.
- g. The amount of tax withholdings to be charged, on each Payment Date, on the income paid to Bondholders by the Fund in remuneration of their investments in the Bonds, until such withholdings must be paid to the Tax Administration.
- h. The principal repayments and interest payments received in respect of the

Loans, as well as any other amounts receivable in respect of the Loans, including without limitation any sums obtaining eventually in the form of subsidies or grants on the Loans.

- i. Any amounts receivable in connection with sums paid out of the ICO Guarantee.
- j. Any balances resulting from settlement operations carried out among the Originators.

All payments by the Fund will also be made through the Cash Account, according to the instructions of the Fund Manager.

The Cash Account may not be in the red with a balance receivable from the Fund. The balances in the Cash Account will be carried as cash balances.

Banco de Sabadell SA warrants payment of interest at a nominal annual rate, to be adjusted monthly, on the daily balances in the Cash Account, equal to the one-month (1-month) EURIBOR rate published on the Reuters monitor two Working Days before the beginning of each month, which will apply during the relevant calendar month as from and including the first day of that month, through to and excluding the last day of the month (except for the first interest period, which will begin on the Disbursement Date and end on June 30, 2009). The interest that accrues will be paid so that the value date of the payment is the last Working Day of the month for which the interest is settled, and will be calculated as foreseen in the Agreement on the Account Yielding a Guaranteed Rate of Interest (Cash Account), on the basis of (i) the actual number of days of each interest accrual period, and (ii) a year of three hundred and sixty five (365) days.

The first interest settlement date will be the first Working Day following the end of the month in which the Fund is established, i.e. July 1, 2009.

In the event that, at any time during the life of the Bonds, the rating of the non-subordinated unsecured short-term debt of Banco de Sabadell SA is downgraded to less than P-1 on Moody's rating scale or less than F1 on that of Fitch, the Fund Manager will choose, within a term of thirty (30) Working Days for Moody's and thirty (30) calendar days for Fitch, according to the Fitch criteria in force from time to time and in particular according to the Fitch criteria dated June 9, 2004, in "Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria", upon such situation arising, one of the options described below in order to preserve an adequate level of security in respect of the commitments hereunder:

- a) Securing an indemnity from an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, which assures to the the Fund punctual payment, merely upon the Fund Manager so requesting, of such sums as are required to be reimbursed by Banco de Sabadell SA out of the Cash Account, for as long as the credit rating of Banco de Sabadell SA remains downgraded to less than P-1 or F1.
- b) Transferring the Cash Account of the Fund to an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, and arranging for the new entity to pay the highest possible rate of interest on the balances in the Cash Account, which rate may be different from that agreed with Banco de Sabadell SA in the Cash Account Agreement.

Given the situation foreseen in paragraph b), the Fund Manager may, at its own discretion, subsequently transfer the relevant balances back to Banco de Sabadell SA under the Cash Account Agreement, in the event that the credit rating of the non-subordinated unsecured short-term debt of Banco de Sabadell S.A. recovers to P-1 and F1 as measured by Moody's and Fitch, respectively.

If the substitute entity is replaced because it resigns as such, the outgoing substitute entity will bear all expenses incurred in the process of replacing it. The administrative and management expenses incurred in replacing Banco de Sabadell SA as a result of its credit rating being downgraded will be for the account of Banco de Sabadell SA. The Fund will reimburse Banco de Sabadell SA for said expenses on the following Payment Date. Such liability will rank in place (xiii) in the Individual Order of Precedence of Payments of each Originator (pro rata of the individualized Available Funds of each Originator). Thus, such reimbursement will only be effected on the relevant Payment Date if there are Available Funds left after meeting the payment obligations ranking between place (i) and place (xii) in said Individual Order of Precedence of Payments of each Originator. Banco de Sabadell may in no case demand to be reimbursed on later Payment Dates for these expenses that are up to Banco de Sabadell to pay on the Payment Date in question, in the event of not being fully reimbursed on that Payment Date. In such event, the amount that remains unpaid will be treated as stipulated in the Cash Account Agreement.

In the event that the credit rating of one or more of the Originators recovers to P-1 or better on Moody's rating scale or to F1 or better on the Ficht rating scale, any of those Originators may be depository for the purposes of the Cash Account.

#### **3.4.4.2 Individualized Accounts**



According to point 3.4.1 of this Additional Building Block, none of the Originators has a credit rating of at least P-1 according to Moody's or at least F1 according to Fitch as of the date of registration of this Prospectus. In the light of that, the Originators may not themselves carry the individualized accounts to the name of the Fund. Therefore, these are to be carried by Banco de Sabadell SA, in accordance with what is foreseen in this point. Notwithstanding that, if at any time during the life of the Fund any of the Originators meet the requirements concerning their credit rating referred to above, the Originators in question may cancel their respective Individualized Accounts carried by Banco de Sabadell SA pursuant to this point and may carry their own Individualized Accounts.

According to the previous paragraph, the Fund will have bank accounts with Banco de Sabadell SA, under the Agreement on Accounts Yielding a Guaranteed Rate of Interest (Individualized Accounts) executed between the Fund, Banco de Sabadell SA and the Originators. These bank accounts will be to the name of the Fund and will be jointly called the "Individualized Accounts". Each Originator will pay into these accounts (i) temporarily on each Collection Date, the sums collected by the Originators to which they are entitled pursuant to the Loans they service, until they transfer these balances into the Cash Account two (2) Working Days before each Payment Date at the latest, and (ii) the respective CA Reserve Fund, CM Reserve Fund, CP Reserve Fund and CT Reserve Fund amounts.

Any amounts released from appropriations made under compensation arrangements between the Originators will be paid into the relevant Individualized Accounts, as the sub-portfolio that has generated a shortfall between its Reserve Fund and the Minimum Required Level of the Reserve Fund is reduced and the shortfall is overcome.

The Individualized Accounts may not be in the red, as a liability of the Fund. The balances in the Individualized Accounts will be cash balances.

Banco de Sabadell SA warrants payment of interest at a nominal annual rate, to be adjusted monthly, which will accrue and be settled on a monthly basis except in the first interest period, which will be shorter (from the Disbursement Date until the last day of the same calendar month), and will be applicable in each interest accrual period (calendar months, as opposed to the Interest Accrual Periods foreseen for the Bonds) on the daily balances in the relevant Individualized Cash Account, equal to the one-month (1-month) EURIBOR rate published on the Reuters monitor two Working Days before the beginning of each month, which will apply during the relevant calendar month as from and including the first day of that month, through to and excluding the last day of the month (except for the first interest period, which

will begin on the Disbursement Date and end on June 30, 2009). The interest that accrues, to be settled monthly, will be calculated as foreseen in the Agreement on the Account Yielding a Guaranteed Rate of Interest (Individualized Account), on the basis of (i) the actual number of days of each interest accrual period, and (ii) a year of three hundred and sixty five (365) days.

In the event that, at any time during the life of the Bonds, the rating of the non-subordinated unsecured short-term debt of Banco de Sabadell SA is downgraded to less than P-1 on Moody's rating scale or less than F1 on that of Fitch, the Fund Manager will choose, within a term of thirty (30) Working Days for Moody's and thirty (30) calendar days for Fitch, according to the Fitch criteria in force from time to time and in particular according to the Fitch criteria dated June 9, 2004, in "Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria", upon such situation arising, one of the options described below in order to preserve an adequate level of security in respect of the commitments hereunder:

- a) Securing an indemnity from an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's credit rating scale and of F1 on that of Fitch, which assures to the Fund punctual payment, merely upon the Fund Manager so requesting, of such sums as are required to be reimbursed by Banco de Sabadell SA out of the Individualized Accounts, for as long as the credit rating of Banco de Sabadell SA remains downgraded to less than P-1 or F1.
- b) Transferring the Individualized Accounts of the Fund to an entity whose non-subordinated unsecured short-term debt has a rating of no less than P-1 on Moody's rating scale and of F1 on that of Fitch, and arranging for the new entity to pay the highest possible rate of interest on the balances in the Cash Account, which rate may be different from that agreed with Banco de Sabadell SA in the Individualized Accounts Agreement.

Given the situation foreseen in paragraph b), the Fund Manager may, at its own discretion, subsequently transfer the relevant balances back to Banco de Sabadell SA under the Individualized Accounts Agreement, in the event that the credit rating of the non-subordinated unsecured short-term debt of Banco de Sabadell S.A. recovers to P-1 and F1 as measured by Moody's and Fitch, respectively.

If the substitute entity is replaced because it resigns as such, the outgoing substitute entity will bear all expenses incurred in the process of replacing it. The administrative and management expenses incurred in replacing Banco de Sabadell SA as a result of its credit rating being downgraded will be for the account of Banco de Sabadell SA. The Fund will reimburse Banco de Sabadell SA for said expenses on the

following Payment Date. Such liability will rank in place (xiii) in the Individual Order of Precedence of Payments of each Originator (pro rata of the individualized Available Funds of each Originator). Thus, such reimbursement will only be effected on the relevant Payment Date if there are Available Funds left after meeting the payment obligations ranking between place (i) and place (xii) in said Individual Order of Precedence of Payments of each Originator. Banco de Sabadell may in no case demand to be reimbursed on later Payment Dates for these expenses that are up to Banco de Sabadell to pay on the Payment Date in question, in the event of not being fully reimbursed on that Payment Date. In such event, the amount that remains unpaid will be treated as stipulated in the Individualized Accounts Agreement.

In the event that the credit rating of one or more of the Originators recovers to P-1 or better on Moody's rating scale or to F1 or better on the Ficht rating scale, any of those Originators may be depository for the purposes of the Cash Account.

#### **3.4.5 Collection by the Fund of payments relating to its assets**

The Originators, in their capacity as Servicers, will manage collection of all amounts receivable from the Obligors and the National Government in respect of the Loans, or for any other reason. The amounts receivable from the National Government in the form of subsidies granted in respect of the Loans pursuant to what is foreseen in the Royal Decrees governing the financing of officially supported or protected housing and of land under the land schemes for the relevant time periods. As Servicers, the originators will also manage collection, if in order, of any sums receivable under insurance against damage covering the properties mortgaged as security for the Loans and those relating to sureties.

The Servicers will act with due care to ensure that the payments receivable from Obligors are made according to the terms and conditions agreed for the Loans.

The Servicers will transfer to the relevant Individualized Account of the Fund all amounts received which the Fund is entitled to receive for any reason in respect of the Loans they service. These amounts will be transferred on each Collection Date.

In the event that, at any time during the life of the Bonds, the credit rating of the non-subordinated unsecured short-term debt of any of the Originators is downgraded to less than P-1 or F1 according to the rating scales of Moody's and Fitch, respectively, the Fund Manager may transfer the amounts received in respect of the loans, referred to above, to the relevant Individualized Accounts, less frequently and always by the deadlines required according to the Fitch criteria in force from time to time, found in the paper "Commingling Risk in Structured Finance Transactions Servicer and Account Bank Criteria", of June 9, 2004. Such criteria as may be approved and

published by Fitch to replace these in the future will be taken into account, even if they are different from those set forth in this Prospectus. That is provided always (i) the Fitch criteria in force from time to time have been directly reported in writing by Fitch to the Fund Manager and the latter has received such communication with the relevant changes in the criteria, and (ii) such changes do not involve breaching any regulations in force or call for amending the Deed of Establishment

The Servicers will in no case pay the Fund any sums which the Servicers have not previously received from the Obligor as payments in respect of the Loans, without prejudice to what is foreseen in point 3.3.6 of the Additional Building Block on advancing subsidies due but not yet received from the National Government.

#### **3.4.6 Order of Precedence of Payments by the Issuer**

##### **Ordinary and special rules of priority and application of funds**

##### **On the Disbursement Date**

###### **1. Sources**

On the Disbursement Date, the Fund will use the funds described above to make the following payments:

- (i) Funds received in respect of the Bonds issued and subscribed for.
- (ii) Funds received under the Liquidity Facility.

###### **2. Application**

On the Disbursement Date, the Fund will use the funds described above to make the following payments:

- (i) Payments to purchase the Mortgage Participations pooled in the Fund.
- (ii) Payment of the Initial Expenses as described in point 3.4.3 of this Additional Building Block.
- (iii) Funding the Initial Reserve Funds.

**From the Disbursement Date to (but not including) the Date of Liquidation of the Fund**

On each Payment Date other than the last one or the Date of Liquidation of the Fund, the Fund Manager will successively apply the Available Funds in the Individual Order of Precedence of Payments of each Originator specified below for each type of payment.

**1. Sources of Funds**

The Available Funds for meeting the payment or withholding obligations mentioned below on each Payment Date will be the balances held in the Cash Account, relating to the concepts mentioned below. That is except for the amounts drawn from the Cash Advance Deposit account, which will be used as foreseen in point 3.4.2.3 of this Additional Building Block and in point 4.9.3 of the Securities Note, as well as for the amounts paid out of the ICO Guarantee as foreseen in point 3.4.7.2 of this Additional Building Block.

- (i) Amounts received in repayment of principal and payment of interest as well as any subsidies or grants for the Loans, calculated on each Determination Date as follows:

Concerning principal and interest (including any amounts subsidizing the principal or interest as may be in order), the income obtaining from and including the previous Determination Date up to but not including the current Determination Date, except in the case of the first Determination Date, for which the income to be taken into account will be that obtaining from and including the Date of Establishment up to and including the current Determination Date.

- (ii) Any income received from Obligors other than in payment of principal and interest on the Loans, obtaining from and including the previous Determination Date up to but not including the current Determination Date, except in the case of the first Determination Date, for which the income to be taken into account will be that obtaining from and including the Date of Establishment up to and including the current Determination Date.
- (iii) Interest income on the balances in the Cash Account and in the Individualized Accounts.
- (iv) The balance in the Reserve Funds at the Determination Date preceding the relevant Payment Date.

- (v) Any net amounts received by the Fund by virtue of the Interest Rate Swap Contracts and any sums received in settlement by the Fund in the event of termination of said Contracts.
- (vi) Such amount as may have been drawn out of the Caixa Manresa Deposit account or under the Credit Line, as foreseen in point 3.4.3.2 of the Additional Building Block.
- (vii) Such amounts as may result from compensation arrangements between the Originators.
- (viii) Any other sums that the Fund may receive, including the proceeds of disposal or operation, as the case may be and when in order, of any real property awarded to the Fund or of any Fund assets, obtaining from and including the previous Determination Date up to but not including the current Determination Date, except in the case of the first Determination Date, for which the income to be taken into account will be that obtaining from and including the Date of Establishment up to and including the current Determination Date.

## 2. Application of Funds

As a rule, the Available Funds of the Fund will be applied on each Payment Date, individually for each Originator, to the concepts and in the order of precedence of payments mentioned below.

Hereinafter, any reference to the **“Individual Order of Precedence of Payments of each Originator”**, is a reference to the order in which each of the Originators will apply the Available Funds in relation to the Loans assigned by the individual Originator to the concepts mentioned below. Therefore, there are four (4) orders of precedence of payments, one for each Originator, which are separate from one another, except for the compensation arrangements between Originators, described below, in which any reference to the different Series of the Bonds (except for those of the AG Series) is deemed to refer, as appropriate, to either those of the B(CM), B(CP) or B(CT) Series, the C(CA), C(CM), C(CP) or C (CT) Series, or the D(CA), D(CM), D(CP) or D(CT) Series:

- (i) Paying for Regular Ordinary Expenses and Extraordinary Expenses of the Fund and the rest of expenses and service fees including those stipulated for the Servicers in the Deed of Establishment and the management fees of the Fund Manager.

- (ii) Paying such net amount as may be due under the Interest Rate Swap Contracts, and, only in the event that these Contracts are terminated for reasons attributable to the Fund, such sum as may be due in settlement.
- (iii) Retaining the amount required for paying in respect of the Bonds of the AG Series any interest due but not paid on previous Payment Dates and for paying back to the ICO any sums the ICO may have made available to the Fund out of the ICO Guarantee for meeting payments of principal and interest on the Bonds of the AG Series secured with the ICO Guarantee, which have not been paid back in previous Payment Dates (on a pro rata basis).
- (iv) Paying the interest accrued on the Bonds of the “AG” Series between the previous Payment Date and the current Payment Date, on a pro rata basis.
- (v) Any compensation due for advances to pay interest on the Bonds of the AG Series (as defined in point 3.4.6.3.e or point 3.4.6.3.f).
- (vi) Paying interest on the Bonds of the “B” Series, save that such payment is postponed so that it ranks in place (ix) (nine) in this Individual Order of Precedence of Payments of each Originator. This will be done in the event that, on the relevant Payment Date, a Repayment Shortfall is going to take place which is equal to 50% or more of the Outstanding Principal of the Bonds of the B Series plus 100% of the Outstanding Principal of the Bonds of the C Series and provided the Bonds of the AG Series have not been fully repaid, any refunds due to the ICO for payments made out of the Guarantee in repayment of Bonds of the AG Series have not been paid, and the Bonds of the B(CA) B(CM) B(CP) and B(CT) Series have not been and are not going to be fully repaid, on the relevant Payment Date.
- (vii) Paying interest on the Bonds of the “C” Series, save that such payment is postponed so that it ranks in place (x) (ten) in this Individual Order of Precedence of Payments of each Originator. This will be done in the event that, on the relevant Payment Date, a Repayment Shortfall is going to take place which is equal to 50% or more of the Outstanding Principal of the Bonds of the C Series and provided the Bonds of the AG Series have not been fully repaid, any refunds due to the ICO for payments made out of the Guarantee in repayment of Bonds of the AG Series have not been paid, and the Bonds of the B(CA) B(CM) B(CP) and B(CT) Series have not been and are not going to be fully repaid, on the relevant Payment Date.
- (viii) Retaining the Funds Available for Repayment. The principal of the Bonds will be repaid according to the rules in point 4.9 of the Securities Note.

- (ix) Paying the interest accrued on the Bonds of the B Series when such payment is postponed so that it ranks in place (xi) (six) in this Individual Order of Precedence of Payments of each Originator as foreseen in said point.
- (x) Paying the interest accrued on the Bonds of the C Series when such payment is postponed so that it ranks in place (vii) (seven) place in this Individual Order of Precedence of Payments of each Originator as foreseen in said point.
- (xi) Funding the Reserve Fund to the Minimum Required Level.
- (xii) Any compensations due between Originators for achieving the Minimum Required Level of the Reserve Fund (as this is defined in point 3.4.6.g).
- (xiii) Reimbursing Banco de Sabadell SA, as Paying Agent, as the entity carrying the Cash Account, as the depository of the Cash Advance Deposit, as the depository of the Caixa Manresa Deposit and as the entity carrying the Individualized Accounts, for any increase in the fees charged by the new Paying Agent, and for administrative and management expenses incurred in the process of replacing Banco de Sabadell SA as a result of the latter's credit rating being downgraded (as stipulated in each Agreement).
- (xiv) Paying interest on the Bonds of the D Series.
- (xv) Repaying the principal of the Bonds of the D Series.
- (xvi) Paying the net amount due in settlement by the Fund in the event that the Interest Rate Swap Contracts are terminated (except in the cases foreseen in paragraph (ii) above.
- (xvii) Paying the interest and fees that have accrued on drawings from the Caixa Manresa Deposit account or under the Credit Line, as the case may be (only for the Individual Order of Precedence of Payments of Caixa Manresa).
- (xviii) Repaying principal drawn from the Caixa Manresa Deposit account or under the Credit Line, as the case may be (only for the Individual Order of Precedence of Payments of Caixa Manresa).
- (xix) Paying the relevant interest on the Liquidation Facility.
- (xx) Repaying the relevant amount of principal of the Liquidation Facility.



(xxi) Paying the Operating Fee.

The following are considered ordinary expenses of the Fund:

- a) Expenses that may be incurred in connection with requisite administrative clearances, registrations or approvals.
- b) The fees of Credit Rating Agencies for the monitoring and maintenance of the credit rating of Bonds.
- c) Expenses that relate to carrying accounts in respect of Bonds issued in book entry form, to having them listed on organized secondary markets, and to the maintenance of all that.
- d) Expenses incurred in having the annual accounts audited.
- e) The fees of the Paying Agent.
- f) The fees of the Fund Manager.
- g) Expenses relating to repayment of the Bonds.
- h) Expenses incurred in publishing announcements and serving notices relating to the Fund and/or Bonds.

The following are considered extraordinary expenses of the Fund:

- a) Any expenses incurred in drawing up and executing deeds or agreements of amendment of the Deed of Establishment or of existing agreements, as well as in entering into additional agreements.
- b) Expenses that need to be incurred to enforce payment of or recover Loans.
- c) Extraordinary auditing and legal counseling expenses.
- d) Any initial expenses that remain to be paid in connection with establishing the Fund and issuing the Bonds, in excess of the principal of the Liquidity Facility.
- e) In general, any other necessary extraordinary expenses suffered by the Fund or by the Fund Manager acting for and on behalf of the Fund.

### 3. Other rules

In the event that the Available Funds do not suffice to cover any of the expenses mentioned in the previous points, the following rules will apply:

- a. When there are sums demandable for different concepts that have the same rank in the order of precedence of payments, the remaining Funds Available will be applied pro rata of the amounts demandable for the individual concepts, with the amount allocated to each individual concept to be in relation to the age of the debt. Notwithstanding that, any sums received out of the ICO Guarantee will be used on the Payment Date after they are received only to cover shortfalls in principal and interest payments for Bonds of the AG Series.
- b. The funds will be applied to the different concepts mentioned in the previous point in the order of precedence of payments foreseen above, pro rata of the amount due in each case to those entitled to receive payments.
- c. Any amounts that remain unpaid, other than those in place (xiii) (thirteen) in the Individual Order of Precedence of Payments of each Originator, will rank, on the following Payment Date, in a place immediately before that for the concept in question, except for interest on the Bonds of the AG Series, whose place in the event of non-payment is explicitly foreseen in the Individual Order of Precedence of Payments of each Originator.
- d. No additional interest will accrue on any amounts due by the Fund that remain unpaid on their respective Payment Dates.

#### **Compensation Arrangements between Originators:**

- e. Compensation arrangement between Originators for complying with obligations of paying interest on Bonds of the AG Series:

In the event that, on a given Payment Date, the amounts retained in places (iii) (three) and (iv) (four) of the Individual Order of Precedence of Payments do not suffice to pay the part of the interest due on the AG Series to be met by a Servicer-Originator, the rest of the Originators will cover the shortfall pro rata of the balance outstanding of the Loans assigned by each one of them, after meeting their own part of the interest due on the AG Series, until the shortfall is covered. The Fund Manager will be responsible for monitoring the debit and credit positions of the Originators with regard to interest payments on the AG Series by means of entries in an internal monitoring account (hereinafter, the **“Internal Compensation Monitoring Account Carried by the Fund Manager”**).

As soon as the debtor Servicer-Originator has sufficient liquidity in subsequent Payment Dates, after paying the liabilities that rank in places (iii) (three) and (iv) (four) of its Individual Order of Precedence of Payments, the Servicer-Originator in question will use said funds to regularize its position by making offsetting advances of the interest due on the AG Series that ranks in place (v) (five) of its Individual Order of Precedence of Payments, and in place (vi) (six) of its Individual Order of Precedence of Liquidation Payments. In turn, the Fund manager will make the necessary offsetting entries, charging them to the Originator in question, in the Internal Compensation Monitoring Account Carried by the Fund Manager.

- f. Compensation arrangements between the Originators for complying with the obligations of repaying the principal of the Bonds of the AG Series:

In the event that, on a given Payment Date, the amounts retained in place (viii) (eight) of the Individual Order of Precedence of Payments do not suffice to repay the part of the principal of the AG Series to be repaid by a Servicer-Originator, the rest of the Originators will cover the shortfall pro rata of the balance outstanding of the Loans assigned by each one of them, after repaying their own part of the principal of the AG Series, until the shortfall is covered. The Fund Manager will be responsible for monitoring the debit and credit positions of the Originators with regard to repayments of the principal of the Bonds of the AG Series by means of entries in the Internal Compensation Monitoring Account Carried by the Fund Manager.

As soon as the debtor Servicer-Originator has sufficient liquidity in subsequent Payment Dates, after paying the liabilities that rank in place (viii) (eight) of its Individual Order of Precedence of Payments, the Servicer-Originator in question will use said funds to regularize its position by making offsetting advances of the principal of the AG Series that ranks in place (viii) (eight) of its Individual Order of Precedence of Payments, and in place (vi) (six) of its Individual Order of Precedence of Liquidation Payments. In turn, the Fund manager will make the necessary offsetting entries, charging them to the Originator in question, in the Internal Compensation Monitoring Account Carried by the Fund Manager.

- g. Compensation arrangements between the Originators for funding the Reserve Fund to the Minimum Required Level:

If the balance in any of the Reserve Funds on a given Payment Date falls short of its Minimum Required Level after applying its Available Funds according to

the Individual Order of Precedence of Payments of each Originator, the rest of the Originators will retain out of the Available Funds an amount (adjusted on a pro rata basis) equal to the shortfall, after making the relevant Appropriation to the Reserve Fund according to the Individual Order of Precedence of Payments of each Originator. The adjustment of the amount to be retained by each Originator will be made pro rata of their Available Funds after making the payment that ranks in place (xi) (eleven) of the Individual Order of Precedence of Payments of each Originator.

These amounts retained under the Compensation Arrangements between the Originators for funding the Reserve Fund to the Minimum Required Level will be paid into the Cash Account, will be used for funding to the Minimum Required Level the Reserve Fund of the Originator whose Reserve Fund falls short of that Level. As soon as the debtor has sufficient liquidity in subsequent Payment Dates, after paying the liabilities that rank in place (xi) (eleven) of its Individual Order of Precedence of Payments, the Servicer-Originator in question will use said funds to regularize its position by making the offsetting payments between the Originators for funding the Reserve Fund to the Minimum Required Level that rank in place (xii) (twelve) of its Individual Order of Precedence of Payments, and in place (xi) (eleven) of its Individual Order of Precedence of Liquidation Payments. In turn, the Fund manager will make the necessary offsetting entries, charging them to the Originator in question, in the Internal Compensation Monitoring Account Carried by the Fund Manager.

#### **On the Date of Liquidation of the Fund**

The Fund Manager will liquidate de Fund on the Legal Date of Maturity or on any Payment Date in which an Event of Liquidation occurs according to what is foreseen in points 4.4.3 and 4.4.4 of the Registration Document, by applying the Funds Available for Liquidation from (i) the Available Funds plus any amounts drawn from the Cash Advance Deposit, which will be used as foreseen in point 3.4.2.3 of this Additional Building Block and in point 4.9.3 of the Securities Note, plus any sums actually received out of the ICO Guarantee, according to point 3.4.7.2 hereinafter, and (ii) the amounts that the Fund obtains by disposing of the remaining assets, in the Individual Order of Precedence of Liquidation Payments of each Originator described below, and (iii) in the event that the Credit Line has been entirely drawn down as a result of the credit rating of the Lender being downgraded, the balance by which the drawings under the Credit Line exceed the amount that Caixa Manresa has received in respect of the Loans and has not paid into the Fund on this being liquidated will be entirely used to repay the principal of the Credit Line in the eighteenth (xviii) place of the following order of precedence of payments, the Order of Precedence of

## Liquidation Payments.

Hereinafter, any reference to the **“Individual Order of Precedence of Liquidation Payments of each Originator”** is a reference to the order in which each Originator will apply the Funds Available for Liquidation, in relation to the Loans it has assigned, to making the payments mentioned below. Thus, there are four (4) orders of precedence of liquidation payments, one for each Originator, which are separate from each other except for the compensation arrangements between the Originators, as these are described below, in which the references to the different Series of the Bonds (other than the AG Series) must be taken as references to Bonds of the B(CA), B(CM), B(CP) or B(CT) Series, the C(CA), C(CM), C(CP) or C(CT) Series, and the D(CA), D(CM), D(CP) or D(CT) Series, as appropriate:

- (i) Provision for meeting the final tax, administrative or advertising expenses relating to the extinguishment and liquidation of the Fund as well as to paying taxes and Regular Ordinary Expenses and Extraordinary Expenses of the Fund, including the fees payable to the Fund Manager, and the fees payable to the Servicers under the Deed of Establishment.
- (ii) Paying such net amount as may be due under the Interest Rate Swap Contracts, and, only in the event that these Contracts are terminated for reasons attributable to the Fund, such sum as may be due in settlement.
- (iii) Retaining the amount required for paying in respect of the Bonds of the AG Series any interest due but not paid on previous Payment Dates and for paying back to the ICO any sums the ICO may have made available to the Fund out of the ICO Guarantee for meeting payments of principal and interest on the Bonds of the AG Series secured with the ICO Guarantee, which have not been paid back on previous Payment Dates (on a pro rata basis).
- (iv) Retaining the amount required for paying (on a pro rata basis) the interest that has accrued on the Bonds of the AG Series since the previous Payment Date.
- (v) Repaying the principal of the Bonds of the AG Series and paying back to the ICO any sums the ICO may have made available to the Fund out of the ICO Guarantee for repaying principal of the Bonds of the AG Series as described in point 4.5.4 of the Securities Note.
- (vi) Compensation for advances used in repaying the principal and paying interest on Bonds of the AG Series.
- (vii) Paying interest accrued on Bonds of the B Series.

- (viii) Repaying, on a pro rata basis, the principal of the Bonds of the B Series.
- (ix) Paying interest accrued on Bonds of the C Series.
- (x) Repaying, on a pro rata basis, the principal of the Bonds of the C Series.
- (xi) Compensation between the Originators for funding the Reserve Fund to the Minimum Required Level.
- (xii) Reimbursing Banco de Sabadell SA, as Paying Agent, as the entity carrying the Cash Account, as the depository of the Cash Advance Deposit, as the depository of the Caixa Manresa Deposit and as the entity carrying the Individualized Accounts, for any increase in the fees charged by the new Paying Agent, and for administrative and management expenses incurred in the process of replacing Banco de Sabadell SA as a result of the latter's credit rating being downgraded (as stipulated in the relevant agreements).
- (xiii) Paying interest accrued on the Bonds of the D Series.
- (xiv) Repaying, on a pro rata basis, the principal of the Bonds of the D Series.
- (xv) Paying the interest and fees that have accrued on drawings from the Caixa Manresa Deposit account or under the Credit Line, as the case may be (only for the Individual Order of Precedence of Payments of Caixa Manresa).
- (xvi) Repaying principal drawn from the Caixa Manresa Deposit account or under the Credit Line, as the case may be (only for the Individual Order of Precedence of Payments of Caixa Manresa).
- (xvii) Paying the net amount due in settlement by the Fund in the event that the Interest Rate Swap Contracts are terminated (except in the cases foreseen in paragraph (ii) above.
- (xviii) Paying the relevant interest accrued on the Liquidity Facility.
- (xix) Repaying the relevant principal drawn down under the Liquidity Facility.
- (xx) Operating Fee.

When there are sums demandable on different concepts that have the same rank in the order of precedence of payments and the Funds Available for Liquidation do not

suffice to meet all the sums demandable, the remaining Funds Available for Liquidation will be applied pro rata of the amount demandable for each concept, with the amount applied to each concept to be paid in the order in which the demandable liabilities fall due for payment.

### **3.4.7 Other arrangements on which interest and principal payments to investors are dependent**

#### **3.4.7.1. Interest Rate Swap Contracts**

The Fund Manager will enter into four Interest Rate Swap Contracts with the Spanish confederation of savings banks CECA, for and on behalf of the Fund. The Swap Contracts will be drawn up substantially according to the model of Framework Contract for Financial Transactions of the Spanish private bankers' association AEB. Each Swap Contract will be made for the amounts assigned individually by each of the four Originators. The main terms of these Swap Contracts are described below.

By virtue of the Interest Rate Swap Contracts, the Fund will make payments to the CECA, calculated on the basis of the rate at which interest accrues on the Loans. In consideration of that the CECA will make payments to the Fund, calculated on the basis of the rate at which interest accrues on the Bonds plus a mark-up, all of which according to the following rules:

Party A: The Fund, represented by the Fund Manager

Party B: CECA (Confederacion Española de Cajas de Ahorros) in each Swap Contract.

- Settlement Dates: The dates of settlement will coincide with each of the Payment Dates of the Bonds, i.e. on March 20, June 20, September 20 and December 20 of each year or, in any of these is not a Working Day, on the Working Day immediately following. The first Payment Date will be September 21, 2008.
- Settlement Periods: These consist of the actual number of days between two consecutive Determination Dates, including the first day but not the last one. As an exception, the duration of the first settlement period will be equal to the actual number of days that elapse between the Disbursement Date (included), and the first Determination Date (not including the latter).

- Notional Principal Amount of the Swap: this is, on each Determination Date, the average daily Outstanding Balance of the Non Defaulted Loans of each Originator during each Determination Period.
- Amount to be paid by Party A: This is the aggregate amount of interest actually received and paid into the Fund by each Originator as interest on the Non Defaulted Loans during the immediately preceding Settlement Period, including the interest accrued during the First Settlement Period. On the first Settlement Date, the Amount to be Paid to Party A by each Originator is the aggregate amount of interest actually received and paid into the Fund as interest on the Non Defaulted Loans during the First Settlement Period (if in order) (i) the income accrued for the first installment (principal and interest) assigned to the Fund, paid in to the benefit of the Fund; minus (if in order) (ii) any interest recovered that had fallen due but had not yet been paid by the Date of Establishment of the Fund, which had been outstanding for less than 30 days. Any installment payments deferred as per point 2.2 of this Additional Building Block will not be treated as principal due but not repaid of the Loans.
- Amount to be paid by Party B: This is the result of applying the Reference Interest rate for each Interest Accrual Period, plus a mark-up of 1%, to the Notional Principal Amount of the Swap for each Originator.
- The Settlement Basis will be "Act/360".

Any amounts payable (or receivable) by virtue of the Interest Rate Swap Contracts, will be paid on each Payment Date net of the difference between the amount due by Party A and that due by Party B (hereinafter referred to as the "*Net Amount*").

#### **Events of Non-performance of the Interest Rate Swap Contracts**

If, on a Payment Date, the Fund (Party A) does not have sufficient liquidity for paying Party B the full amount due, the sum that fails to be paid will be settled on the following Payment Date provided the Fund has sufficient liquidity according to the Individual Order of Precedence of Payments of each Originator. If the failure to pay the full amount takes place on two consecutive Payment Dates, the Interest Rate Swap Contracts may be terminated at the choice of Party B. In the event of termination of the Swap Contracts, the Fund will undertake to pay –if in order– the amount due in settlement under the Interest Rate Swap Contracts, all of which according to the Individual Order of Precedence of Payments of each Originator. Without prejudice to the foregoing, except that the Fund is in a situation where its financial balance is permanently upset, the Fund Manager, acting on behalf and for the account of the Fund, will seek to enter into a new interest rate swap contract



under substantially the same terms as those of the contract that has been terminated.

If Party B fails to pay the full amount due to the Fund on a Payment Date, the Fund Manager may choose to terminate the relevant Interest Rate Swap Contract. In this case, Party B will undertake to pay -if in order- the amount due in settlement according to the contract. If the Fund Manager chooses to terminate the Swap Contract ahead of maturity, the Fund Manager must seek out an alternative financial entity to substitute for the relevant Party B, as soon as possible, without prejudice to its right to claim the unpaid amounts.

The Interest Rate Swap Contracts will remain in force until the Legal Date of Maturity of the Fund or until the date when the Fund is extinguished as foreseen in point 4.4 of the Registration Document.

The interest rate swaps are designed to hedge, on one hand, against the interest rate risk arising from the fact that the Loans carry floating rates of interest which are linked to different reference rates and are updated, and the interest is settled, at different intervals than those stipulated for each of the Series of the Bonds issued against the Fund, and, on the other hand, against the risk arising under the rules of amendment and substitution of mortgage loans, that the agreed interest rates may be adjusted downward in the event that the Loans are renegotiated.

#### **Downgrading of the credit rating of Party B**

In the event that the credit rating of the non-subordinated unsecured short-term or long-term debt of Party B is downgraded by the relevant Credit Rating Agency at any time during the life of the Bonds, the following steps will be taken:

##### A) Moody's Criteria:

- (i) If at any time during the life of the Bond Issue neither Party B nor one of its Guarantors has the First Level Qualifying Rating (***Lack of a First Level Rating***), Party B will take one of the following steps within a term of thirty (30) Working Days after such circumstance is given:
  - 1) Securing a Replacement with a First Level Qualifying Rating (or else a Replacement with a Guarantor that has a First Level Qualifying Rating).
  - 2) Securing a Guarantor with a First Level Qualifying Rating.

- 3) Making a deposit for the benefit of the Fund, in cash or securities, with an entity whose non-subordinated unsecured short-term debt has a credit rating of P-1 on Moody's rating scale. The amount of the deposit will be calculated according to the terms of Schedule III of the relevant Interest Rate Swap Contract (dawn up according to the model of Framework Agreement for Financial Operations of the Spanish bankers' association AEB).
- (ii) If at any time during the life of the Bond Issue neither Party B nor one of its Guarantors has a Second Level Qualifying Rating (*Lack of a Second Level Rating*), Party B, acting diligently, will seek out, as soon as possible:
- 1) A Guarantor with a First or Second Level Qualifying Rating; or
  - 2) A Replacement with a First or Second Level Qualifying Rating (or else a Replacement with a Guarantor that has a Second Level Qualifying Rating);
  - 3) Until either of the above alternative steps is taken, Party B is make a deposit in cash or securities within a term of 30 Working Days after the Lack of a Second Level Rating occurs. The deposit is to be made for the benefit of the Fund with an entity whose non-subordinated unsecured short-term debt is equal to P-1 on Moody's rating scale. The amount of the deposit is to be calculated according to the terms of Schedule III of the relevant Interest Rate Swap Contract (dawn up according to the model of Framework Agreement for Financial Operations of the Spanish bankers' association AEB).

The duties of Party B under points (i) and (ii) above, as well as any Events of Liquidation arising from them, will only be in force for as long as the reasons giving rise to the Lack of a First Level Qualifying Rating or the Lack of a Second Level Qualifying Rating, respectively. The deposit made by Party B under points (i) and (ii) above will be returned to Party B once the reasons giving rise to the Lack of a First Level Qualifying Rating or the Lack of a Second Level Qualifying Rating, respectively, come to an end.

All expenses, costs and taxes incurred in performing the above steps and duties will be for the account of Party B.

**"Guarantor"** means an entity giving an unconditional and irrevocable guarantee, payable on this first being demanded, with respect to the current and future liabilities of Party B (the **"Indemnity"**), provided always that (A) a law firm issues a legal

opinion confirming that none of the payments made by said entity to Party A under the Indemnity is subject to deductions or withholdings for actual or interim settlement of any tax; or (b) the Indemnity is granted in such terms that, if a deduction or withholding is made, to the amount payable by said entity will be added such amount as may be necessary so that the net amount received in payment by Party A is equal to the amount that Party A would have received had no deduction or withholding been made.

**"Indemnity"** means an unconditional and irrevocable guarantee, payable on this first being demanded, given by a Guarantor who is jointly and severally liable (as principal debtor), out of which payment may be demanded directly by Party A concerning which (A) a law firm issues a legal opinion confirming that none of the payments made by said entity to Party A under the Indemnity is subject to deductions or withholdings for actual or interim settlement of any tax; or (b) the Indemnity is granted in such terms that, if a tax deduction or withholding is made for actual or interim settlement of any tax, to the amount payable by said entity will be added such amount as may be necessary so that the net amount received in payment by Party A (free of any taxes) is equal to the amount that Party A would have received had no deduction or withholding been made, or (C) in the event any payment is made out of said Indemnity net of tax deductions or withholdings for actual or interim settlement of any tax, Party B is required to make an additional payment so that the net amount received in payment by Party A is equal to the amount that Party A would have received had no deduction or withholding been made.

**"Eligible Replacement"** means an entity that may lawfully perform the obligations towards Party A under the relevant Contract or its replacement (as appropriate) (A) with a Second Level Qualifying Rating, or (B) whose current and future obligations towards Party A under the relevant Contract (or its replacement, as appropriate) are guaranteed with an Indemnity given by a guarantor with a Second Level Qualifying Rating.

**"Relevant Entities"** means Party B or any guarantor giving an Indemnity in respect of all current and future obligations of Party B under the relevant Contract.

**"Moody's Short-term Rating"** means opinions given by Moody's of the ability of an entity to honor non-subordinated unsecured short-term financial obligations.

**"Firm Offer"** means an offer which, when made, is liable to become legally binding on being accepted.

The "**First Level Qualifying Rating Requirements**" are applicable while no Relevant Entity has a First Level Qualifying Rating.

An entity is deemed to have a "*First Level Qualifying Rating*" if (A) a credit rating of P-1 has been issued by Moody's in respect of its non-subordinated and unsecured short-term debt and, and Moody's credit rating for its non-subordinated unsecured long-term debt is A2 or better, and (B) in case no rating has been issued by Moody's for its non-subordinated unsecured short-term debt, a rating of A1 or better has been issued by Moody's for its non-subordinated unsecured long-term debt.

An entity is deemed to have a "*Second Level Qualifying Rating*" if (A) a credit rating of P-2 has been issued by Moody's in respect of its non-subordinated and unsecured short-term debt and, and Moody's credit rating for its non-subordinated unsecured long-term debt is A3 or better, and (B) in case no rating has been issued by Moody's for its non-subordinated unsecured short-term debt, a rating of A3 or better has been issued by Moody's for its non-subordinated unsecured long-term.

B) Fitch Criteria:

Party B will enter into an irrevocable undertaking to the effect that if, at any time during the life of the Bond Issue, the rating of the non-subordinated unsecured debt of Party B according to the Fitch rating scale is downgraded to less than A in the case of its long-term debt, or to less than F1 in the case of its short-term debt, Party B will implement one of the following options, within a term of thirty (30) days after any of those circumstances is given, under such terms and conditions as the Fund Manager may deem fit, to allow the rating issued by the Credit Rating Agencies for each of the Series to be maintained:

- (i) getting a third-party entity whose non-subordinated unsecured debt has a rating of A or better, in the case of its long-term debt, and of F1 or better, in the case of its short-term debt, according to the Fitch rating scale, to guarantee performance of its contractual obligations under the Interest Rate Swap Contracts;
- (ii) getting a third-party entity with the credit ratings required for option (i) above to substitute for Party B in its contractual position under the Interest Rate Swap Contract, or entering into a new Interest Rate Swap Contract with such third-party entity under the same terms and conditions of the Interest Rate Swap Contract, as the case may be; or

- (iii) making a deposit in cash or in securities, pledged to the Fund, with an entity whose short-term debt has a rating of F1 in the Fitch rating scale, for an amount calculated according to, among other factors, the market value of the Swap, so as to prevent the rating issued for the Bonds by the Credit Rating Agencies from being adversely affected.

According to the Fitch criteria, if the non-subordinated unsecured debt of Party B has a rating of F2 or less, in the case of its short-term debt, and/or of BBB+ or less, in the case of its long-term debt, to guarantee performance of the contractual obligations of Party B in an amount calculated according to, among other factors, the market value of the Swap, then Party B, so as to prevent the rating issued for the Bonds by the Credit Rating Agencies from being adversely affected and, according to the rating issued to it, Party B will implement one of the options (i), (ii) or (iii) above, with options (ii) and (iii) being the ones preferred by Fitch in these cases. If option (iii) is chosen, Fitch will request that an independent third party check that the deposit in cash or of securities has been made on an arm's length basis. The criteria to be used to calculate the market value for the purposes of Fitch are those mentioned in the report issued by Fitch on August 1, 2007, under the title "Counterparty Risk in Structured Finance Transactions: Hedge Criteria". A formula for estimating the market value of the Swap is to be proposed within fifteen (15) days after the credit rating of Party B is downgraded to less than A. If said formula is not validated by Fitch, an equivalent amount to be defined by Fitch is to be added in calculating the market value.

If the non-subordinated unsecured debt of Party B has a rating of less than F3 in the case of its short-term debt and of less than BBB- in the case of its long-term debt, then Party B, to guarantee performance of the contractual obligations of Party B in an amount calculated according to, among other factors, the market value of the Swap, so as to prevent the rating issued for the Bonds by the Credit Rating Agencies from being adversely affected and, according to the rating issued to it, Party B will implement one of the above options (i) or (ii). Besides, for as long as it takes to seek out and appoint a third-party entity to act as guarantor or to substitute for Party B, as foreseen in points (i) and (ii) above, Party B undertakes to make a deposit in cash or of securities pledged to the Fund with an entity whose short-term debt has a rating of F1 on the Fitch rating scale, for an amount calculated according to, among other factors, the market value of the Swap. If option (i) is chosen, Fitch will review the guarantees provided as well as such legal opinion as may be issued in relation to them, and will check their enforceability.

Notwithstanding the above Fitch criteria, set forth in the "Counterparty Risk in Structured Finance Transactions: Hedge Criteria" report, any criteria that may be approved and published by Fitch in the future to replace them will be taken into

account, even if they differ from those stipulated in the relevant Contract, provided always that they are directly reported in writing by Fitch to the Fund Manager and the latter receives such communication with the relevant changes in the criteria, and (ii) such changes do not involve breaching any regulations in force or call for amending the Deed of Establishment.

All expenses, costs and taxes incurred in performing the above obligations will be for the account of Party B.

### **Maturity of the Interest Rate Swap Contracts**

The Interest Rate Swap Contracts will mature on whichever is earlier of the following dates:

1. The Legal Date of Maturity, or
2. The date when the Liquidation of the Fund is completed as foreseen in point 4.4.4 of the Registration Document, with all of the Assets as well as the rest of the remaining balances of the Fund having been liquidated and all of the Funds Available for Liquidation having been paid out in the Individual Order of Precedence of Fund Liquidation Payments of each Originator.

### **3.4.7.2 Internal Management Agreement**

Lastly, the Fund Manager acting on behalf and for the account of the Fund will mark out the limits of the remuneration of each of the Originators for the financial mediation process carried out, which has allowed the securitization operation that is the business of the Fund to be carried out, the acquisition of the Loans and the underwriting or subscription by the Fund of the Mortgage Participations and a satisfactory credit rating to be issued for each of the Series of the Bonds.

The remuneration of the Originators for that service is the Operating Fee, i.e., a variable and subordinated amount equal to the difference between the income and expenses accrued annually, according to the official books of account of the Fund, minus any tax loss carry-forwards from prior years that may be set off against that difference for the purposes of settling Corporate Income Tax due each year.

Such remuneration as may accrue by the end of the months of December, March, June and September will be paid on the Payment Date immediately following the last day of each of those months, provided that the Fund has sufficient liquidity according to the Order of Precedence of Payments. No penalty interest will accrue on any amounts due to the Originators that fail to be paid by virtue of what is foreseen on this in the Internal Management Agreement.

Any amounts payable to the Originators that fail to be paid by virtue of what is foreseen in the previous paragraphs will not be accumulated to the principal or carry any penalty interest at all. Therefore, such amounts will be paid on the first Payment Date thereafter in which the Available Funds permit according to the Order of Precedence of Payments.

All amounts not paid to the Originators by virtue of what is foreseen in the previous paragraphs will be paid on the first Payment Date thereafter in which the Available Funds permit according to the Order of Precedence of Payments described in point 3.4.6 of this Additional Building Block.

#### **3.4.7.3. Guarantee provided by the Instituto de Credito Oficial (ICO)**

By means of an instrument of Guarantee to be executed before the Date of Establishment of the Fund, the ICO will provide a Guarantee to the Fund, whose beneficiary will be the Fund itself represented by the Fund Manager, for three hundred and thirty two million (331,600,000) euros, according to what is foreseen in the paragraphs below.

Besides, it is hereby stated that:

- On September 22, 2008, a Guarantee Commitment and Collaboration Agreement has been executed between the ICO and each of the Originators for establishing Asset Securitization Funds backed by the ICO, to help finance VPO homes (ICO-FTVPO Funds); and
- On November 3, 2008, a Guarantee Commitment and Collaboration Agreement has been executed between the Fund Manager y el ICO, for establishing Asset Securitization Funds backed by the ICO, to help finance VPO homes (ICO-FTVPO Funds).

#### **1. Scope and Effectiveness of the ICO Guarantee**

Under the Guarantee the ICO, waiving the right of surety foreseen in Section 1,830 of

the Spanish Civil Code to force a creditor to make use of legal remedies against the principal debtor before having recourse against surety, will guarantee payment of the financial liabilities (principal and interest) demandable in respect of the Bonds of the AG Series that result from non-payment of the Loans. The effectiveness of this Guarantee is conditional on (i) The Credit Rating Agencies affirming, before the Subscription Date, the provisional ratings assigned to each of the Series of the Bonds, (ii) the ICO being paid the fee foreseen below, (iii) the documents mentioned in the following paragraph being forwarded to the ICO, and (iv) the Bonds of the AG Series being listed on an organized secondary market within not more than one (1) month after the Disbursement Date.

The Fund Manager is required to forward the following documents to the ICO:

- (i) a true copy of the Deed of Establishment of the Fund;
- (ii) a copy of the Prospectus registered with the CNMV;
- (iii) copies of the letters of the Credit Rating Agencies with the provisional and final ratings (once the final ratings are available) issued for the Bonds of the AG Series. The credit rating must be at least AAA before the Guarantee is given;
- (iv) a certificate from each Originator to the effect that the Loans meet the requirements of Clause Three, sub-clause 3.1, of the Guarantee Commitment and Collaboration Agreement executed between the ICO and each of the Originators,
- (v) a certificate from the Fund Manager to the effect the actual amount to be guaranteed by the ICO in respect of each Originator, and a note stating the taxpayer identification number allocated to the Fund.
- (vi) a true copy of the notarized certificate executed by the Fund Manager to the effect that the Bonds subscribed for have been paid up.

In addition, the Fund Manager will forward to the ICO and the CNMV, when any significant event occurs or at least once a year, a certificate from the Credit Rating Agencies comprising their review of the credit rating issued for the Bonds. This aspect does not have a bearing on the effectiveness of the ICO Guarantee.

## **2. Expiry of the Guarantee**

The ICO Guarantee will remain fully effective and in force until the financial liabilities of the Fund arising from the issuance and subscription of the Bonds of the AG Series are fully performed.



In any case, the Guarantee will cease to be effective and no claims may be enforced against it after the Legal Date of Maturity of the Fund. If that Date is not a Working Day, the Guarantee will cease to be effective and will become non-enforceable as from the first Working Day immediately following.

No amendments concerning the duration of the liabilities of the Fund arising from the Bonds of the AG Series or from any circumstances that have a bearing on the enforceability of the Guarantee will have any effects before the ICO, which will be bound strictly in the terms foreseen in the Guarantee instrument, unless such amendments are made with the prior explicit consent of the ICO.

### **3. Events of Enforcement and Payment Out of the Guarantee**

The Guarantee may be partly enforced, without any limit as to the number of times that payments may be claimed out of the Guarantee.

The Guarantee covers both repayment of the principal of the Bonds of the AG Series, and interest payments due on them.

The beneficiary of the Guarantee is the Fund, which is represented by the Fund Manager.

Payment out of the Guarantee may be enforced in the following cases, in the amounts determined in each case:

1. On any Payment Date or on the Legal Date of Maturity or on the date of Liquidation of the Fund, when the Available Funds or the Funds Available for Liquidation, as the case may be, do not suffice to pay the interest demandable on the AG Series covered by the ICO Guarantee, after the prior payments are made according to the Individual Order of Precedence of Payments of each Originator or the Individual Order of Precedence of Liquidation Payments of each Originator.

In such event, payment out of the Guarantee may be enforced in an amount equal to the difference between the amount of interest demandable on the Bonds of the AG Series and the amount applied to paying such interest out of the Available Funds on the relevant Payment Date or out of the Funds Available for Liquidation on the Date of Liquidation of the Fund, as appropriate.

The amounts paid out of the Guarantee to the Fund for meeting interest due on

the Bonds of the AG Series will be used for paying that interest without observing the Individual Order of Precedence of Payments of each Originator or the Individual Order of Precedence of Liquidation Payments of each Originator.

2. On any Payment Date other than the Legal Date of Maturity or the Date of Liquidation of the Funds when the Available Funds do not suffice to repay the principal of the Bonds of the AG Series in the amount due according to the rules of allocation of the Funds Available for Repayment of the Principal of each Series of the Bonds, because there is a Repayment Shortfall.

In this case, payment out of the Guarantee will be made in an amount equal to the difference between the principal of the Bonds of the AG Series that would be repaid if it were not for the Repayment Shortfall, and the actual amount of Available Funds applied to repaying them on the relevant Payment Date.

The amounts paid out of the Guarantee to the Fund for meeting interest due on the Bonds of the AG Series will be used for paying that interest without observing the Individual Order of Precedence of Payments of each Originator or the Individual Order of Precedence of Liquidation Payments of each Originator.

3. On the Legal Date of Maturity or on the Date of Liquidation of the Fund, when the Available Funds or the Funds Available for Liquidation do not suffice to totally repay the principal of the Bonds of the AG Series.

In this case, payment out of the Guarantee will be made in an amount equal to the difference between the Outstanding Principal Balance of the Bonds of the AG Series and the actual amount of Available Funds or of the Funds Available for Liquidation applied to repaying them on the relevant date.

The amounts paid out of the Guarantee to the Fund for meeting interest due on the Bonds of the AG Series will be used for paying that interest without observing the Individual Order of Precedence of Payments of each Originator or the Individual Order of Precedence of Liquidation Payments of each Originator.

The amounts paid out of the Guarantee will be paid into such bank account as may be designated in the Enforcement Notice (as defined in the following point of this Additional Building Block).

#### **4. Procedure for Enforcing the Guarantee**

Payment out of the Guarantee will be enforced by the Fund Manager, acting for and on behalf of the Fund, serving a notice in writing (hereinafter referred to as the "Enforcement Notice") on the ICO.

In the Enforcement Notice, the Fund manager:

- (i) must mention the circumstances described above, i.e. the Available Funds or the Funds Available for Repayment of the Principal or the Funds Available for Liquidation do not suffice, as foreseen in the previous paragraphs, and must enclose documentary evidence to prove that to the satisfaction of the ICO;
- (ii) must indicate the amounts being claimed for each of those reasons, as the case may be, in proportion to the amount actually subscribed for by each of the Bondholders of the AG Series;

## **5. Payments Out of the Guarantee**

Any payments that need to be made out of the ICO Guarantee in response to each Enforcement Notice will be made, after the ICO makes the relevant checks, within a term of ninety (90) calendar days after the Enforcement Notice is received, by paying the relevant amounts into the Cash Account. The ICO will inform the Fund Manager of the payments on the same day they are made.

Upon a payment out of the Guarantee being received in the Cash Account, a most effective receipt will be granted automatically, without any need for ratification, in respect of the sums received from the ICO.

## **6. Effects of Payment, and Subrogation**

The amounts paid out of the Guarantee by the ICO will be a liability of the Fund towards the ICO, with the latter substituting for the creditors (the Bondholders of the AG Series) in all of their debt-claims against the Fund, pursuant to the provisions of Section 1,839 of the Spanish Civil Code.

The ICO will be reimbursed the amounts paid out of the ICO Guarantee, whether in repayment of the principal of the Bonds of the AG Series or in payment of interest on these on each of the following Payment Dates, until such amounts have been fully paid back. The reimbursements will be made out of all the Available Funds or the Funds Available for Liquidation of the Fund, as the case may be, according to the Individual Order of Precedence of Payments of each Originator and the Individual Order of Precedence of Liquidation Payments of each Originator foreseen in point

3.4.6 of the Additional Building Block of this Prospectus and in the Deed of Establishment of the Fund.

In the event that according to the above rules, besides reimbursing the ICO for the amounts paid out of the Guarantee, the Fund requires a new amount to be paid out of the Guarantee on a given Payment Date for repaying the principal of the Bonds of the AG Series or paying interest on them, the Fund Manager will calculate and request from or pay the ICO the net amount required according to the above rules.

## **7. Guarantee Fee**

In consideration of providing and granting the Guarantee, the ICO will be paid a lump sum fee of nine hundred and ninety four thousand eight hundred (994,800) euros, equal to 0.30% of the amount guaranteed by the ICO.

The ICO will invoice the Fund for the fee once the Fund is established, and the fee must be paid by the Fund within a term of fifteen (15) calendar days after the Date of Establishment of the Fund. The effectiveness of the Guarantee, besides the rest of the conditions mentioned in point 1 above, is conditional on the fee being paid.

The fee will be paid directly through the Target 2 system.

Pay to: Instituto de Credito Oficial, Madrid.

BIC/SWIFT Code: ICROESMM

## **8. Reporting Duties of the Fund Manager**

On each Payment Date of the Bonds of the AG Series, the Fund Manager is required to report to the ICO the outstanding balance of the Bonds of the AG Series, and at the end of each year, it is required to report the estimated financial burden involved by the Bonds of the AG Series for the following year.

## **9. Reimbursement of Amounts Paid Out of the Guarantee**

The amounts paid out of the Guarantee by the ICO will be a liability of the Fund towards the ICO, to be met according to the Individual Order of Precedence of Payments of each Originator and the Individual Order of Precedence of Liquidation Payments of each Originator foreseen in point 3.4.6 of this Additional Building Block and in the relevant clause of the Deed of Establishment.

The ICO will be reimbursed the amounts paid out of the ICO Guarantee, whether in

repayment of the principal of the Bonds of the AG Series or in payment of interest on these, on each of the following Payment Dates, until such amounts have been fully paid back. The reimbursements will be made, respectively, out of the Available Funds or the Funds Available for Repayment of the Principal or out of the Funds Available for Liquidation of the Fund, according to the Individual Order of Precedence of Payments of each Originator and the Individual Order of Precedence of Liquidation Payments of each Originator, as appropriate.

In the event that according to the above rules, besides reimbursing the ICO for the amounts paid out of the Guarantee, the Fund requires a new amount to be paid out of the Guarantee on a given Payment Date for repaying the principal of the Bonds of the AG Series or paying interest on them, the amount to be calculated and requested from or be paid to the ICO, as appropriate, will be the net amount.

#### **10. Applicable Law, Jurisdiction, and Relationship between the Guarantee Instruments**

The Guarantee will be governed by the instrument of Guarantee and primarily by the Stipulations contained in it. In all that is not foreseen in the Guarantee instrument, the provisions of Spanish private law will apply.

For deciding any question over the interpretation, application or performance of what is stipulated in the Guarantee instrument, both parties explicitly waive resorting to any Courts and Magistrates to which they may be entitled to resort, other than those of the City of Madrid, and will submit to the jurisdiction of the latter.

The terms and conditions described above, included in the Guarantee instrument, will prevail over those of any other instrument governing the ICO Guarantee, in the event of any inconsistency or contradiction between them. Notwithstanding that, the description of the ICO Guarantee contained in this section provides the most material and relevant information on the Guarantee and truly reflects its contents, without leaving out any information that may have a bearing on the contents of this Prospectus.

#### **11. Ratings**

The Bonds of the AG Series secured with the ICO Guarantee have a provisional rating of Aaa from Moody's and one of AAA from Fitch as of the date of registration of this Prospectus. These ratings have been assigned by the Credit Rating Agencies to the Bonds of the AG Series without taking into account the ICO Guarantee.

### **3.5 NAME, ADDRESS AND SIGNIFICANT BUSINESS ACTIVITIES OF THE ORIGINATORS OF THE SECURITIZED ASSETS**

The Originators of the Loans being securitized are Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrassa.

#### **a. Caixa Catalunya**

The table below contains consolidated financial information of Caixa Catalunya for the 2008 year, compared with that for the previous year and with the unaudited figures as of March, 2009. The information has been prepared in accordance to the International Financial Reporting Standards (IFRS) that are applicable pursuant to the provisions of Regulation (EC) N° 1606/2002 and of Circular N° 4/2004, of the Bank of Spain. The figures below at December 30, 2008 and 2007 have been drawn from the audited annual accounts of Caixa Catalunya.

| Figures in millions of euros                              | 03.31.2009 | 12.31.2008 | 12.31.2007 |
|-----------------------------------------------------------|------------|------------|------------|
| <b>BALANCE SHEET</b>                                      |            |            |            |
| Total Assets                                              | 68,201     | 63,627     | 68,201     |
| Total Assets ex securitization                            | 54,202     | 49,212     | 60,232     |
| Loans and Advances to Customers - Gross                   | 50,157     | 51,595     | 51,478     |
| Loans and Advances to Customers - Gross ex securitization | 37,320     | 37,975     | 43,846     |
| Funds Managed                                             | 55,029     | 52,510     | 56,095     |
| On-Balance Sheet Customer Funds                           | 50,564     | 48,195     | 50,450     |
| Other Funds Managed <sup>(1)</sup>                        | 4,465      | 4,314      | 5,644      |
| Volume of Business                                        | 105,845    | 104,781    | 108,357    |
| Volume of Business ex securitization                      | 78,763     | 76,458     | 92,120     |
| Equity <sup>(2)</sup>                                     | 4,105      | 4,170      | 4,399      |
| <b>INCOME STATEMENT</b>                                   |            |            |            |
| Net Interest Margin                                       | 229        | 897        | 855        |
| Core Income                                               | 303        | 1,227      | 1,257      |
| Gross Margin                                              | 327        | 1,308      | 1,335      |
| Net Operating Margin                                      | 35         | -197       | 285        |
| Profit Before Tax                                         | 54         | 205        | 594        |
| Profit After Tax                                          | 44         | 185        | 493        |
| Profit Attributed to the Group                            | 46         | 194        | 488        |
| <b>RATIOS</b>                                             |            |            |            |
| Delinquency Ratio                                         | 5.67%      | 5.44%      | 1.09%      |
| Delinquency Coverage Ratio                                | 51.84%     | 56.76%     | 150.11%    |
| Mortgage Delinquency Ratio                                | 5.78%      | 4.50%      | 2.06%      |
| Efficiency Ratio <sup>(3)</sup>                           | 52.61%     | 37.37%     | 47.94%     |
| Solvency Ratio <sup>(4)</sup>                             | 10.10%     | 10.15%     | 9.55%      |
| Tier 1 BIS II                                             | 6.46%      | 6.35%      | 5.52%      |
| Tier 2 BIS II                                             | 3.64%      | 3.81%      | 4.03%      |
| Basic Shareholders' Equity                                | 2,728      | 2,724      | 2,624      |
| Shareholders' Equity - Second Category                    | 1,581      | 1,679      | 1,942      |
| <b>OFFICES AND EMPLOYEES</b>                              |            |            |            |
| Offices <sup>(5)</sup>                                    | 1,204      | 1,203      | 1,192      |
| Employees <sup>(5)</sup>                                  | 7,409      | 7,419      | 7,366      |

(2) Shareholders' Equity (Bis II)

(3) (Overhead Expenses and Amortization Charges) / Gross Margin

(4) Solvency Ratio (Bis II)

(5) Offices and employees relating to the ordinary business

(1) Investment Funds + Pension Plans and Insurance Technical Reserves + Asset Management

(2) (Overhead expenses and amortization charges +/- Financial income from non-financial business

- +/- Other operating income) / Gross Margin
- (3) Overhead expenses and amortization charges / Gross Margin
- (4) Capital and reserves
- (5) Offices and employees relating to the ordinary business

**b. Caixa Manresa**

The table below contains consolidated financial information of Caixa Catalunya for the 2008 year, compared with that for the previous year and with the unaudited figures as of March, 2009. The information has been prepared in accordance to the International Financial Reporting Standards (IFRS) that are applicable pursuant to the provisions of Regulation (EC) N° 1606/2002 and of Circular N° 4/2004, of the Bank of Spain. The figures below at December 30, 2008 and 2007 have been drawn from the audited annual accounts of Caixa Manresa.



| Figures in millions of euros                              | 03.31.2009 | 12.31.2008 | 12.31.2007 |
|-----------------------------------------------------------|------------|------------|------------|
| <b>BALANCE SHEET</b>                                      |            |            |            |
| Total Assets                                              | 6,652      | 6,600      | 6,005      |
| Total Assets ex securitization                            | 6,652      | 6,600      | 6,005      |
| Loans and Advances to Customers - Gross                   | 4,654      | 4,645      | 4,383      |
| Loans and Advances to Customers - Gross ex securitization | 4,654      | 4,645      | 4,383      |
| Funds Managed                                             | 6,603      | 6,459      | 6,428      |
| On-Balance Sheet Customer Funds                           | 5,326      | 5,269      | 4,738      |
| Other Funds Managed (1)                                   | 1,277      | 1,19       | 1,69       |
| Volume of Business                                        | 90         | 361        | 283        |
| Volume of Business ex securitization                      | 90         | 361        | 283        |
| Equity                                                    | 339        | 333        | 317        |
| <b>INCOME STATEMENT</b>                                   |            |            |            |
| Net Interest Margin                                       | 28         | 90         | 82         |
| Core Income                                               | 36         | 124        | 140        |
| Gross Margin                                              | 8          | 36         | 54         |
| Net Operating Margin                                      | 8          | 35         | 54         |
| Profit Before Tax                                         | 6          | 26         | 41         |
| Profit After Tax                                          | 6          | 26         | 41         |
| <b>RATIOS</b>                                             |            |            |            |
| Delinquency Ratio                                         | 2.60%      | 1.82%      | 0.82%      |
| Delinquency Coverage Ratio                                | 72.18%     | 96.54%     | 219.94%    |
| Mortgage Delinquency Ratio                                | 2.37%      | 1.62%      | 0.48%      |
| Efficiency Ratio (2)                                      | 52.77      | 59.76%     | 51.16%     |
| Narrowly-defined Efficiency Ratio (3)                     | 52.3       | 60.38%     | 52.72%     |
| Current Ratio                                             | 11.45%     | 11.45%     | 11.31%     |
| Basic Shareholders' Equity                                | 330        | 330        | 303        |
| Steady Shareholders' Equity (4)                           | 300        | 300        | 273        |
| <b>OFFICES AND EMPLOYEES</b>                              |            |            |            |
| Offices (5)                                               | 155        | 156        | 155        |
| Employees (5)                                             | 830        | 835        | 826        |

- (1) Investment Funds + Pension Plans and Insurance Technical Reserves + Asset Management  
(2) (Overhead expenses and amortization charges + Other operating income) / Gross Margin - Other Operating Income)  
(3) Overhead expenses and amortization charges / (Gross Margin + Other operating income)  
(4) Capital and reserves  
(5) Offices and employees relating to the ordinary business

- (1) Investment Funds + Pension Plans and Insurance Technical Reserves + Asset Management
- (2) (Overhead expenses and amortization charges +/- Financial income from non-financial business +/- Other operating income) / Gross Margin
- (3) Overhead expenses and amortization charges / Gross Margin
- (4) Capital and reserves
- (5) Offices and employees relating to the ordinary business

**c. Caixa Penedes**

The table below contains consolidated financial information of Caixa Catalunya for the 2008 year, compared with that for the previous year and with the unaudited figures as of March, 2009. The information has been prepared in accordance to the International Financial Reporting Standards (IFRS) that are applicable pursuant to the provisions of Regulation (EC) N° 1606/2002 and of Circular N° 4/2004, of the Bank of Spain. The figures below at December 30, 2008 and 2007 have been drawn from the audited annual accounts of Caixa Penedes.

| Figures in millions of euros                              | 03.31.2009 | 12.31.2008 | 12.31.2007 |
|-----------------------------------------------------------|------------|------------|------------|
| <b>BALANCE SHEET</b>                                      |            |            |            |
| Total Assets                                              | 23,487.80  | 23,092     | 21,700     |
| Total Assets ex securitization                            |            |            |            |
| Loans and Advances to Customers - Gross                   | 16,400.85  | 16,675     | 15,482     |
| Loans and Advances to Customers - Gross ex securitization |            |            |            |
| Funds Managed                                             | 18,931.02  | 17,658     | 17,738     |
| On-Balance Sheet Customer Funds                           | 17,792.02  | 16,540     | 16,524     |
| Other Funds Managed (1)                                   | 1,726.18   | 1,949      | 2,651      |
| Volume of Business                                        | 34,031.73  | 33,030     | 31,592     |
| Volume of Business ex securitization                      |            |            |            |
| Equity                                                    | 1,777.05   | 1,777      | 1,775      |
|                                                           |            |            |            |
| <b>INCOME STATEMENT</b>                                   |            |            |            |
| A) NET INTEREST INCOME                                    | 96         | 345        | 308        |
| B) GROSS MARGIN                                           | 135        | 465        | 476        |
| C) NET OPERATING MARGIN                                   | 40         | 107        | 155        |
| D) PROFIT BEFORE TAX                                      | 27         | 105        | 153        |
| E) YEAR'S PROFIT FROM CONTINUING OPERATIONS               | 21         | 79         | 114        |
| F) YEAR'S PROFIT                                          | 21         | 79         | 114        |
| F.1 Profit Attributed to the Controlling Entity           | 20         | 80         | 112        |
| F.2 Profit Attributed to Minority Interests               | 0          | -1         | 2          |
| <b>RATIOS</b>                                             |            |            |            |
| Delinquency Ratio                                         | 5.01%      | 4.32%      | 1.21%      |
| Delinquency Coverage Ratio                                | 47.65%     | 53.54%     | 176.56%    |
| Mortgage Delinquency Ratio                                | 4.07%      | 3.72%      | 0.91%      |
| Efficiency Ratio (2)                                      | 49.39%     | 58.27%     | 50.54%     |
| Narrowly-defined Efficiency Ratio (3)                     | 72.06%     | 77.07%     | 67.35%     |
| Current Ratio (at Dec. 31)                                | 12.61%     | 12.61%     | 11.30%     |
| Basic Shareholders' Equity                                | 1,227.05   | 1,227      | 1,093      |
| Steady Shareholders' Equity (4)                           | 1,059.55   | 981        | 883        |
|                                                           |            |            |            |
| <b>OFFICES AND EMPLOYEES</b>                              |            |            |            |
| Offices (5)                                               | 675        | 662        | 645        |
| Employees (5)                                             | 3,350      | 3,356      | 3,158      |

- (1) Investment Funds + Pension Plans and Insurance Technical Reserves + Asset Management  
(2) (Overhead expenses and amortization charges +/- Financial income from non-financial business +/- Other operating income) / Gross Margin  
(3) Overhead expenses and amortization charges / Gross Margin  
(4) Capital and reserves  
(5) Offices and employees relating to the ordinary business

- (1) Investment Funds + Pension Plans and Insurance Technical Reserves + Asset Management
- (2) (Overhead expenses and amortization charges +/- Financial income from non-financial business +/- Other operating income) / Gross Margin
- (3) Overhead expenses and amortization charges / Gross Margin
- (4) Capital and reserves
- (5) Offices and employees relating to the ordinary business

**d. Caixa Terrassa**

The table below contains consolidated financial information of Caixa Catalunya for the 2008 year, compared with that for the previous year and with the unaudited figures as of March, 2009. The information has been prepared in accordance to the International Financial Reporting Standards (IFRS) that are applicable pursuant to the provisions of Regulation (EC) N° 1606/2002 and of Circular N° 4/2004, of the Bank of Spain. The figures below at December 30, 2008 and 2007 have been drawn from the audited annual accounts of Caixa Terrassa.

| Figures in millions of euros                              | 03.31.2009 | 12.31.2008 | 12.31.2007 |
|-----------------------------------------------------------|------------|------------|------------|
| <b>BALANCE SHEET</b>                                      |            |            |            |
| Total Assets                                              | 11,756     | 11,842     | 11,239     |
| Total Assets ex securitization                            | 9,862      | 9,857      | 9,855      |
| Loans and Advances to Customers - Gross                   | 9,140      | 8,901      | 8,694      |
| Loans and Advances to Customers - Gross ex securitization | 7,034      | 6,915      | 7,310      |
| Funds Managed                                             | 18,973     | 19,192     | 18,232     |
| On-Balance Sheet Customer Funds                           | 9,834      | 10,291     | 9,538      |
| Other Funds Managed (1)                                   | 417        | 482        | 864        |
| Volume of Business                                        | 19,018     | 19,714     | 18,983     |
| Volume of Business ex securitization                      | 16,946     | 17,542     | 17,400     |
| Equity                                                    | n/a        | 1,090      | 1,073      |
| <b>INCOME STATEMENT</b>                                   |            |            |            |
| Net Interest Margin                                       | N/A        | N/A        | 186        |
| Core Income                                               | N/A        | N/A        | N/A        |
| Gross Margin                                              | N/A        | N/A        | 248        |
| Net Operating Margin                                      | 15         | -80        | 140        |
| Profit Before Tax                                         | 14         | 87         | 98         |
| Profit After Tax                                          | 11         | 49         | 72         |
| Net Profit Attributed to the Group                        | 11         | 50         | 35         |
| <b>RATIOS</b>                                             |            |            |            |
| Delinquency Ratio                                         | 4.20%      | 3.02%      | 0.65%      |
| Delinquency Coverage Ratio                                | 56.35%     | 92.10%     | 260.20%    |
| Mortgage Delinquency Ratio                                | 5.22%      | 3.07%      | 0.58%      |
| Efficiency Ratio (2)                                      | n/a        | N/A        | 48.88%     |
| Narrowly-defined Efficiency Ratio (3)                     | n/a        | N/A        | 49.85%     |
| Current Ratio                                             | n/a        | 13.37%     | 12.91%     |
| Basic Shareholders' Equity                                | n/a        | 626        | 590        |
| Steady Shareholders' Equity (4)                           | n/a        | 462        | 465        |
| <b>OFFICES AND EMPLOYEES</b>                              |            |            |            |
| Offices (5)                                               | 286        | 283        | 277        |
| Employees (5)                                             | 1,572      | 1,570      | 1,628      |

(1) Investment Funds + Pension Plans and Insurance Technical Reserves + Asset Management

(2) (Overhead expenses and amortization charges +/- Financial income from non-financial business +/- Other operating income) / Gross Margin

(3) Overhead expenses and amortization charges / Gross Margin

(4) Capital and reserves

(5) Offices and employees relating to the ordinary business

### **3.6 RETURN ON AND/OR REPAYMENT OF THE BONDS LINKED TO OTHER SECURITIES WHICH ARE NOT ASSETS OF THE ISSUER**

The return on and/or repayment of the principal of the Bonds are not related to the return on or credit of other assets that are not Fund assets.

### **3.7 ADMINISTRATOR, CALCULATING AGENT OR THE LIKE**

#### **3.7.1. Management, administration and representation of the Fund and of the Bondholders**

"GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA" will be established by Gestion de Activos Titulizados, SGFT, SA as a Fund Manager duly authorized for the purpose and, consequently, to act as manager and legal representative of the Fund, under the provisions of Royal Decree 926/1998, governing asset securitization funds and securitization fund management companies.

The Fund Manager will perform, in respect of the Fund, the duties attributed to it in Royal Decree 926/1998.

As a third party manager, the Fund Manager will be responsible for representing and protecting the interest of the Bondholders and of the rest of the ordinary creditors of the Fund. Consequently, the Fund Manager must act in such a way as to protect them in any case, in accordance with such provisions as may be approved for the purpose from time to time.

The Bondholders and the rest of the ordinary creditors of the Fund may only file claims against the Fund Manager for failing to perform its duties or to comply with what is foreseen in the Deed of Establishment and in this Prospectus.

##### **3.7.1.1. Managing and Representing the Fund**

The duties to be performed and steps to be taken by the Fund Manager in performing its role as manager and legal representative of the Fund are, merely for illustrative purposes and without prejudice to other duties, the following:

- (i) Managing the Fund so as to meet the objective that its net asset value be nil at all times.
- (ii) Carrying the accounts of the Fund separately from those of the Fund Manager, rendering account as well as complying with the tax and other statutory obligations of the Fund.

- (iii) Checking that the income the Fund actually receives is equal to the income it should receive according to what is foreseen in the different agreements under which such income is paid. The Fund Manager will undertake such Court and out-of-court proceedings as may be necessary or appropriate for protecting the rights of the Fund and of the Bondholders.
- (iv) Applying the income of the Fund to meeting the liabilities of the Fund as foreseen in the Deed of Establishment and in the Prospectus.
- (v) Extending or amending the agreements it has executed in the name of the Fund to enable the Fund to operate in the terms foreseen in the Deed of Establishment and in the Prospectus, provided that is permitted by the provisions in force from time to time. Such steps will be taken with the prior approval of the responsible authorities, if this is required, and will in any case be reported to the Credit Rating Agencies, provided always such steps do not harm the interest of Bondholders.
- (vi) Performing such computations as it is required to perform under the Interest Rate Swap Contract.
- (vii) Replacing each of the providers of services to the Fund in the terms foreseen in the Deed of Establishment and in the Prospectus, provided that is permitted by the legislation in force from time to time. Such steps will be taken with the prior approval of the responsible authorities, if this is required, and will in any case be reported to the Credit Rating Agencies, provided always that such steps do not harm the interest of the Bondholders or adversely affect the rating issued for the Bonds by the Credit Rating Agencies. In particular, in the event that the Originator fails to comply with its duties as Servicer of the Loans, the Fund Manager will take the necessary steps to ensure adequate servicing of the Loans.
- (viii) Giving the relevant instructions to the Paying Agent in relation to the Cash Account and the Individualized Accounts and checking that the amounts deposited in the Cash Account and the Individualized Accounts earn the interest stipulated in the relevant agreements.
- (ix) Giving instructions to the Paying Agent in relation to the payments to be made to Bondholders and to any other entities that are required to make payments on behalf of the Fund.
- (x) Determining the payments of principal and interest to be made in respect of the Liquidity Facility, and making such payments.

- (xi) Giving the relevant instructions concerning the ICO Guarantee.
- (xii) Certifying to the ICO, on each Payment Date, the Outstanding Principal Balance of the Bonds of the AG Series and the date when any prepayments of principal or other non-scheduled payments have been made which affect said Outstanding Principal Balance of the Bonds of the AG Series.
- (xiii) Designating or replacing the auditors of the Fund, with the prior approval of the CNMV if this is required.
- (xiv) Preparing and submitting all such information as may reasonably be required by the Credit Rating Agencies, the CNMV or any other supervising body.
- (xv) Preparing and submitting to the responsible authorities all such documents and information as are required to be submitted under the provisions in force of the CNMV, as well as preparing and forwarding to the Bondholders the information required by law.
- (xvi) Taking the necessary decisions on liquidating the Fund, including the Liquidation of the Fund and Early Redemption of the Bonds. Taking the necessary decisions in the event of termination of the establishment of the Fund.
- (xvii) Determining the applicable rate of interest for each Series of the Bonds during each Interest Accrual Period and the amount of principal to be repaid for each Series of the Bonds on each Payment Date.
- (xviii) Exercising the rights of the Fund as holder of the Mortgage Participations acquired by the Fund.
- (xix) Giving the Bondholders, the CNMV and the Credit Rating Agencies all the notices and reporting to them all the information foreseen by the legislation in force.
- (xx) Opening and managing the Internal Compensation Monitoring Account Carried by the Fund Manager in which the debit/credit positions relating to interest/principal will be reflected according to what is foreseen in the Compensation Arrangements between Originators to perform interest/principal liabilities relating to the Bonds of the AG Series.

The Fund Manager must make available to the public all the documents and information required according to the Deed of Establishment and the Prospectus

#### **3.7.1.2. Resignation and replacement of the Fund Manager**



### **Replacing the Fund Manager**

The provisions governing the replacement of the Fund Manager as the administrator and legal representative of the Fund are those of sections 18 and 19 of Royal Decree 926/1998, mentioned below, and such provisions as may be introduced by way of regulation later on.

### **In the Event of Resignation**

- (i) The Fund Manager may resign its position as administrator and legal representative of all or some of the funds it manages whenever it deems fit, by serving a notice in writing to the CNMV of the appointment of a replacement fund manager. Along with this, the new fund manager must submit a written statement to the effect that it is prepared to accept the position and requesting the approval of the replacement by the CNMV.
- (ii) The approval of the CNMV will be conditional on the following requirements being met: (1) The Fund Manager must deliver the accounting and computer records to the new fund manager, and (2) the credit rating of the Bonds must not be adversely affected. Such delivery will be deemed to have taken place once the new fund manager is fully in a position to perform its duties and reports this to the CNMV.
- (iii) The Fund Manager may in no case resign its position until all the requirements and procedures have been completed so that its replacement can take over.
- (iv) Any expenses incurred as a result of the replacement are to be borne by the resigning Fund Manager and may in no case be attributed to the Fund.
- (v) An announcement on the replacement will be published within a term of fifteen days in two (2) national dailies and in the daily official list of the organized secondary market in which the Bonds issued by the Fund are listed. Besides, the Fund Manager is required to notify the Credit Rating Agencies of the replacement.

### **In the Event that Replacement is Mandatory**

- (i) If the Fund Manager is declared bankrupt, it must seek out a replacement fund manager according to what is foreseen in the first part of this point.
- (ii) If, given the circumstances foreseen above that call for replacing the Fund Manager, a new fund manager fails to be found that is prepared to take over management of the Fund within a period of four (4) months, the Fund will be liquidated and the Bonds issued by the Fund will be redeemed.

The Fund Manager undertakes to execute such public and private documents as may be necessary for it to be replaced by another fund manager according to the procedure foreseen in the previous paragraphs of this point. The replacement fund manager must be substituted for the Fund Manager in the rights and duties of the latter according to the Deed of Establishment and to this Prospectus. Besides, the Fund Manager must hand over to the replacement fund manager all the accounting and computer records and documents it holds concerning the Fund.

#### **3.7.1.3. Sub-contracting**

The Fund Manager is empowered to hire sub-contractors or delegate responsibilities in third persons who are capable and in good standing, for them to provide any of the services the Fund Manager must perform as administrator and legal representative of the Fund according to what is foreseen in the Deed of Establishment, provided that the sub-contractor or delegate waives filing any liability claims against the Fund. In any case, such sub-contracting or delegation of any services (i) may not involve any extra costs or expenses to the Fund, (ii) must be legally feasible, (iii) must not result in the credit rating issued to each of the Series of the Bonds being downgraded by the Credit Rating Agencies, and (iv) must be duly reported to the CNMV and is required to be previously approved by the CNMV if necessary according to law. Notwithstanding any sub-contract or delegation of duties, the participants will not thereby be exempted or released from any of the responsibilities that may legally be attributed to them or demanded from them under the Deed of Establishment.

#### **3.7.1.4. Remuneration of the Fund Manager**

Besides a front-end fee of 90,000 euros, the Fund Manager will be paid on each Payment Date (including the first one), a management fee which will accrue on a quarterly basis and is to be calculated on the Outstanding Principal Balance at the start of the current Payment Date. The management fee will be paid gross, in the sense that it will include any direct or indirect taxes, including Withholding Tax, due on it. The Fund Manager

will be paid the fees by the Fund provided that there is sufficient liquidity in the Fund and according to the Individual Order of Precedence of Payments of each Originator. If the fees fail to be paid, either altogether or in part, on a Payment Date, because the Fund lacks sufficient liquidity according to the Individual Order of Precedence of Payments of each Originator, no penalty interest will accrue on the amount pending to be paid.

In the event that the Fund Manager is replaced as foreseen in the previous point, the fees referred to in this point may be altered as a result of the change of fund manager, if the Originators approve the new terms.

### **3.7.2. Servicing and Safe-keeping the Securitized Assets**

Each of the Originators of the Loans to be acquired by the Fund will retain, as agent for the Fund represented by the Fund Manager, pursuant to what is foreseen in Section 26 of Royal Decree 716/2009, the roles of servicing and managing the Loans as well as of depository of the Mortgage Participations. The relationship between each Originator, as Servicer, and the Fund represented by the Fund Manager, concerning the safe-keeping and management of the Loans and the deposit of the Mortgage Participations, is governed by the Deed of Establishment and this Prospectus.

The Servicers will accept, in the Deed of Establishment, the servicing mandate granted to them by the Fund Manager. In the context of that mandate each of the Servicers undertakes to do and perform all it deems reasonably necessary or fit, with the care it would take and the procedures it would use for claiming any sums due but not yet paid on the Loans, if these debt-claims formed part of its own portfolio. To that effect, the individual Servicers will take the usual steps in such circumstances.

In any case, in the event of non-payment of the principal or interest on a Mortgage Participation by reason of delinquency on the part of an Obligor under a Loan, the Fund Manager, acting on behalf of the Fund as the holder of the Mortgage Participations, will use all its powers under Section 31 of Royal Decree 716/2009.

In the event of competing claims as per Section 31.b of said Royal Decree, the remaining proceeds will be allocated in the way described in said Section.

Given any of the situations described in paragraphs c) and d) of Section 31 of said Royal Decree, the Fund Manager, acting on behalf of the Fund, may request that the competent Court or Notary Public undertake or continue with the relevant mortgage foreclosure procedure. In such case, along with the relevant complaint the Fund Manager must file the original copy of the individual Mortgage Participation Certificate in question, the duly attested summons foreseen in paragraph c) of said Section 31, and a certificate from the Real Estate Registry to the effect that the

mortgage is registered and remains in force. The Originators are required to issue a certificate on the balance outstanding of the Loan.

Besides, in case the Fund Manager, acting on behalf of the Fund, undertakes mortgage foreclosure proceedings or substitutes for the respective Originator as a party to such proceedings undertaken by the latter, the Fund Manager will sell off as soon as possible and under arm's length terms any properties it is awarded.

The Originators will have a right of first refusal for acquiring mortgaged properties securing the Loans serviced by the Originator which are awarded to the Fund, for a period of five (5) Working Days after the Fund Manager informs the Originator that it intends to transfer such a property. The right of first refusal implies that the Originators may acquire the properties under the best terms offered by others to the Fund Manager.

All procedures mentioned in this point concerning the Mortgage Participations will be carried out in the terms foreseen in Book III, Title IV of the Spanish Code of Civil Procedure.

Neither the Bondholders nor any other creditors of the Fund may file any claims against Obligors who have failed to perform their payment obligations. It is up to the Fund Manager, as the legal representative of the Fund, to bring such claims in the terms described in this point.

By reason of their mandates, the Servicers undertake to:

- i) Service and manage the Loans acquired by the Fund according to the ordinary servicing and management rules and procedures foreseen in point 2.2.7 of this Additional Building Block and in the Deed of Establishment.
- ii) Continue servicing the Loans, devoting the same amount of time and paying as much attention to them as well as using the same degree of expertise, care and diligence in servicing them as they would devote to or use in servicing their own loans. In any case, they undertake to use a suitable degree of expertise, care and diligence in providing the services falling within the scope of this mandate.
- iii) Ensure that the procedures they use now and in the future for servicing and managing the Loans conform and continue to conform to the applicable laws and regulations in force.
- iv) Faithfully comply with the instructions they receive from the Fund Manager.

- v) Indemnify the Fund for any damages that may result from a failure to perform their duties.

The main terms of the servicing and management mandate are mentioned below in the different parts of this point.

The Servicers in any case waive using their statutory privileges and powers as managers of collections for the Fund, as Servicers of the Loans and as depositories of the relevant agreements and public documents, in particular what is foreseen in sections 1,730 and 1,780 of the Spanish Civil Code as well as in Section 276 of the Spanish Commercial Code.

Besides, on the Date of Establishment, the Fund Manager will place the multiple registered certificates of the Loans assigned by each Originator, one of which certificates will be issued by each Originator (hereinafter referred to as the “**Multiple Certificates**”) in deposit with the respective Servicers, who for these purposes will act as depositories of the Multiple Certificates.

The Servicers will safe-keep the Multiple Certificates with due care at all times, as if they were assets of their own. As depositories, the Servicers will only be liable for the loss or destruction of the Multiple Certificates in the event the loss or instruction occurs because of negligent behavior on their part.

### **3.7.2.1. Ordinary Procedures and Rules for Servicing and Managing the Loans**

The following is a brief and summary description of the ordinary procedures and rules for servicing and managing the Loans, foreseen in the Deed of Establishment of the Fund:

#### **1. Safe-keeping Public and Private Documents and Files**

The Originators, in their capacity as Servicers, will keep all the deeds, agreements, instruments and computer records relating to the Loans and will not abandon possession of these, or their safe-keeping and control, without the prior written consent of the Fund Manager to that effect. That is except where an instrument is requested from a Servicer for undertaking proceedings to claim amounts due on Loans, or is demanded from a Servicer by another responsible authority, in which cases the Servicer is required to report the matter to the Fund Manager.

The Servicers will give reasonable access to the Fund Manager or to the auditor of the Fund, duly authorized by the Fund Manager, to said deeds, agreements, instruments and records at all times. Besides, if the Fund Manager so requests, the Servicers must

make available copies or photocopies of said deeds, agreements and instruments, free of charge, within fifteen (15) days after these being requested.

## **2. Managing Collections**

The Servicers will continue to manage collection of all sums payable by the Obligors in respect of Loans, or for any other reason, including indemnities receivable under the contracts of insurance against damage covering properties mortgaged as security for the Loans. The Servicers will see to it that the Obligors pay the amounts due according to the terms and conditions agreed for the Loans.

The Servicers will pay into the Fund the sums they receive from servicing the Loans as foreseen in point 3.4.5 above.

## **3. Fixing Interest Rates**

The Servicers will continue to fix the floating rates of interest on the Loans in accordance with what is stipulated in the relevant agreements, serving the notices and reporting the information stipulated to that effect in the agreements.

## **4. Information**

The Servicers will regularly report to the Fund Manager the necessary information relating to the individual characteristics of each of the Loans, to the compliance by Obligors with their duties in respect of the Loans. They will also report any arrearages in respect of the Loans, and any changes taking place in the characteristics of the Loans, as well as any steps taken to demand payment of arrearages and any legal actions. They must do so according to the procedures and at the intervals foreseen in the Deed of Establishment.

Besides, in cases of non-payment, the Servicers will prepare and deliver to the Fund Manager such additional information in relation to Loans as the Fund Manager may request.

## **5. Subrogation of Mortgagors**

The Servicer may allow a new party to be subrogated to the position of Obligor under the Loan agreements only if the new Obligor has similar characteristics to those of the existing one. The new Obligor must meet all the requirements foreseen in the Royal Decrees in relation to the Loans. In particular and without limitation, those foreseen in Section 12 of RD 1186/1998, Section 10 of RD 1/2002, and Section 13 of RD 801/2005, on the purpose and occupation of the homes, on the prohibition and

restrictions on disposing of them, and on removing them from under the VPO system, described in point 2.2 above). Also, the criteria for granting the Loans described in the memorandum on criteria for granting mortgage-backed credits and in point 2.2.7 of the Additional Building Block. The expenses relating to such subrogation must be borne entirely by the Obligors, and the Fund will not bear any costs incurred in the subrogation process.

The Fund Manager may restrict, either in whole or in part, the above-mentioned authority of the Servicers of allowing new parties to be substituted as Obligors, and may impose conditions for making use of such authority, when subrogation is liable to adversely affect the ratings issued for the Bonds by the Credit Rating Agencies.

Besides, in relation to the Loans, Obligors may demand that the Servicers be substituted as in the Loans pursuant to the provisions of Act 2/1994. The substitution of a new creditor of a Loan and the consequent repayment of the amount owing will give rise to early redemption of the Loan and of the relevant Mortgage Transfer Certificate or Mortgage Participation.

#### **6. Powers and Procedures Relating to Loan Renegotiation Processes**

Servicers may not cancel Loans, or guarantees provided in respect of these, on grounds other than repayment of the Loans, and may not waive or compromise on, condone in whole or in part or extend the Loans. Nor may the Servicers do anything in general that impairs the legal effectiveness or financial value of the Loans or the guarantees, without prejudice to meeting the requests of Obligors with the same care and according to the same procedures they use with their own loans.

Notwithstanding that, the Fund Manager, in its capacity as a manager of third party business and in the face of applications made by Obligors to the Servicers directly or under the provisions of Act 2/1994, may give instructions to the Servicers on the subject, or grant the Servicers authority in advance. In that respect, the Fund Manager may instruct the Servicers or authorize them in advance, so that the latter may agree with Obligors, in such terms and under such conditions as the Servicers deems fit according to the requirements foreseen in this point, to renew the Loans in question by extending the time to maturity. These may in no case be extended beyond the Final Maturity Date, however.

In particular, with regard to:

##### **a) Renegotiating the Rate of Interest**

The rates of interest for qualified loans are those specified in the Official National Government Gazette for each Scheme, as mentioned in point 2.2.8 above. The interest rates on the Loans may not be renegotiated so that they are adjusted downward at any time during the life of the Loans, irrespectively of their status as qualified loans.

**b) Extending the time to maturity**

The final date of maturity or last repayment date of the Loans may be extended subject to the following rules and restrictions::

- (i) The Servicers may in no case undertake at their own initiative, i.e. without the Obligor so requesting, to alter the final date of maturity of a Loan with the result that the term of repayment of the Loan is extended. The Servicers, without providing any incentive to extend the term, must act in relation to such extension always bearing in mind the interest of the Fund.
- (ii) The Balance Outstanding assigned to the Fund whose term to maturity is extended may not be more than 10% of the Balance Outstanding of all the Loans initially assigned to the Fund.
- (iii) The term of a specific Loan may be extended provided that the following requirements are met:
  - (a) The principal repayment and interest payment periods of the Loan remain unchanged or are shortened and the method of payment is left unchanged. The only exception to that is the deferral of installments due by those who are unemployed as foreseen in the Royal Decrees and mentioned in point 2.2 of this Additional Building Block.
  - (b) The new final date of maturity or last repayment will be June 20, 2036, at the latest.
  - (c) The Fund Manager, acting on behalf of the Fund, may at any time cancel, suspend or alter the fees of the Servicers and the requirements to be observed by them in renegotiating Loans, foreseen in this point, or the requirements which, in the event of altering the fees, have previously been approved. In any case, in any renegotiation of the rate of interest or of the maturity date of Loans, whether they are generically commissioned to do so or not, the Services must take into account the interest of the Fund in undertaking the renegotiation and deciding on the matter.



In the event of Loans being renegotiated, the Servicer in question will immediately report to the Fund Manager the terms resulting from each renegotiation. These will be reported through the software or computer file foreseen for updating the terms of Loans.

The Servicer concerned will safe-keep the contractual instruments of renewal of Loans as foreseen in paragraph 1 of this point.

In the particular case of Caixa Catalunya as a Servicer, it may not voluntarily cancel Loans, or guarantees provided in respect of these, on grounds other than repayment of the Loans, and may not waive or compromise on, condone in whole or in part or extend the Loans. Nor may the Servicer do anything in general that impairs the legal effectiveness or financial value of the Loans or the guarantees, without prejudice to meeting the requests of Obligors with the same care and according to the same procedures it uses with its own loans. That is except for what is foreseen in point 2.2.7(i) of the Additional Building Block included as a Schedule of the Deed of Establishment, and provided that it does not result in the date of maturity of Loans being extended beyond the Payment Date immediately following the last date of repayment or prepayment currently stipulated in the relevant Loan agreement.

Notwithstanding that, the Fund Manager, in its capacity as a manager of third party business and in the face of applications made by Obligors to the Servicer directly or under the provisions of Act 2/1994, may give instructions or grant authority to the Servicer in advance on the subject. In that respect, the Fund Manager may instruct the Servicer, or grant it authority in advance, for the Servicer to agree with Obligors, in such terms and under such conditions as the Servicer deems fit according to the requirements foreseen in this point, to renew the Mortgage Loan in question by either renegotiating the rate of interest or extending the time to maturity of the Loans in question. These may in no case be extended beyond April 27, 2033, however.

## **7. Extending the scope of mortgages**

If the Servicer effectively becomes aware at any time that the value of a mortgaged property securing a Loan has declined for some reason by an amount exceeding the percentages permitted by law, the Servicer must request from the mortgagor in question, pursuant to the provisions of sections 5 and 9 of RD 716/2009, insofar as this may legally be demanded:

- a) That the mortgage be extended to include other property that suffices to meet the required ratio between the value of the property and the loan or credit secured with it; or

- b) Repayment of all of the Loan or of such part of this as exceeds the amount that results from applying to the current appraisal value of the property the percentage used for initially determining the amount of the Loan in question.

If the Obligor does not extend the scope of the mortgage or repay the part of the Loan to which the previous paragraph refers within two (2) months after that being demanded, the Obligor is deemed to have chosen to fully repay the Loan, which must immediately be demanded from him by the Servicer in question.

## **8. Steps against Obligors in the Event of Non-payment of Loans**

### **Steps in Cases of Delinquency**

The Servicers must use similar care and procedures to claim payment of sums due but not paid in respect of Loans as they use for claiming payments due under the rest of the loans in its portfolio.

In the event of non-performance of payment obligations on the part of an Obligor, the Servicer will take the steps described in the Deed of Establishment, including those it would normally take with loans in its own portfolio, according to sound banking practice and usage for collecting the sums due. The Servicer is required to advance payment of the expenses that need to be incurred in taking such steps, without prejudice to its right to be reimbursed by the Fund. Naturally, this includes all Court and out-of-court proceedings as the Servicer deems necessary for claiming and collecting the sums due by the Obligors.

### **Court Proceedings**

The Servicers, by virtue of their fiduciary interest in the Loans or of the powers of attorney referred to in the following paragraph, will undertake the relevant legal actions against Obligors who fail to perform their payment obligations in respect of the Loans. Such legal actions will take the form of such enforcement proceedings as may be in order before the Courts, according to what is foreseen in Section 517 *et seq* of the Spanish Code of Civil Procedure.

For the above purposes as well as for those of sections 581.2 and 686.2 of the Code of Civil Procedure, and for in case it is necessary for other purposes, in the Deed of Establishment the Fund Manager will grant the Originators powers of attorney as wide and sufficient as may be required at Law. The Originators, acting through any of their attorneys-in-fact who are duly empowered for the purpose, will claim the relevant payments in the name and for the account of the Fund or in their own name yet for the account of the Fund Manager in the latter's capacity as the legal

representative of the Fund. They will do so according to the instructions of the Fund Manager. They will claim the payments due by the Obligors in respect of the Loans before the Courts or out-of-court. They will be empowered to undertake legal actions against the Obligors, as well as to exercise such other authorities as they require for performing their duties as Servicers. These authorities may be extended in scope and modified if necessary through another deed.

As a rule, Servicers will file a bill of foreclosure or, if this is not possible, will undertake ordinary enforcement proceedings, against delinquent Obligors under a Loan. They will do so if the Obligor does not resume making payments to the Servicer within a period of six (6) months and the Servicer, acting with the consent of the Fund Manager, fails to secure from the Obligor a commitment to pay that is satisfactory to the interest of the Fund. In any case, the Servicer concerned must immediately file the bill of foreclosure or, if this is not possible, undertake ordinary enforcement proceedings, if the Fund Manager, acting on behalf of the Fund, deems that to be appropriate after reviewing the specific circumstances of the case.

If six (6) months have elapsed since the Obligor first fell in arrears, without the Obligor resuming payments or re-structuring the debt, and the Servicer has failed to file a bill of foreclosure or, if this is not possible, to undertake enforcement proceedings, without a sufficiently good reason for not doing so, the Fund Manager, acting on behalf of the Fund, will directly undertake the relevant proceedings before the Court to claim payment of the whole debt.

In the event that the Obligor is patently and irretrievably insolvent, the Fund Manager may authorize the property securing the Loan in question to be transferred by sale-and-purchase, in the manner and in the cases described in point 2.2.7(i) of the Additional Building Block, on unpaid receivable management processes.

In case the proceedings undertaken by a Servicer are paralyzed without a sufficiently good reason for doing so, the Fund Manager, acting on behalf of the Fund, may substitute for the Servicer and continue with the proceedings before the courts.

The Servicers undertake to punctually report payment demands, legal actions and any other developments relating to the collection of amounts due in respect of the Loans (see also point 3.7.2 of this Additional Building Block). Besides, the Servicers will make available to the Fund Manager all the documents the latter may request in connection with the Loans in question, especially any documents the Fund Manager may need to undertake legal proceedings, as the case may be.

## **9. Insurance against Damage and Fire Insurance for Mortgaged Properties**

Servicers must not take (or fail to take) any measure where the result of such act or omission is the cancellation of a contract of insurance against damage or of a fire insurance policy covering the mortgaged properties or a reduction of the amount of any claim payable under them. The Servicers must act with due care and must in any case exercise their rights under the insurance policies or the Loans to keep those policies (or any other policy providing equivalent cover) in full force and effect, in relation to each Loan and to the respective property.

In the event of a loss, the Servicers must coordinate the steps to be taken to collect any indemnities payable under the insurance against damage to the properties and fire insurance according to the terms and conditions of the Loans and of the policies themselves, paying any sums received to the Fund, as the case may be.

#### **10. Offsets**

If an Obligor under a Loan has a liquidated, due and demandable debt claim against a Servicer, and one of the Loans is offset in whole or in part against such debt claim, the Servicer concerned will find a remedy for that. If no remedy can be found, the Servicer will pay the Fund the amount set off plus any interest accruing in benefit of the Fund up to the day when the relevant payment is effected, calculated according to the terms applying to the relevant Loan.

#### **11. Sub-contracting**

Servicers may hire subcontractors to provide any of the services they are committed to provide by virtue of the foregoing as well as under the Deed of Establishment, except for those services which may not be delegated in others according to the legislation in force. Such sub-contracting may in no case involve additional costs or expenses for the Fund or the Fund Manager, and must not lead to a downgrading of the rating issued by the Credit Rating Agencies for the Bonds of each Series. Notwithstanding that, the Servicer in question will not be exempted or released, as a consequence of such sub-contracting or delegation of duties, of any of its responsibilities under the Deed of Establishment and under this Prospectus, or of those attributed to or demandable from the Servicer by law.

#### **12. Notices**

The Fund Manager and the Originators have agreed not to notify the respective Obligors of the assignment of the Loans. Obligors are not required to be notified for the assignment of the Loans to be valid or for issuing the Mortgage Participations.

Notwithstanding that, the Originators will grant the Fund Manager the widest authority that may be necessary at law so that the latter, acting in the name of the Fund, may notify the Obligors of the assignment of the Loans at any time it deems fit.

Also, in the event of bankruptcy, or of signs of bankruptcy, or of the Bank of Spain appointing a comptroller, of the winding up or replacement of Servicers, or because in the view of the Fund Manager this is reasonably justified, the latter, upon becoming aware of any of these developments, will demand that the Servicers notify the Obligors and the National Government (as well as the third party guarantors and insurance companies) that the Loans outstanding have been assigned to the Fund, and that any payments made in respect of these will only discharge the Obligors from liability if paid into the Cash Account carried to the name of the Fund. Notwithstanding that, in the event of either a Servicer failing to notify the Obligors or the third party guarantors and the insurance companies within fifteen (15) Working Days after that is demanded, or a Servicer undergoing bankruptcy proceedings or being wound up, it will be directly up to the Fund Manager to notify the Obligors (as well as the third party guarantors and the insurance companies, as the case may be).

The Originators will bear the expenses incurred in notifying the Obligors and the National Government, even in case this is done by the Fund Manager.

#### **3.7.2.2. Duration of the Services and Replacement of the Servicers**

The services will be provided by the Servicers until, once the Loans acquired by the Fund have been fully repaid and all subsidized amounts receivable from the National Government have been collected, the duties of the Servicers as Originators of the Loans come to an end, or when the liquidation of the Fund is completed after this is extinguished, without prejudice to the possibility of the mandate of the Servicers being terminated earlier as described below.

**Mandatory Replacement:** In the event that the Fund Manager finds that any of the Originators has failed to perform its duties as a Servicer of the Loans, or of any occurrence that, in the view of the Fund Manager, harms or threatens the financial structure of the Fund or the rights and interests of the Bondholders, the Fund Manager, may, if allowed by the regulations in force, (i) replace the relevant Originator as Servicer of the Loans assigned by the Originator or (ii) demand that the Originator hire a sub-contractor to perform those duties or delegate performance of the duties in a person who, in the view of the Fund Manager, has suitable technical capacity or capability for performing those duties. The Fund Manager will take into account such proposals as the Originator may make concerning the replacement to be appointed. The Originator is under the obligation of hiring the sub-contractor or delegating performance of the duties as demanded by the Fund Manager.

Besides, if a corporate, regulatory or Court decision is approved for winding up, dissolving or appointing a comptroller to run one of the Originators, or an Originator files for bankruptcy, or an application to that effect filed by a third party is admitted to hearing, the Fund Manager, provided this is permitted by the legislation in force, may replace the Originator as the Servicer of the Loans assigned by the Originator.

The new servicer of the Loans will be appointed by the Fund Manager after consulting with the responsible administrative authorities, and the appointment of the new servicer will be reported to the Credit Rating Agencies. The Fund Manager may agree to pay the new servicer such remuneration as it deems fit, to be charged to the Fund.

**Voluntary Replacement:** If the applicable legislation permits, any of the Originators may apply to be replaced as Servicer of the Loans assigned by the Originator. The Fund Manager will authorize its replacement provided always that the Originator has found an entity to replace it as the Servicer and this does not adversely affect the rating issued for the Bonds by the Credit Rating Agencies, who will be notified of the replacement.

In the event of necessarily or voluntarily being replaced as a Servicer, the Originator in question is required to make available to the new servicer all the necessary documents and computer records so that the latter can perform its duties.

The mandate given to the Servicer by the Fund Manager, acting on behalf of the Fund, will be terminated as a matter of law if the Credit Rating Agencies fail to affirm as final, before the Subscription Date, the provisional ratings issued for each of the Series.

**Exceptional circumstances:** in the event that the credit rating issued by Fitch to the non-subordinated unsecured long-term debt of an Originator is downgraded to less than BBB-, on the Fitch rating scale, or the credit rating is withdrawn by Fitch for any reason, or in the event that (i) the credit rating issued by Moody's for the long-term exposure of an Originator is downgraded to less than Baa3 or such rating is withdrawn for any reason; or (ii) Caixa Penedes obtains a rating from Moody's, and this rating of its long-term debt is downgraded to less than Baa3, or is withdrawn for any reason by Moody's, or that, not having a credit rating issued by Moody's, the credit rating issued for Caixa Penedes by Fitch is lowered to less than BBB, the Originator in question undertakes to seek out, within sixty (60) calendar days thereafter, another entity known to have experience in servicing loans, with which to enter -after securing the approval of the Fund Manager- into a back-up servicer agreement, so that said back-up entity performs, in respect of the Loans serviced by

the Originator in question, the Loan servicing duties required according to the Deed of Establishment.

If the Originator fails to find a back-up entity within the term of sixty (60) calendar days, with the prior approval of the Fund Manager, the Originator in question undertakes to report the situation to the Credit Rating Agencies.

All expenses incurred by the Originator in taking any steps to comply with the above requirements will be borne by the Originator.

In the event of being replaced as Servicer, the Originator in question will make available to the new servicer all the documents the latter needs for performing the relevant tasks.

Any additional expenses or costs incurred in such event will be met by the Servicer and in no case by the Fund or the Fund Manager.

#### **3.7.2.3. Responsibility of the Servicers and Indemnity**

The Servicers will have no responsibility at all regarding the duties of the Fund Manager of managing the Fund and seeing to the interest of Bondholders, or regarding the duties of the Obligors in respect of the Loans, without prejudice to their responsibilities under the Deed of Establishment as Originator of the Loans acquired by the Fund.

According to the provisions of Act 19/1992, the risk of non-payment of the Loans will be borne by the Bondholders. Therefore, the Originators will not be liable at all for non-payment on the part of the Obligors, or for any delay in payment of amounts subsidized by the National Government, whether of the principal or the interest that may be due by them by virtue of the Loans.

The Servicers undertake to indemnify the Fund or the Fund Manager for any prejudice, loss or expense it may suffer or incur as a result of the Servicers failing to perform their duties of servicing, managing and providing information on the Loans and of safe-keeping the Mortgage Participations.

The Fund Manager, acting on behalf and for the account of the Fund as the holder of the Mortgage Participations, may undertake enforced collection proceedings against the Originators in respect of the Mortgage Participations issued by each of them, to claim any principal or interest that is overdue under the Mortgage Participations for reasons other than non-payment of amounts due under the Loans by Obligors.

Neither the Bondholders nor any other creditors of the Fund may file any claims against the Originators, it being up to the Fund Manager to file such claims on behalf of the Fund as the party holding title to the Loans.

#### **3.7.2.4. Remuneration of the Servicers**

In consideration of safe-keeping, servicing and managing collection of amounts due under the Loans, the Servicers will be paid a remuneration accruing on a quarterly basis on each Payment Date, in the form of the Operating Fee. Said fee is understood to be gross, in the sense of including any direct or indirect taxes that may be levied or withholdings that may be charged forward on it.

#### **3.8 NAME, ADDRESS AND BRIEF DESCRIPTION OF ANY SWAP COUNTERPARTIES AND ANY PROVIDERS OF OTHER MATERIAL FORMS OF CREDIT/LIQUIDITY ENHANCEMENT:**

The Originators are counterparties to the Fund in the transactions listed below:

- (i) Liquidity Facility: Liquidity Facility Agreement. Described in point 3.4.3.1 of this Additional Building Block.
- (ii) Cash Advance Deposit. Cash Advance Deposit Agreement. Described in point 3.4.2.3 of this Additional Building Block.

Besides acting as counterparty in the transactions to which the Originators in general are counterparties, Caixa Manresa, acts as the counterparty to the Fund in the transactions mentioned below

- (iii) Caixa Manresa Deposit. Caixa Manresa Deposit Agreement. Described in point 3.4.3.2 of this Additional Building Block.

Banco de Sabadell SA is the counterparty to the Fund in the transactions mentioned below:

- (i) Cash Account. Cash Account Agreement. Described in point 3.4.4.1 of this Additional Building Block.
- (ii) Individualized Accounts: Agreement on Accounts Yielding a Guaranteed Rate of Interest (Individualized Accounts). Described in point 3.4.4.2 of this Additional Building Block.
- (iii) Cash Advance Deposit. Cash Advance Deposit Agreement. Described in



point 3.4.2.3 of this Additional Building Block.

- (iv) Caixa Manresa Deposit. Caixa Manresa Deposit Agreement. Described in point 3.4.3.2 of this Additional Building Block.

The Spanish confederation of savings banks CECA is the counterparty to the Fund in the transactions mentioned below:

- (i) Interest Rate Swaps: The Interest Rate Swap Contracts. Described in point 3.4.7.1 of this Additional Building Block.

The information on each Originator and its business is furnished in point 5.2 of the Registration Document, point 3.1 of the Securities Note, and point 3.5 of this Additional Building Block, respectively.

#### **4. POST ISSUANCE REPORTING**

##### **4.1 REQUIREMENTS AND TIME SCHEDULE FOR REGULARLY DISCLOSING INFORMATION ON THE FINANCIAL AND ECONOMIC SITUATION OF THE FUND AND REPORTING THIS TO THE NATIONAL SECURITIES MARKET COMMISSION**

The Fund Manager, as part of its duties of managing and administering the Fund, undertakes to furnish, with all due care or by the specified deadlines, the information described below and all the additional information that may reasonably be requested from it. In any case, as from December 31, 2009, that information will meet the requirements of Circular 2/2009 of the National Securities Market Commission (CNMV), on accounting standards, annual accounts, public and confidential financial statements with statistical information on Securitization Funds, as well as such other requirements as the CNMV may approve for the purpose.

###### **4.1.1. Ordinary Regular Notices**

The Fund Manager will keep available to the public all the documents and information required according to the Deed of Establishment and undertakes to serve the notices detailed below, observing the deadlines foreseen for each one of them:

1. Between the Determination Date and at most three (3) Working Days after each Payment Date, the Fund Manager will inform the Bondholders of the resulting Nominal Interest Rates that will apply for the Bonds of each Series during the following Interest Accrual Period.

2. Quarterly, at least one (1) Working Day ahead of each Payment Date, the Fund will inform the Bondholders through the Fund Manager of the interest that has accrued on the Bonds of each Series, along with the amount of principal of the Bonds to be repaid, as may be in order, as well as:
- (i) the actual rates of repayment of the Loans for the preceding Determination Period;
  - (ii) the mean residual life of the Bonds estimated under the assumptions that said actual rates of repayment of the principal of the Loans will remain unchanged and the rest of the assumptions foreseen in point 4.10 of the Securities Note;
  - (iii) the Outstanding Principal Balances, after partial repayment of the principal of the Bonds of each Series to be settled on each Payment Date, in absolute terms and as a percentage of the nominal initial amount of the Bonds;
  - (iv) the Bondholders will be informed of any interest and principal payments accrued but not yet paid because the Available Funds have not sufficed, and on the Bonds of the AG Series additionally in the event of not being paid out of the ICO Guarantee, according to the Individual Order of Precedence of Payments of each Originator.

The above information will also be reported to Iberclear, the CNMV, the Paying Agent, the AIAF Fixed-interest Securities Market and the Credit Rating Agencies at least two (2) Working Days ahead of each Payment Date.

3. Within four (4) months following the end of the relevant accounting period, the Fund Manager will issue a report including:
- (i) a report on the portfolio of Loans pooled in the Fund, the balances in the Individualized Accounts and in the Cash Account, the Balance Sheet, the Income Statement and the Audit Report, and a schedule specifying the accounting principles applied.
  - (ii) a Management Report containing:
    - a. The Balance Outstanding of the Loans.
    - b. The part of the Loans that has been prepaid, in percentage terms.
    - c. The changes seen in the prepayment rate.

- d. The volume of delinquent Loans.
  - e. The volume of Defaulted Loans in absolute terms and as a percentage of the total.
  - f. The mean life of the portfolio of Loans.
  - g. The average interest rate for the Loan portfolio.
  - h. The Outstanding Principal Balance of the Bonds.
  - i. The percentage of the Bonds pending maturity.
  - j. Any interest accrued but not yet paid on the Bonds.
  - k. A detailed review of the performance of the Fund and of the factors that have influenced that result, including a description of the main risks and contingencies relating to the Fund, as well as of any material developments that have taken place after the close of the year. Lastly, the objectives and arrangements for hedging each type of material risks for which hedge accounting is used.
  - l. The volume and changes in management fees and expenses incurred during the accounting period.
4. The Fund Manager will submit a quarterly report to the CNMV and the AIAF Fixed-interest Securities Market, within one month following the end of each quarter, on the performance of the Loans pooled in the Fund and on the balances in the Individualized Accounts and in the Cash Account. The report will also include any material information on the Fund as well as on the Loans pooled in it.
  5. The Fund Manager will submit to the CNMV, on a quarterly basis, within twenty two (22) days after the end of each quarter, the confidential statements with statistical information, which will include (i) statistical information on the assets and liabilities of the Fund, (ii) statistical information on financial operations, write-offs and recoveries, (iii) basic information on the Fund, and (iv) statistical information on the issues, drawn up according to Standard 34 in Circular 2/2009 of the CNMV.
  6. The Originators will forward to the Fund Manager, on a daily basis, regular information on the underlying securitized loans, on a computer-readable support.

All of the public information of the Fund may be examined at the main office of the Fund Manager, on the website of the Fund Manager ([www.gat-sgft.info](http://www.gat-sgft.info)), at the premises of the Underwriters, at the AIAF Fixed-interest Securities Market, and in the Register carried by the CNMV.

#### **4.1.2. Special Notices**

1. When the Fund is established and the Bonds are issued, once the Deed of

Establishment is executed, the Fund Manager, acting on behalf and for the account of the Fund, will publish a notice to the effect that the Fund has been established and the Bonds have been issued. In the Notice, the Fund Manager will mention the Nominal Interest Rates applying to the different Series of the Bonds during the first Interest Accrual Period, from the Disbursement Date to the first Payment Date. All of which will be done according to the contents of this Prospectus. The notice may be published on any calendar day, whether it is a Working Day or not.

2. Acting on behalf and for the account of the Fund, the Fund Manager will inform the Bondholders of all significant events taking place in connection with the Bonds, the Fund or the Fund Manager, that are liable to have a noticeable impact on trading in the Bonds and, in general, of any significant change in Fund assets or liabilities. The Fund Manager, acting on behalf and for the account of the Fund, will give the Bondholders at least thirty (30) days' notice of any decision to redeem the Bonds ahead of maturity for any of the reasons foreseen in this Prospectus. In this case, a notarial certificate of early redemption describing the procedure followed for redeeming the Bonds will be forwarded to the CNMV.

The CNMV and the Credit Rating Agencies will be informed in advance of all of the above.

#### **4.1.3 Procedure for Notifying Bondholders**

According to the foregoing, any notices to be served by the Fund Manager to the Bondholders concerning the Fund shall be served as follows:

##### **1. Ordinary Notices**

Ordinary notices will be served by publishing them on the daily official list of the AIAF Fixed-interest Securities Market, or such other similar market as may replace it, or by publishing them on a daily general or financial newspaper with a wide circulation in Spain. In addition, the Fund Manager or the Paying Agent may disseminate such information or other information of interest to the Bondholders through Reuters, Bridge Telerate, Bloomberg or any other such channels or systems used in the financial markets.

##### **2. Special Notices**

Special notices must be served by publishing them on the daily official list of the AIAF Fixed-interest Securities Market, or such other similar market as may replace it,

or by publishing them on a daily general or financial newspaper that has a wide circulation in Spain. These notices are deemed to be served on the date when they are published, which may be any calendar day, whether a working or non-working day (according to what is foreseen in this Prospectus).

As an exception, the Fund Manager will notify the Underwriters, before the Subscription Date, of the Nominal Interest Rate that will accrue on the Bonds of each Series in the first Interest Accrual Period. The Fund Manager will also notify the CNMV, the Paying Agent, the AIAF Fixed-interest Securities Market and Iberclear of that Nominal Interest Rate.

### **3. Notices and Other Information**

The Fund Manager may make the notices and other information of interest available to the Bondholders through its own website or other similar telecommunication means.

#### **4.1.4 Information to be reported to the National Securities Market Commission (CNMV)**

The Fund Manager will report to the CNMV the special as well as the regular ordinary notices and information served or reported according to what is foreseen in the previous points, as well as any information apart from the foregoing that may be required by the CNMV or by the provisions in force from time to time.

#### **4.1.5 Information to be Provided to the Credit Rating Agencies**

The Fund Manager will regularly inform the Credit Rating Agencies on the situation of the Fund and on the behavior of the Loans so that they can monitor the rating of the Bonds, and will send them any special notices that are issued. The Fund Manager will also make available such information when reasonably requested to do so and, in any case, when any material changes take place in Fund conditions, in the agreements made by the Fund through the Fund Manager, or in the parties concerned.

**I, Carles Fruns Moncunill, acting in the name and on behalf of GESTION DE ACTIVOS TITULIZADOS, SGFT, SA, in my capacity as General Manager of the company, sign this Prospectus on June 17, 2009**

## GLOSSARY OF DEFINITIONS

**“Servicers”** means, jointly, all the individual entities in charge of safekeeping and servicing the Loans as well as the Mortgage Participation Certificates deposit, i.e. Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa.

**“AEDE”** means other direct financial aid for making a down payment on buying a home. It is the Spanish acronym for “Ayudas Económicas Directas para facilitar el pago de la Entrada”.

**“Credit Rating Agencies”** means Moody’s Investors Services España SA and Fitch Ratings España SA.

**“Paying Agent”** means the entity that performs the financial servicing of the Bonds. The Paying Agent is Banco de Sabadell SA.

**“Early Redemption”** means repayment in full of the principal of the Bonds ahead of the Final Maturity Date given any Event of Liquidation of the Fund, according to the requirements of point 4.4.3 of the Registration Document.

**“Auditors”** means the audit firm responsible for auditing the portfolio of Loans, i.e. Deloitte SL.

**“Guarantee”** or **“ICO Guarantee”** means the guarantee given by Spain’s official credit agency Instituto de Credito Oficial (ICO) pursuant to the instrument through which the Guarantee is formally provided. The Guarantee secures repayment of the principal and payment interest on the Bonds of the AG Series.

**“Bonds of the AG Series”** or **“AG Series”** means the bonds issued against the Fund for a total nominal amount of three hundred and thirty one million six hundred thousand (331,600,000) euros. These are three thousand three hundred and sixteen (3,316) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at Aaa by Moody’s and at AAA by Fitch.

**“Bonds of the B Series”** or **“B Series”** means, jointly, the bonds of the B(CA), B(CM), B(CP) and B(CT) Series.

**“Bonds of the B(CA) Series”** means the bonds issued against the Fund for a total nominal amount of nine million eight hundred thousand (9,800,000) euros. These

are ninety eight (98) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at A2 by Moody's and at A by Fitch.

**"Bonds of the B(CM) Series"** means the bonds issued against the Fund for a total nominal amount of three million three hundred thousand (3,300,000) euros. These are thirty three (33) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at A2 by Moody's and at A by Fitch.

**"Bonds of the B(CP) Series"** means the bonds issued against the Fund for a total nominal amount of two million seven hundred thousand (2,700,000) euros. These are twenty eight (27) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at A2 by Moody's and at A by Fitch.

**"Bonds of the B(CA) Series"** means the bonds issued against the Fund for a total nominal amount of two million (2,000,000) euros. These are twenty (20) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at A2 by Moody's and at A by Fitch

**"Bonds of the C Series" or "C Series"** means the bonds of the C(CA), C(CM), C(CP) and C(CT) Series.

**"Bonds of the C(CA) Series"** means the bonds issued against the Fund for a total nominal amount of three million two hundred thousand (3,200,000) euros. These are thirty two (32) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at Ba2 by Moody's and at BBB by Fitch.

**"Bonds of the B(CM) Series"** means the bonds issued against the Fund for a total nominal amount of two million three hundred thousand (2,300,000) euros. These are twenty three (23) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at Ba2 by Moody's and at BBB by Fitch..

**"Bonds of the C(CP) Series"** means the bonds issued against the Fund for a total nominal amount of one million five hundred thousand (1,500,000) euros. These are fifteen (15) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at Ba2 by Moody's and at BBB by Fitch.

**"Bonds of the C(CT) Series"** means the bonds issued against the Fund for a total nominal amount of one million five hundred thousand (1,500,000) euros. These are fifteen (15) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at Ba2 by Moody's and at BBB by Fitch.

**"Bonds of the D Series" or "D Series"** means the bonds of the D(CA), D(CM), D(CP) and D(CT) Series.

**“Bonds of the D(CA) Series”** means the bonds issued against the Fund for a total nominal amount of six million one hundred thousand (6,100,000) euros. These are sixty one (61) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at C by Moody’s.

**“Bonds of the D(CM) Series”** means the bonds issued against the Fund for a total nominal amount of two million five hundred thousand (2,500,000) euros. These are twenty five (25) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at C by Moody’s.

**“Bonds of the D(CP) Series”** means the bonds issued against the Fund for a total nominal amount of one million six hundred thousand (1,600,000) euros. These are sixteen (16) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at C by Moody’s.

**“Bonds of the D(CT) Series”** means the bonds issued against the Fund for a total nominal amount of one million four hundred thousand (1,400,000) euros. These are fourteen (14) bonds with a nominal value of one hundred thousand (100,000) euros each, provisionally rated at C by Moody’s.

**“Bonds”** means the Bonds of the AG Series, the Bonds of the B Series, the Bonds of the C Series and the Bonds of the D Series issued by the Fund.

**“Calyon”** means “Calyon, Sucursal en España”, i.e. the Spanish branch or subsidiary of Calyon.

**“Funds Available for Repayment of the Principal”** means the Available Funds that will be used for repaying the principal of the Bonds according to what is foreseen in the Individual Order of Precedence of Payments of each Originator..

**“Originators”** means Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa, all of them jointly, as originators of the Loans.

**“Caixa Catalunya”** means Caixa d’Estalvis de Catalunya.

**“Caixa Manresa”** means Caixa d’Estalvis de Manfresa.

**“Caixa Penedes”** means Caixa d’Estalvis de Pendès.

**“Caixa Terrasa”** means Caixa d’Estalvis de Terrasa.



**"CECA"** means Confederación Española de Cajas de Ahorro, the Spanish savings banks confederation.

**"CET"** means Central European Time.

**"Series"** means the Bonds of the relevant Series.

**"CNAE"** means Spain's national classification of business activities.

**"CNMV"** means Spain's National Securities Market Commission.

**"Paying Agency Agreement"** means the agreement on servicing the Bonds to be made on the Date of Establishment of the Fund between the Fund Manager acting in the name and on behalf of the Fund, and Banco de Sabadell SA as the Paying Agent.

**"Agreement on Accounts Yielding a Guaranteed Rate of Interest (Individualized Accounts)"** or **"Individualized Accounts Agreement"** means the agreement on opening accounts with a guaranteed rate of interest (Individualized Accounts) made between the Fund Manager, acting in the name and on behalf of the Fund, the Originators and Banco de Sabadell SA.

**"Agreement on an Account Yielding a Guaranteed Rate of Interest (Cash Account)"** or **"Cash Account Agreement"** means the agreement on opening an account with a guaranteed rate of interest (Cash Account). This is to be made on the Date of Establishment of the Fund between the Fund Manager, acting in the name and on behalf of the Fund, and Banco de Sabadell SA.

**"Management and Underwriting Agreement"** means the agreement on managing and underwriting the Bond Issue to be made on the Date of Establishment of the Fund between the Fund Manager, acting in the name and on behalf of the Fund, and Calyon, Caixa Catalunya, Caixa Manresa, Caixa Penedes as well as Caixa Terrasa as Lead Managers, and the Originators as Underwriters.

**"Internal Management Agreement"** means the agreement on the remuneration to be paid to the Originators by the Fund Manager, acting on behalf and for the account of the Fund. The remuneration is payable in consideration of the financial mediation process that allows the financial transformation to take place which defines the business of the Fund, the acquisition of the Loans, the subscription by the latter of the Mortgage Participations and the satisfactory credit rating issued to each of the classes of Bonds.

**“Credit Line Agreement”** means the credit line agreement made between the Fund Manager, acting in the name and on behalf of the Fund, and an entity whose non-subordinated unsecured short-term debt has a credit rating of P-1 on the Moody’s rating scale or of F1 on the Fitch rating scale. The Credit Line Agreement is made for the purpose of protecting the Fund in the event that Caixa Manresa fails to pay any sums received in respect of the Loans which belong to the Fund.

**“Swap Contracts” or “Interest-rate Swap Contracts”** means the contracts to be made on the Date of Establishment between the Fund Manager, acting on behalf and for the account of the Fund, and CECA. Under these contracts, the Fund will make payments to CECA calculated on the rate of interest of the Loans, and in consideration of which CECA will make payments to the Fund calculated on the Referent Interest Rate determined for the Bonds, all of which according to the rules in point 3.4.7.1 of the Additional Building Block.

**“Liquidity Facility Agreement”** means the loan agreement of a mercantile nature to be made on the Date of Establishment of the Fund between the Fund Manager, acting on behalf and for the account of the Fund, and the Originators. The total amount of this loan will be 3,576,492.91 euros, and will be used by the Fund Manager for the purpose of meeting the initial expenses involved in establishing the Fund and issuing the Bonds.

**“Collaboration Agreements”** means the agreements made between the Ministry of Development, the Ministry of Public Works, Transport and Environmental Protection, and the Ministry of Housing, according to the rules on Collaboration Agreements, and the lending entities. Collaboration Agreements are made for each individual National Government Scheme approved by the Administration, and govern the duties of both sides in granting the relevant agreed or qualified loans.

**“ICO Agreements”** means the Guarantee Commitment and Collaboration Agreement executed between the Originators and the ICO on September 22, 2008, and the Guarantee Commitment and Collaboration Agreement made between the Fund Manager and the ICO on November 3, 2008.

**“Cost of Deferral”** means the interest rate charged for extending repayment of the principal of the Mortgage Participations during the two (2) Working Days between the Date of Establishment and the Disbursement Date. This interest rate will be calculated using as the reference rate the one-week EURIBOR rate reported on the REUTERS monitor page “EURIBOR01” (or such other page as may replace it on the REUTERS monitor service) at 11 a.m. CET or Brussels time the day before the Deed of Establishment of the Fund is executed. The REUTERS monitor page “EURIBOR01” is

the page by that name whose contents are displayed over the REUTERS MONITOR MONEY RATES SERVICE.

**“Individualized Accounts”** means all the individual financial accounts opened to the name of the Fund with Banco de Sabadell SA pursuant to the Individualized Accounts Agreement. Into these accounts each of the Originators will pay, as from the Date of Establishment, all amounts the Fund is entitled to receive in respect of the Loans they service, as well as the amounts for funding their respective Reserve Funds.

**“Internal Compensation Monitoring Account Carried by the Fund Manager”** means the account through which the Fund Manager monitors the debit and credit positions of the Originators in respect of payments of interest and principal due on the Bonds of the AG Series.

**“Cash Account”** means the financial account opened to the name of the Fund with Banco de Sabadell SA pursuant to the “Agreement on an Account Yielding a Guaranteed Rate of Interest (Cash Account)”, through which all payments are made to and by the Fund.

**“Repayment Shortfall”** means the difference (this being a positive number), if any, between the Redemption Value of the Bonds and the Funds Available for Repayment of the Principal.

**“Caixa Manresa Deposit”** means a deposit whose purpose is to protect the Fund in case Caixa Manresa is declared bankrupt and fails to perform its obligation of transferring to the Cash Account the balances relating to the Loans assigned by Caixa Manresa, which are held in its Individualized Account, and belong to the Fund.

**“Cash Advance Deposit”** means the cash advance deposit to be made on the Date of Establishment of the Fund between the Fund Manager, acting in the name and on behalf of the Fund, the Originators, and Banco de Sabadell SA.

**“Debtors”** means the borrowers of the Loans, private individuals who have been granted a loan secured with a VPO home situated in Spain, pursuant to the Royal Decrees.

**“Working Day”** means any day that is not (i) a Saturday, (ii) a Sunday, (iii) a holiday in Madrid, (iv) a holiday in Barcelona, or (v) a non-working day in the TARGET2 (Trans European Automated Real-Time Gross Settlement Express Transfer System) calendar.

**“Allocation of the Funds Available for Repayment of the Principal”** means the rules for applying the Funds Available for Repayment of the Principal to repaying the principal of the Bonds of each of the AG, B, C and D Series on each Payment Date, in point 4.9.4 of the Securities Note.

**“Registration Document”** means a document for registering asset-backed securities, the minimum disclosure requirements for which are contained in Annex VII of Regulation 809/2004.

**“Bond Issue”** or **“Bonds”** means the securitization bonds issued by the Fund for a nominal amount of three hundred and sixty nine million five hundred thousand (369,500,000) euros, comprising three thousand six hundred and ninety five (3,695) bonds with a nominal value of one hundred thousand (100,000) euros each, divided into the AG, B, C and D Series.

**“Issuer”** means GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA.

**“Underwriters”** means Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa, and the entities that will subscribe for all of the Bonds.

**“Lead Managers”** means Calyon, Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa.

**“Deed of Establishment”** means the deed of establishment of the Fund, of assignment of the Loans to the Fund by Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa by issuing Mortgage Participations, and of issuance of the Bonds by the Fund.

**“EURIBOR”** means Euro Interbank Offered Rate, which is the offered rate for time deposits in euros on the inter-bank market, calculated as the daily average rate quoted for fifteen terms of maturity by a panel of 57 banks which are among the most active in the euro zone. The rate is quoted on the basis of the actual number of days to maturity and a year of 360 days, and is fixed at 11 a.m. (CET time), with an approximation of three places after the decimal point.

**“Risk Factors”** means the main risk factors relating to the issuer, to the securities and to the underlying assets.

**“Date of Assignment”** means the date of assignment of the Loans to the Fund, i.e. June 19, 2009, which coincides with the Date of Establishment.

**“Collection Date”** means all Working Days on which the Obligors make payments in respect of the Loans.

**“Date of Establishment”** means the date of execution of the Deed of Establishment, i.e. June 19, 2009.

**“Disbursement Date”** means June 25, 2009, when payment must be effected of the actual subscription price of the Bonds and of the nominal amount of the Mortgage Participations subscribed.

**“Determination Date”** means, for each Interest Accrual Period, five Working Days ahead of the Payment Date that marks the beginning of the relevant Interest Accrual Period. For the first Interest Accrual Period, the date of determination of the Reference Interest Rate is two Working Days ahead of the Disbursement Date.

**“Fixing Date”** or **“Date of Fixing of the Rate of Interest”** means two Working Days ahead of each Payment Date. The Reference Interest Rate for the first Interest Accrual Period will be fixed two Working Days ahead of the Disbursement Date.

**“Date of Legalization”** means the date when each of the Loans was legalized.

**“Date of Liquidation”** or **“Date of Advanced Liquidation”** means the date on which the Fund Manager liquidates the Fund as a result of any of the Events of Liquidation mentioned in point 4.4.3 of the Registration Document.

**“Payment Date”** means the 20th day of March, June, September and December of each year or, if such day is not a Working Day, the Working Day immediately following. The first Payment Date is September 20, 2009.

**“Subscription Date”** means the date when the Bonds are subscribed, i.e. June 19, 2009.

**“Final Maturity Date”** means the last date of maturity, whether ordinary or advanced, of the assets of the Fund, i.e. April 27, 2033.

**“Legal Date of Maturity”** means the Payment Date thirty six (36) months after the date of maturity of the last of the Loans to mature, i.e. June 20, 2036.

**“Fitch”** means Fitch Ratings España, SA

**"Prospectus"** means the document comprising the Risk Factors, the Registration Document, the Securities Note, the Additional Building Block, and this Glossary, governed by the provisions of Regulation 809/2004.

**"Fund"** means GAT ICO-FTVPO 1, FONDO DE TITULIZACIÓN HIPOTECARIA.

**"Reserve Funds"** means the reserves funded by the individual Originators as a guarantee arrangement to cover possible losses resulting from delinquency or Defaulted Loans, designed to enable the Fund to make payments in the Individual Order of Precedence of Payments of each Originator described in point 3.4.6 of the Additional Building Block.

**"CA Reserve Fund"** means the Reserve Fund funded by Caixa Catalunya.

**"CM Reserve Fund"** means the Reserve Fund funded by Caixa Manresa.

**"CP Reserve Fund"** means the Reserve Fund funded by Caixa Penedes.

**"CT Reserve Fund"** means the Reserve Fund funded by Caixa Terrassa.

**"Initial Reserve Funds"** means the Reserve Funds funded on the Disbursement Date out of the amounts paid up by the Underwriters to subscribe for the Bonds of the D Series, in an amount equal to the respective Required Initial Balances.

**"Initial Expenses"** means the expenses mentioned in point 6 of the Securities Note.

**"GAT"** means Gestión de Activos Titulizados SGFT SA.

**"Iberclear"** means the securities registration, clearing and settlement company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores SA IBERCLEAR, having a registered office at Plaza de la Lealtad No. 1, Madrid.

**"ICO"** means Instituto de Crédito Oficial, a public undertaking of the type foreseen in Section 43.1.b of the General National Government Administration Organization and Operations Act 6/1997, falling under the scope of the Ministry of Economy, and within this under the Office of the Secretary of State for Economics, having the legal form of a lending entity, and the rank of National Government Financial Agency, with a legal personality, assets and liabilities, and cash of its own, as well as management autonomy for fulfilling its purposes. Its Taxpayer number is Q/2876002-C, and its registered office is situated at Paseo del Prado No. 4, Madrid.

**“Redemption Value of the Bonds”** means, for each Originator, the difference (this being a positive number), on the relevant Payment Date, between (A) the sum total of (i) the Outstanding Principal Balance of the Bonds of the AG Series (pro rata of the Originator’s share in it), of the B(CA), B(CM), B(CP), B(CT) as well as of the C(CA), C(CM), C(CP) and C(CT) Series, before the repayment to be made on that Payment Date, and (ii) any amounts drawn against the Guarantee and not yet refunded that have been used for repaying the principal of the Bonds of the AG Series on previous Payment Dates; and (B) the Outstanding Balance of Non Defaulted Loans on the Determination Date prior to the current Payment Date.

**“Total Amount of the Issue”** means, at most, three hundred and sixty nine million five hundred thousand (369,500,000) euros.

**“Bankruptcy Act”** means the Bankruptcy Act 22/03, of July 9, 2003, as currently worded.

**“Act 19/1992”** means Act 19/92, of July 7, 1992, on Real Estate Investment Companies and Funds as well as Mortgage Securitization Funds, as currently worded.

**“Act 2/1981”** means the Mortgage Market Act 2/81, of March 25, 1981, as currently worded.

**“Act 2/1994”** of Act 2/94, of March 30, 1994, on Subrogation and Modification of Mortgage Loans, as currently worded.

**“Act 24/1988”** means the Securities Market Act 24/88, of April 14, 1988, as currently worded.

**“Act 41/2007”** means Act 41/07, of December 7, 2007, on the Mortgage Market and other provisions on the mortgage and financial system, on reverse mortgages and dependence insurance as well as introducing certain tax provisions, as currently worded.

**“Liquidation”** means the liquidation of the Fund involving early redemption of the Bonds, at an earlier date than the Final Maturity Date, to be carried out in the cases and according to the procedure foreseen in point 4.4.3 of the Registration Document.

**“Operating Fee”** means the remuneration payable to the Originators for the financial mediation process allowing the securitization operation that is the business of the Fund to be carried out, the acquisition of the Loans, and a credit rating to be issued for each of the classes of Bonds.

**“Compensation Arrangements between Originators”** means the compensation arrangements whereby the Originators will offset advances made by them to meet payments of interest and principal due in respect of the Bonds of the AG Series, and to meet the Minimum Required Level of the Reserve Funds, as described in point 3.4.6.3 of the Additional Building Block.

Amounts withheld under these arrangements will be released as payments made in respect of the Loans assigned by the relevant Originators reduce and wipe out any shortfall in their individual Reserve Funds relative to their individual Minimum Required Levels.

**“AIAF Market”** means the AIAF Fixed-interest Securities Market on which the securities will be listed..

**“Additional Building Block”** means the additional module (of the Prospectus) on asset-backed securities, with the minimum disclosure requirements reflected in Annex VIII of Regulation 809/2004.

**“Moody’s”** means Moody’s Investors Services España, SA.

**“IFRS”** means the International Financial Reporting Standards.

**“Minimum Required Level of the Reserve Funds”** means whichever is lower of the following:

- An amount equal to the Required CA Initial Balance, the Required CM Initial Balance, the Required CP Initial Balance or the Required CT Initial Balance, as the case may be; or
- Whichever is greater of the following amounts:
  - Twice (2 times) the amount that results from applying to the Outstanding Principal Balance on each Payment Date, the percentage of the Initial Balance of the Loans assigned by each Originator to which the Required CA Initial Balance, Required CM Initial Balance, Required CP Initial Balance o Required CT Initial Balance, respectively, is equal; and
  - Half the percentage of the Balance Outstanding of the Loans to which the Required CA Initial Balance, Required CM Initial Balance, Required CP Initial Balance and the Required CT Initial Balance, respectively, is equal.



**“Notional Principal Amount of the Swap”** means, for each Settlement Date, the Outstanding Balance of Non-defaulted Loans pooled in the Fund and assigned by the Originator to which the Swap Contract in question applies date.

**“Securities Note”** means the note meeting the minimum disclosure requirements for debt securities with a denomination per unit of at least 100,000 euros, drawn up as per Annex XIII of Regulation 809/2004.

**“Individual Order of Precedence of Payments of each Originator”** means the order in which the Available Funds must be used for meeting the payment or withholding obligations of the Fund.

**“Individual Order of Precedence of Fund Liquidation Payments”** means the order in which the Funds Available for Liquidation must be used for meeting the payment and withholding obligations of the Fund on the Date of Liquidation.

**“Mortgage Participations”** means the negotiable securities used as instruments for assigning the Loans to the Fund according to the provisions of Section 15 of Act 2/1981 and of RD 716/2009.

**“Determination Period”** means the actual number of days between any two consecutive Determination Dates, excluding the initial Determination Date and including the final Determination Date of the Determination Period in question. The duration of the first Determination Period is the number of days between and including the Date of Establishment of the Fund, until but not including the first Determination Date, i.e. September 14, 2009.

**“Interest Accrual Period”** means the actual number of days between any two consecutive Payment Dates, including the initial Payment Date and excluding the Payment Date at the end of the period. The first Interest Accrual Period begins on and includes the Disbursement Date and ends on, but does not include, the first Payment Date.

**“Interest Rate Swaps”** means the interest rate swaps arranged for hedging against (i) the interest rate risk to which the Fund is exposed because the Loans carry floating rates of interest tied to several different reference rates and updated over different periods of time than those for the Bonds, and (ii) leads and lags in the collection of interest. These Swaps are governed by the provisions of the Interest Rate Swap Contracts.

**“Liquidity Facility”** means the loan granted to the Fund on the Date of Establishment, by Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa, according to what is foreseen in the Liquidity Facility Agreement.

**“Loans”** means the mortgage-backed loans selected by Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrasa and assigned by them to the Fund, by issuing Mortgage Participations subscribed for by the Fund.

**“Defaulted Loans”** means Loans in respect of which (i) there are payments more than twelve (12) months overdue on a given date, or (ii) are classified as defaulted loans by the Originators, or (iii) are classified as defaulted loans by the Fund Manager because there are reasonable doubts as to full repayment of the loan.

**“Non Performing Loans”** means Loans in respect of which payments that have fallen due are more than ninety (90) days yet not more than twelve (12) months in arrears on a given date.

**“Non Defaulted Loans”** means Loans not falling under the definition for Defaulted Loans.

**“RD 1932/1991”** means Royal Decree 1932/91, of December 20, 1991, on measures to finance protected housing and land projects under the 1992-1995 Scheme.

**“RD 1996/1999”** means Royal Decree 2190/95, of December 28, 1995, on measures to finance protected housing and land projects under the 1996-1999 Scheme.

**“RD 1186/1998”** means Royal Decree 1186/98, of June 12, 1998, on measures to finance protected housing and land projects under the 1998-2001 Scheme.

**“RD 1/2002”** means Royal Decree 1/02, of January 11, 2002, on measures to finance protected housing and land projects under the 2002-2005 Scheme.

**“RD 801/2005”** means Royal Decree 801/05, of July 1, 2005, approving the 2005-2008 Housing Scheme supported by the National Government.

**“RD 716/2009”** means Royal Decree 716/09, of May 2, 2009, developing certain provisions of the Mortgage Market Act 2/1981, and other provisions governing the Spanish mortgage and financial system.

**“RD 926/1998”** means Royal Decree 926/98, of May 14, 1998, on asset securitization funds and asset securitization fund managers, as currently worded.

**“RD 1310/2005”** means Royal Decree 1310/05, of November 4, 2005, partly developing the provisions of the Securities Market Act 24/1988, in the matter of listing securities on official secondary markets, public offerings of securities or rights issues and the prospectuses required for the purpose, as currently worded.

**“Royal Decrees”** means, jointly, RD 1932/1991, RD 2190/1995, RD 1186/1998, RD 1/2002 and RD 801/2005, on measures to finance protected housing and land projects, with provisions governing the 1992-1995, 1996-1999, 1998-2001, 2002-2005 and 2005-2008 National Government Housing Schemes, respectively.

**“Regulation 809/2004”** means Commission Regulation (EC) N° 809/2004, of April 29, 2004, implementing the provisions of European Parliament and Council Directive 2003/71/EC in what concerns the information contained in prospectuses, as well as the format, incorporation by reference, publication of said prospectuses, and advertising.

**“Outstanding Principal Balance”** means the aggregate outstanding principal balance of the Bonds of a given class or series on a given date.

**“Initial Balance”** means the aggregate amount of principal of the Loans not yet fallen due and of principal fallen due but not yet repaid on the Date of Establishment.

**“Balance Outstanding of the Loans”** means the aggregate amount of principal of the Loans not yet fallen due on a given date and of principal fallen due for repayment but not yet paid into the Fund by that date.

**“Balance Outstanding of Non Performing Loans”** means the aggregate amount of principal not yet fallen due and of principal fallen due but not yet paid into the Fund, of all the individual Non Performing Loans, on a given date.

**“Balance Outstanding of Non Defaulted Loans”** means the aggregate amount of principal not yet fallen due and of principal fallen due but not yet paid into the Fund, of all the individual Non Defaulted Loans, on a given date.

**“Series”** means the Bonds of the relevant Series.

**“Fund Manager”** means Gestión de Activos Titulizados, SGFT, SA.

**“Liquidation Events”** means the events mentioned in point 4.4.3 of the Registration Document.

**“Swap”** means Interest Rate Swap.

**"APR"** means the rate of prepayment of Loans, as defined in point 4.10 of the Securities Note.

**"Rate of Interest of Party B"** means, for each Settlement Period of the CECA, the Weighted Average Nominal Rate of Interest on the Bonds, excluding those of the D Series, plus a mark-up of 1%.

**"Reference Interest Rate"** means, except for the first Interest Accrual Period, the three-month (3-month) EURIBOR rate or, if necessary, the rate that replaces it, determined as foreseen in point 4.8.1.4 of the Securities Note.

**"Nominal Interest Rate"** means the result of adding together (i) the Reference Interest Rate, rounded off to the nearest whole number, and (ii) the applicable mark-up for each Series of the Bonds.

**"IRR"** means the internal rate of return as defined in point 4.10 of the Securities Note.

**"Multiple Certificates"** means the individual security certificate representing the Mortgage Participations issued on the Loans by Caixa Catalunya, Caixa Manresa, Caixa Penedes and Caixa Terrassa.

**"VPO"** means "Vivienda de Protección Oficial", i.e. Officially Supported or Protected Housing.