

GC FTPYME PASTOR 1 FONDO DE TITULIZACION DE ACTIVOS

SECURITISATION BONDS

225,000,000 euro

Series AS	130,700,000 euro	AAA	Euribor 3M + 0.25%
Series AG*	76,300,000 euro	AAA	Euribor 3M +
Series B	6,800,000 euro	A	Euribor 3M + 0.65%
Series C	11,200,000 euro	BBB	Euribor 3M + 1.65%

** Bonds of the AG Series secured by State Warranty*

**Backed by loans assigned and administered by
BANCO PASTOR, S. A.**

Direction



**CORPORATE &
INVESTMENT BANKING**

Co-Direction Entity



Banco Pastor

Underwriting and Brokerage

BANCO PASTOR, S. A.

SOCIETE GENERALE SUCURSAL EN ESPAÑA

CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID

AHORRO CORPORACIÓN FINANCIERA, S.V., S.A.

INVERCAIXA VALORES, S.V., S.A.

SOCIEDAD ESPAÑOLA DE BANCA DE NEGOCIOS PROBANCA S.A.

Paying Agent

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA

Fund Formed, Represented and Administered by

GESTICAIXA, S.G.F.T., S. A.

Prospectus filed with the Registries of the Comisión Nacional del Mercado de Valores (National Commission for the Securities Markets) on date October 28, 2003

"GC FTPYME PASTOR 1, FONDO DE TITULIZACION DE ACTIVOS" SUMMARY OF THE INFORMATIVE PROSPECTUS

Terms of the present Prospectus which start with a capital letter and are expressly defined in it, will have the meaning hereby attributed to them.

Terms of the present Prospectus which start with a capital letter and are not expressly defined in it, will have the meaning attributed to them in Appendix 8 ("Definitions List") to the present Prospectus.

1. Name of the Fund

The denomination of the Fund is "GC FTPYME PASTOR 1, Fondo de Titulización de Activos", hereafter the "Fund".

2. Fund Management Company

"GC FTPYME PASTOR 1" is created by "GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A." as Management Company duly authorised to that end and, as a consequence, to exercise the administration and legal representation of the Fund GC FTPYME PASTOR 1, under the provisions of Royal Decree 926/1998, of may 14, which regulates assets securitisation funds and securitisation funds management companies.

3. Securities issued: securitisation bonds

Amount of the Issue and Number of Bonds: two hundred and twenty-five million (225,000,000) euro of nominal value, formed by two thousand two hundred and fifty (2,250) Bonds divided in 4 Series:

Class A divided in Series AG, formed by 763 Bonds and with a total face value of 76,300,000 euro, and Series AS formed by 1,307 Bonds and with a total face value of 130,700,000 euro
Class B formed by Series B, formed by 68 Bonds and a total face value of 6,800,000 euro
Class C formed by Series C, formed by 112 Bonds and a total face value of 11,200,000 euro

- *Face value:* 100,000 euro per Bond.
- *Issue price:* 100,000 euro per Bond, free of taxes and subscription expenses for the subscriber.
- *Redemption price:* 100,000 euro per Bond, free of taxes and expenses for the bond holder.
- *Quarterly variable floating interest rate:* Euribor for (3) months of Bonds of the Series AG, of 0.25% for Bonds of the Series AS, of 0.65% for Bonds of the Series B, and de 1.65% for Bonds of the Series C.
- *Frequency off interest and principal payment:* quarterly, on the dates January 15, April 15, July 15 and October 15 of each year or, as the case may be, the following Business Day.
- *Final Maturity Date:* will coincide with the last maturity date (ordinary or accelerated) of the Assets.
- *Statutory Maturity Date:* will coincide with the date falling forty two (42) moths after the Final Maturity Date and, in any event, on April 15, 2027 or the following Business Day, without prejudice to the option for accelerated redemption of the issue by the Management Company provided for in section II.11 of this Prospectus.

Detail of the credit risk ratings provisionally granted:

- Bonds Series AG: AAA
- Bonds Series AS: AAA
- Bonds Series B: A
- Bonds Series C: BBB

Standard & Poor's España, S. L. (hereafter, either, "S & P" or the "Rating Agency") expects to assign the said provisional rating as final prior to the start of the Bonds Subscription Period for the Bonds. Non-confirmation of the above ratings by the Rating Agency prior to the start of the Subscription Period will constitute a termination event for the Loans Assignment, for the Fund formation and for the Bonds issue.

Credit Enhancements:

With the purpose of consolidating the financial structure of the Fund, increasing the security or the regularity of the Bond payments, covering temporary gaps between the calendar for the flow of capital and interest and principal of the Loans and that of the Bonds, neutralizing the differences in interest rates between the Loans and the Bonds and other liabilities, or, in general, transforming the financial characteristics of the issued Bonds, as well as complementing the Fund administration, the Management Company, representing the Fund, will proceed in the act of granting the Deed of Formation, to formalize the contracts and operations that are here below indicated, in accordance with the applicable regulations.

- State Warranty for the Series AG Bonds. The Warranty will secure, with a waiver to the benefit of discussion established in article 1830 of the Código Civil (Civil Code), the payment of the capital and interest of the Series AG Bonds.
- Subordination. The subordination in the payment of interest and in the reimbursement of the capital of from certain Series of Bonds over other grants a higher protection to the holders of the less subordinated Series.
- Guaranteed rate accounts. The accounts opened in the name of the Fund by the Management Company (Collection Account opened in the Assignor and Treasury Account opened in the Paying Agent) are remunerated at rates agreed in such a way that a minimum retribution of the balance produced in each of them is guaranteed.
- Financial margin of the portfolio. The assets integrated into the Fund generate interest at rates higher than the rates at which the securities issued against the Fund are retributed.
- Participative Loan. The Participative Loan is destined to the constitution of the Reserve Fund.
- State Warranty Liquidity Line. The purpose of the State Warranty Liquidity Line is to allow the Fund to effect the payment of the interest on the Series AG Bonds, until the State pays the said amounts by way of a charge to the State Warranty.
- Interest Rate Swap. The Interest Rate Swap seeks to cover up for the risk of the interest rate of the Fund that arises from the fact that the Loans are subject to variable floating interest rates, with reference indexes and revision periods different from those established for the Bonds. Additionally, the Swap seeks to cover the risk derived from the possibility of the Loans being object of negotiations that may reduce the agreed interest rate.

The Management Company will be able to prorogue or modify the contracts that will sign in the name of the Fund, and to substitute each of the providers of services to the Fund under the said contracts, and even, should that be necessary, will be entitled to sign additional contracts, including new credit line contracts, provided that in accordance with the applicable legal regulations at that time no circumstances concur that will prevent it. In any event, such acts will require prior communication by the Management Company to the CNMV, or its prior authorisation should that be necessary, or to the competent administrative body and to the Rating Agency, and that with those acts the qualification rating granted to the Bonds by the Rating Agency is not prejudiced.

Secondary Official Market where admission to quotation will be applied for: AIAF

Accounting Registry of the Bonds: the entity in charge of the accounting registry of the Bonds will be Iberclear, which will compensate and liquidate the operations carried out over the Bonds.

4. Assets Portfolio

Assignor: Banco Pastor, S.A. (hereafter, "Banco Pastor").

Portfolio Composition: Credit rights against all kinds of non financial companies domiciled in Spain, of which 100% are small and medium enterprises, as defined by the Recommendation of the European Commission 96/280/CE, of April 3, 1996, on definition of small and medium companies enterprises (SMEs) (hereafter, the "Assigned Debtors") o any law that may substitute it, derived from Loans with an initial amortisation term no shorter than a year.

Value of the Assets: the Fund will comprise Assets for a minimum value of 225,000,000 euro.

Loans Classification: the Loans can be classified with regard to the accessory guarantees in:

1. Real State Mortgage Loans, formalized in Public Deeds (hereafter, the "Mortgage Loans").
2. Non-guaranteed Loans or Loans with third-party personal guarantee (fianza), formalized in self-executive Public Deeds (article 517 of the Ley de Enjuiciamiento Civil - Civil Procedure Law) (the "Non-Mortgage Loans" and together with the Mortgages Loans, the "Loans")

The assignment of the Loans will be total and unconditional, and for the whole of the remaining time until the maturity of each Loan

By means of the Public Deed of Formation, the Management Company, representing the Fund, and Banco Pastor as Assignor, will formalize the deal of Assignment of the Loans to the Fund in the manner described below:

1. The assignment of the Mortgage Loans will be done by means of the issue by Banco Pastor and the subscription by the Fund, of the Mortgage Transfer Certificates, under article 18 of the Financial Law.
2. The assignment of the Non-Mortgage Loans, directly, without the issue of any intermediate title, constituting a contractual document that accredits the transaction in accordance with Royal Decree 926/1998 (hereafter, together the Mortgage Transmission Transfer Certificates and the Non-Mortgage Loans, the "Assets").

The terms and conditions of the assignment of the Loans are detailed in the rest of chapters of this Prospectus.

The Assignor, in accordance with article 348 of the Código de Comercio (Commercial Code), will be responsible to the Fund as regards the existence and legitimacy of the Loans, as well as of the personality with which it grants the assignment, but will not be responsible of for the solvency of the Debtor.

5. Risks inherent to the Bonds.

Risk of default in the payment of the Loans.

The Bonds holders will run the risk of default in the payment of the Loans pooled into the Fund.

Banco Pastor, as Assignor, does not assume any responsibility for the default in payment by the Assigned Debtors, whether of the capital or the principal or the interest or of any other amount that they may be obliged to pay under the Loans, nor does it assume the efficacy of the accessory guaranties to the same. Neither will it assume in any other way, any responsibility in directly or indirectly guarantying the good end of the assignment, nor will it grant any guaranties or warranties, or incur in buy-back agreements for the Loans, except those compromises that are included in section IV.1.6 of this Prospectus regarding the substitution of the Loans or the Mortgage Transfer Certificates that may not comply with the declarations contained in section IV.1.4 of this Prospectus or with the specific characteristics of the Loans communicated by Banco Pastor to the Management Company, and what is set forth in section IV.1.7 of this Prospectus with regard to the Acquisition Right over the whole of the Loans in certain cases.

The Bonds issued by the Fund do not represent or constitute an obligation for Banco Pastor or for the Management Company. With the exception of the State Warranty, there are no other guaranties granted by any public or private entities, including Banco Pastor, the Management Company, or any company affiliated to or participated by any of the aforementioned.

Limited Protection.

The Fund will carry out other protective financial operations that cover up to a limit the risk of resources insufficiency by the Fund in order to provide for the financial Service of each series of the Bonds, and have been considered sufficient by the Rating Agency to grant to each Series of the Bonds the rating indicated in section II.3 of this Prospectus. In addition, the aforementioned default in payment risk will be covered for the holders of the Series AG Bonds by the State Warranty described in section V.3.7 of this Prospectus, all of it in accordance with the current and to that effect applicable legislation.

Likewise, the degree of subordination for the payment of interest and for the reimbursement of the capital of the Series C Bonds as regards the Series A Bonds and the Series B Bonds, and of these last with regard to the Series A Bonds, which derives from the place they occupy in the Payment Preference Order of the Fund, constitutes a credit improvement respectively for each of the series.

Risk of Prepayment of the Loans.

The loans pooled into the Fund into the will be amortized in advance when the Assigned Debtors would prepay, in the terms established in each of the public deeds and contracts of such assets, the outstanding balance of the principal.

The risk that would arise from such anticipated liquidation will be transferred, under certain circumstances, quarterly, on each Payment Date, to the Bonds holders by means of the partial amortisation of the same, in accordance with the provisions of section III.9.1 of the Prospectus .

Limited Liquidity.

There is no guaranty that a trading for the Bonds will ever occur in the market with a certain frequency or a minimum volume.

There is no compromise by any entity that may intervene in the secondary trading providing liquidity to the Bonds by offering a compensation.

Also, in no case will be the Fund entitled to buy back the Bonds from the holders of the same, although they can be redeemed advance in full in the event of liquidation, in accordance with the terms of section III.9.1 of the Prospectus.

Yield.

The calculation of the internal profitability rate, of the average life and of the duration of the Bonds of each of the Series is subject, among other, to hypothesis about anticipated prepayment rates that may not become true, as well as to the future market interest rates, given the variable floating character of the nominal interest.

All information contained in this Prospectus relating to interest payments, principal amortisation, average life and performance and financial flows are of a merely indicative nature, with the aim of explaining the financial structure of the issue, and with only illustrative value.

Default interests.

In no case the delay in the payment of interests or in the reimbursement of the principal to the Bond holders will entitle them to default interests.

Lack of remedies.

The holders of the Bonds and the rest of creditors of the Fund will not have any remedy against the Debtors of the Loans that may have defaulted in their payment obligations under them, being the Management Company, as the representative of the Fund, the one entitled to exercise any such action.

Neither the Fund nor the holders of the Bonds will have any remedies against the Assignor or against the Management Company than those derived from the non-fulfilment of their respective functions and, therefore, never as a consequence of default in payments or anticipated amortisation of the Loans, of the non performance of the counterparts in the operations contracted in the name and at the expenses of the Fund, or of the insufficiency of the protective financial operations to cover the financial service to the Bonds of each of the Series.

6. Payment Priority Order

The Available Funds, regardless of the moment of their maturity, will be applied to the fulfilment of the payment or withholding tax retention obligations on each Payment Date in the following manner:

- (i) Taxes and Expenses of the Fund including the Fees of the de la Management Company.
- (ii) Payment of the amount due in accordance with the Interest Rate Swap Contract, if applicable, including the event of termination of such contract due to a cause attributable to the Fund.
- (iii) Payment of the interest due and not paid in previous Payment Dates to the Series AG and AS Bonds and reimbursement to the State of the amounts that the same may have paid to the Fund upon execution of the Warranty for the payment of interests to the AG Bonds that had not been returned in previous Payment Dates (pro rata).
- (iv) Payment of the Interests of AG and AS Bonds and, as the case may be, interest of the Liquidity Line, pro rata.
- (v) Payment of the Interests of the B Bonds. (save in case of down-ranking as described in the Exceptional Rules)
- (vi) Payment of the Interests of the C Bonds. (save in case of down-ranking as described in the Exceptional Rules)
- (vii) Payment of the Matured Amount for Amortisation of the Series AG and AS Bonds due and not paid in previous Payment Dates and reimbursement to the State of the amounts that it may have paid to the Fund upon execution of the Warranty for the Payment of the capital of AG Bonds AG not returned in previous Payment Dates (pro rata).
- (viii) Amortisation of the capital of the AG and AS Bonds (pro rata).
- (ix) Amortisation of the capital of the B Bonds.
- (x) Amortisation of the capital of the C Bonds.
- (xi) Contribution, in its case, to the Reserve Fund, until this reaches the Minimum Level.
- (xii) Payment, in case of termination of the Swap Contract, of the amount to be paid, in its case, by the Fund for the liquidation of the contract if the counterpart was held responsible of the termination of the said contract.
- (xiii) Payment of the interest accrued by Subordinated Loan A.
- (xiv) Payment of the interest accrued by Subordinated Loan B.
- (xv) Payment of the fixed remuneration of the Participative Loan.
- (xvi) Amortisation of the Principal of Subordinated Loan A.
- (xvii) Amortisation of the Principal of Subordinated Loan B.
- (xviii) Amortisation of the Principal of the Participative Loan.
- (xix) Payment to the Assignor of the Administration Fee established in the Administration Contract.
- (xx) Payment of the variable remuneration of the Participative Loan.

Reimbursement to Caixa d'Estalvis i Pensions de Barcelona of the capital used out of the Liquidity Line of the State Warranty will be effected exercised in the moment in which the Ministerio de Economía (Ministry of Economy) effects the Payment of the warranted amounts without awaiting the next Payment Date.

Exceptional rules for the priority in payments at the charge of the Fund

- a) The amounts received from a charge to of the State Warranty will be used only to cover for the insufficiencies in payments of

the principal and the interest of the AG Bonds. In no case will they be subject to the priority order stated in the previous section.

- b) In the event that the Available Resources were not sufficient for the payment of any of the amounts mentioned in the above sections, the following rules will apply:
 - (i) The Available Resources of the Fund will be applied to the various concepts mentioned in the previous section, in accordance with the established priority order and pro rata of the amount due among those entitled to receive the payment.
 - (ii) The amounts that remain unpaid will rank, in the next Payment Date, in a position immediately previous to that of the specific concept itself.
 - (iii) The amounts due by the el Fund and not paid on their respective Payment Dates will not accrue additional interest, save in the case of the amortisation of the principal of the Bonds, which will accrue the interest accrued by the Bonds in accordance with the provisions of section II.10.
- c) In the event that Banco Pastor needed to be substituted as Administrator of the portfolio, the remuneration of the new Administrator will be added to the ordinary expenses of the Fund, included in the first paragraph of the Payment Priority Order.
- d) En In the event that on a Payment Date the total of the Outstanding Balance of the Assets with an overdue rate higher than 90 days and the total of the Default Amounts is equal or higher than 15% of the total of the Outstanding Balance of the Assets plus the Default Amounts, payment of the interest of the C Bonds will rank immediately after the payment of the amortisation of the A Bonds. This ranking will be maintained until the full amortisation of the AG and AS Bonds.
- e) En In the event that on a Payment Date the total of the Outstanding Balance of the Assets with a default rate higher than 90 days and the total of the Default Amounts is equal or higher than 20% of the total of the Outstanding Balance of the Assets plus the Default Amounts, payment of the interest of the B Bonds will rank immediately after the payment of the amortisation of the A Bonds. This ranking will be maintained until the full amortisation of the AG and AS Bonds.

Execution of the State Warranty: In the event that on a Payment Date, and regardless of the mechanisms established for the protection of the rights of the Bonds Holders, the Available Assets were not sufficient to cover the payment of the interest or the principal of the AG Bonds, the Management Company will require to the o Dirección General del Tesoro y Política Financiera (General Directorate for the Treasury and Financial Policy) that it pays to the Treasury Account of the Fund at the charge of the Warranty referred to in section II.15.2 of this Prospectus, an amount equal to that paid as interest or principal of the AG Bonds.

Bearing into account that the amount to be received at the charge of the State Warranty may not be available on the Treasury Account of the Fund on the Payment Date for which the said Warranty is called for, payment of the interest of the AG Bonds will be made by means of a disposition of the Liquidity Line constituted for that purpose.

As soon as the Fund receives the amount pertaining to the State Warranty called for, he amount disposed of out of the Liquidity Line that will have served for interim payment of the interest of the AG Bonds will be reintegrated, and the part corresponding to the principal will be reintegrated to the Fund and added to the Available Assets destined for the payment of the amount of unpaid principal of the AG Bonds on the following Payment Date.

7. Remedies

Remedies against the debtors of the Loans.

The Fund, through the Management Company, will have as from the Assignment Date an executive action against the Assigned Debtors or those subject to obligations that default in their obligations of Payment of the Loans, which will exercise only in the event that the Administrator does adequately carry out its functions in accordance with the common uses existing to that effect. In any event, and for the case of the Mortgage Transfer Certificates the Management Company will be entitled, in the name of the Fund, to the exercise of all of the faculties provided for in Article 66 of Royal Decree 685/1982, of March 17, by which certain aspects of Law 2/1981, of March 25 on regulation of the financial market, are further developed.

The Fund, as creditor of the Loans, will have an executive action against the Assignor, provided always that the default in its obligations is not a consequence of the default in payment by the debtor in which Loan the Fund participates. The Fund will have a declarative action against the Assignor for the default in its obligations established in the Prospectus and in the Contracts of the operation. Once extinguished the Loans, the Fund, through the Management Company, will retain the action against the Assignor until the total fulfilment of its obligations.

Neither the Fund nor the holders of the Bonds, or the rest of creditors, will have any more remedies against the Assignor or against the Management Company respectively, than the action derived from the non-fulfilment of their respective functions and, therefore, never as a consequence of existence of default in payments or anticipated

Responsibility of the Management Company

The Management Company will be held responsible to the holders of the Bonds and the rest of creditors for all damages caused by the default in its obligations, as well as being subject to the supervision, inspection and, as the case may be, sanction regime by the Comisión Nacional del Mercado de Valores.

In particular, the holders of the Bonds will have an action against the Management Company in the event of default in its obligations, which will need to be exercised by means of a the declarative procedure (juicio declarativo) that is applicable by reason of the amount of the claim.

Remedies in the event of default in the payment of the Bonds issued against the Fund

The holders of the Bonds will not have a direct action against the Assigned Debtors as subject to the Payment of the Loans that may have defaulted in their payment obligations, being the Management Company, as the representative of the Fund creditor of the Loans, the one entitled to the exercise of such action.

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

The holders of the Bonds will not have any other remedies against the Management Company that the one action derived from the default in its own obligations, and therefore never as a consequence of the existence of default in the payments or anticipated amortisation of the Loans.

8. Liquidation and extinction of the Fund.

Accelerated Liquidation of the Fund.

The Management Company, prior communication to the Comisión Nacional del Mercado de Valores, will be entitled to proceed to the Accelerated Liquidation of the Fund and with it to the Accelerated Redemption, on a Payment Date, of the whole Issue of Bonds, (i) when the value of the Outstanding Balance of the Loans becomes less than 10 per cent of the initial capital principal of the Loans on the date of formation of the Fund, in accordance with the authorisation established in article 5.3 of Law 19/1992, and provided always that the payment obligations derived from the Bonds of each series can be met and cancelled in full in accordance with the Payment Priority Order, (ii) mandatory, if the Assignor should exercise the Acquisition Right over the whole of the Loans remaining within the Fund, in accordance with the provisions of section IV.1.7 of the Prospectus, which will be executable at any time after the moment in which the value of the Outstanding Balance of the Loans will become less than 10 per cent of the initial principal of the Loans on the date of formation of the Fund and provided always that the payment obligations derived from the Bonds of each series can be met and cancelled in full in accordance with the Payment Priority Order, or (iii) in the other Events of Accelerated Liquidation contained in section III.9.1 of the Prospectus, and with the requirements and procedures set forth in the said section.

Extinction of the Fund

The extinction of the Fund will occur as a consequence of the following circumstances:

- (i) By the full amortisation of the Loans it comprises.
- (ii) By the full redemption of the issued Bonds.
- (iii) By the completion of the procedure for anticipated liquidation contemplated in section III.9.1.
- (iv) In any event, by the definitive liquidation of the Fund on the Final Maturity Date.
- (v) In the event that the Rating Agency did not confirm the rating provisionally assigned as final before prior to the start of the Subscription Period, or in the case that the termination conditions of the Direction, Underwriting and Brokerage Contract for the Issue of the Bonds would concur.

9. Nature of this information

This information bears the nature of Complete Informative Prospectus (hereafter, the "Prospectus" or the "Informative Prospectus") to the effects of what is established in Royal Decree 926/1998, of May 14, and Royal Decree 291/1992, modified by Royal Decree 2590/1998 and other subsidiary regulations that may apply, and has been filed with the official registries of the Comisión Nacional del Mercado de Valores on October 28, 2003.

The Management Company, GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. which will form and administer the Fund is responsible for the contents of the Prospectus (without prejudice to the responsibility assumed by the other intervening entities, in accordance with the provisions of the applicable law).

Registration of the Prospectus by the CNMV does not imply a recommendation to the subscription or purchase of the Bonds or any pronouncing in any way about the solvency of the Fund or the profitability of the issue.

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CHAPTER I

PERSONS ASSUMING RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS AND SUPERVISING ORGANISMS TO THE SAME

I.1. Persons assuming responsibility for the contents of the Prospectus

I.1.1. Identification of the individuals that in the name of the issuers, assume responsibility for the contents of the Prospectus

Mr. Xavier Jaumandreu Patxot, General Manager of GESTICAIXA, SGFT, S.A., in accordance with the agreement reached by the Board of Directors of the Management Company on October 13, 2003, assumes in the name and in representation of the Management Company the responsibility for the contents of the Prospectus.

GESTICAIXA, SGFT, S.A. has its registered domicile in Barcelona, Avenida Diagonal, 621-629, and its CIF is A-58481227. It is registered in the Registro de Sociedades Gestoras de Fondos de Titulización (Registry of Securitisation Funds Management Companies) of the Comisión Nacional del Mercado de Valores with number 7.

I.2. Supervising Organisms

I.2.1. Mention to the filing of the issue with the Registros Oficiales Registries of the Comisión Nacional del Mercado de Valores.

This Prospectus has been filed with the Official Registries of the Comisión Nacional del Mercado de Valores (National Commission for the Securities Market) on date October 28, 2003.

The incorporation to the Registries of the Comisión Nacional del Mercado de Valores of the audit reports and the informative Prospectus only implies the recognition that they contain all the information required by the regulations that set out their contents, and in no case determine responsibility for the Comisión Nacional del Mercado de Valores due to lack of veracity of the information contained in them.

Registration of the Prospectus by the Comisión Nacional del Mercado de Valores will not imply a recommendation to the subscription or purchase of the Bonds to which it refers, or any pronouncing in any way about the solvency of the Assignor or the profitability of the issue.

I.3. Reports about the assets that constitute the assets of the Fund

Enclosed as Appendix 4 to this Prospectus is an Audit Report of the Loans for their grouping into the Fondo de Titulización de Activos (Assets Securitisation Fund) GC FTPYME PASTOR 1, prepared by the firm Deloitte & Touche España, S. L. for Banco Pastor, S.A., in order to comply with the provisions of article five of Royal Decree 926/1998.

The mentioned Report has been built using sampling techniques, which constitute a generally accepted method for the verification of the registries that an entity maintains in relation with a group of entries ("population"), and allow the extraction of a conclusion about the said population by means of the analysis of a number of entries smaller ("sample") than the total group. The reliability level indicates the probability that the real number of entries with deviations from a rule existing in a population does not

exceed a previously determined limit ("precision"). The size of the sample and the reliability level chosen determine that to the inexistence of errors in the sample corresponds a maximum of errors inferred for the population, always different from zero, which in the case of the sampling here referred to is of 1%.

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

The Management Company discloses that all Loans pooled into Fondo de Titulización de Activos (Assets Securitisation Fund) GC FTPYME PASTOR 1, the characteristics of which are stated in section IV.4 of this Prospectus, form part of the portfolio to the audit report of which is mentioned mention is made in this section

In accordance with article 2, 2. a) of Royal Decree 926/1998, of May 14, the Assignor has contributed to the file for the registration by the Comisión Nacional del Mercado de Valores (National Comisión for the Securities Market) the necessary accreditation documents.

CHAPTER II

INFORMATION RELATING TO THE SECURITIES BEING ISSUED

II.1. Information about requirements and necessary prior agreements.

II.1.1. Agreements of the Board of Directors, Granting of the Public Deed, and any other that may be necessary in accordance with the current legislation.

a) Company resolutions

Loans Assignment Agreement

The Board of Directors of Banco Pastor, S.A. in its meeting held on May 29, 2003, agreed to authorise the assignment to the Fund of Loans granted by Banco Pastor, S.A. (the “Assignor” in relation to the assignment of the Loans to the Fund) derived from bi-lateral Loans granted to all kind of non-financial companies domiciled in Spain, being at least 80% of the outstanding balance of the same intended to finance small and medium companies, understanding by as such that those defined in accordance with the European Commission (Recommendation of April 3, 1996 or any provision that may substitute it).

Likewise, the said agreement of Banco Pastor, S.A. foresees:

- The formation of the Fund under the regulation of Ministerial Order of December 28, 2001, modified by ECO Order/1064/2003 of April 29, on agreements for the Promotion of Assets Securitisation Funds to favour entrepreneurial financing (the “Orden de 28 de diciembre de 2001”).
- The adhesion of Banco Pastor to the Master Agreement for the collaboration with the Ministry of Economy that is established in the said Orden de 28 de diciembre de 2001, in, in order to determine the loans susceptible of assignment to the Fund.
- That the assignment of the Loans will be effected in a full and unconditional way for the period of time between the assignment date and that of maturity.
- That the assignment of the personal Loans will be formalised in a private document or in a Public Deed.
- That the assignment of the Loans with real state mortgage guaranty may be instrumented by the issue of the instruments contemplated in Law 2/1981, of March 25, on regulation of the Mercado Hipotecario (Mortgages Market) and/or in the Ley Financiera (Financial Law).

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

Formation of the Fund Agreement:

The Board of Directors of the Management Company in its meeting of October 13, 2003 agreed:

- i) The formation of GC FTPYME PASTOR 1, Fondo de Titulización de Activos, under the Ministerial Order of December 28, 2001, and in accordance with the legal regime established by Royal Decree 926/1998, by Law 19/1992, with regard to matters not contemplated in Royal Decree 926/1998 and is in as far as it becomes applicable, and in the rest of the current legal dispositions and regulations that may be applicable from time to time.

- ii) The grouping into the Fund of credit rights assigned by Banco Pastor derived from the Mortgage Loans and the Non-Mortgage Loans.
- iii) The issue of the Bonds against the Fund.

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

b) Covenants relating to the granting of the warranty

In accordance with the provisions of the Second section of the Orden de 28 de diciembre de 2001, on September 29, 2003, the Management Company has signed a Standard Covenant for the collaboration with Ministry of Economy.

Also, in accordance with the provisions of the Third section of the aforementioned Order, Banco Pastor ha signed on September 29, 2003, the Master Agreement for the collaboration with the Ministry of Economy with the purpose of determining the loans susceptible of assignment to the Fund.

c) Registration by the CNMV

The constitution formation of the Fund and the issue of the Bonds have as a prior requirement the registration of an informative Prospectus by the CNMV. The present Informative Prospectus of Formation of the Fund and Issue of the Bonds has been filed with the official registries of the CNMV on date October 28, 2003.

d) Granting of the deed of formation of the Fund.

Once registration by the CNMV of the present Informative Prospectus has been effected, and before the start of the Subscription Period for the Bonds, the Management Company together with Banco Pastor, will proceed to grant the deed of formation of "GC FTPYME PASTOR 1 Fondo de Titulización de Activos", and issue of the securitisation Bonds (the "**Deed of Formation of the Fund**"), in the terms provided for in Royal Decree 926/1998.

The Management Company will file a copy of the Deed of Formation of the Fund with the a la CNMV for its registration in the public registries prior to the start of the Subscription Period for the Bonds.

II.1.2. Information about the requirements and prior agreements for the admission to trading in the Stock Market or in the organized secondary market.

The Bonds issued against the Fund, will be represented exclusively by book entries and the Deed of Formation of the Fund will have the effects provided for in article 6 of the Ley del Mercado de Valores (Securities Market Law). The Management Company will apply, in representation and for account of the Fund, immediately upon the granting of the Deed of Formation, for the la inclusion of the Bonds in Iberclear, and once the disbursement of the Bonds has been made, for the la inclusion of the present issue of Bonds in AIAF, which is recognised as a secondary securities market of official character by Transitional Provision (Disposición Transitoria) 6th de of Law 37/1998, in such a way that trading, compensation and liquidation of Bonds is done in accordance with the operating rules established to that effect or that may be approved in the future by Iberclear and AIAF or any other entity that may substitute them. Definitive admission to quotation in AIAF is expected to happen no later than after one

month after the Disbursement Date, and in any event, must be effected before the first Payment Date (January 15, 2004).

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

In the event that, once the indicated term has elapsed, admission to trading of the Bonds in AIAF did not come to take place, the Management Company will proceed to bring it to the immediate knowledge of the holders of the Bonds, as well as the causes that may have provoked the failure, by means of the extraordinary notification procedure provided for in section III.6 of the Prospectus. All of which without prejudice to the eventual contractual responsibility that, as the case may be, the Management Company may incur.

II.2. Administrative authorization prior to the issue.

No administrative authorization of the issue of the Bonds is required other than the prior registration of the Prospectus by the CNMV.

La The CNMV no has not formulated any warning or made any consideration as regards the formation of the Fund and the issue of the Bonds.

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

II.3. Evaluation of the risk inherent to the Bonds

The Management Company and the Assignor have arranged the evaluation of the credit risk of the Bonds a with S & P, a rating entity recognised by the CNMV, to the effect of the provisions of article 2.3.b) Royal Decree 926/1998.

On date October 27, 2003, S & P has assigned the provisional rating to each of the Series de of Bonds that are here below indicated, and expects to grant the same final rating before the start of the Bonds Subscription Period.

Series of Bonds	S & P Rating
Series AG	AAA
Series AS	AAA
Series B	A
Series C	BBB

In the event that the Rating Agency did not confirm as final the provisional rating granted before the start of the Subscription Period, such circumstance would be immediately communicated to the CNMV and would be made public in the manner established in section III.5.2. Also, this circumstance would entail the termination of the Fund formation, of the Bonds issue and of the Loans assignment.

Within Appendix 3 to this Prospectus, is enclosed a copy of the letter of communication of the provisional rating granted by S & P.

Ratings granted by S & P.

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

	Long term	Short term
Investment Degree	AAA	
	AA +	
	AA	
	AA-	
	A +	
	A	
	A-	
	BBB +	
	BBB	
	BBB-	
Speculative degree	BB +	A-1+
	BB	A-1
	BB-	A-2
	B +	A-3
	B	B
	B-	C
	CCC +	
	CCC	
	CCC-	
	CC	
C	D	
D		

Below is a description of the meaning attributed by S & P to the ratings for long term and short term used in the present Informative Prospectus.

Long Term

AAA A debtor with an “AAA” rating has a extremely strong capacity for the fulfilment of its financial obligations. “. “AAA” is the maximum rating granted by S & P.

AA A debtor with an “AA” rating has a very strong capacity for the fulfilment of its financial obligations. The difference with the debtors with the maximum rating is only of a small degree.

A A debtor with an "A" rating has a strong capacity for the fulfilment of its financial obligations but is somewhat more susceptible to the adverse effects of changes in the economic circumstances than debtors in higher categories.

BBB A debtor with a "BBB" rating has an adequate capacity for the fulfilment of its financial obligations. However, it is more probable that adverse economic conditions or a change in the circumstances may lead to a weakening in the capacity of the debtor to fulfil its financial obligations.

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

Short Term

A-1: A debtor with an "A-1" rating has satisfactory capacity to meet its financial obligations. Is qualified in the highest S&P category. Within this category certain debtors are qualified with a (+) sign. This means that the debtor has an extremely strong capacity to meet its financial obligations.

A-2: A debtor with an "A-2" rating has a satisfactory capacity to meet its financial obligations. The reliability level is lower than that of issues rated "A-1".

Considerations about the Ratings

The rating granted to each of the Series of Bonds, is the opinion of the Rating Agency about the Credit Risk, the capacity of the Fund to duly meet the payment of the interest on each established Payment Date and the payment of the principal of the issue during the life of the operation and, in any event prior to or on the Final Maturity Date. The rating takes into account the structure of the Bonds issue, the legal aspects of the same and those of the issuing Fund, the characteristics of the Loans selected for their assignment to the Fund and the regularity and continuity of the flows of the operation.

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

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

- i) are formulated by the Rating Agency based on numerous information received by it, and about which it does not guarantee their exactitude, or that they are complete, and therefore the Rating Agency can in no way be held responsible for the same; and,
- ii) they do not constitute and, therefore, in no way could they be interpreted as an invitation, recommendation or provocation directed to investors so that they proceed to carry out any operation over the Bonds and, in particular, to acquire, keep, burden or sell the said Bonds.

The final rating granted can be revised, suspended or retired at any time by the Rating Agency, by reason of any information that comes to its knowledge. Such situations, which will not constitute events of anticipated liquidation of the Fund, will be immediately brought to the knowledge of both the CNMV and the holders of the Bonds, in accordance with the provisions of section III.6.

In order to carry out the rating and follow up procedure, the Rating Agency trusts in the exactitude and

complete nature of the information to be provided by Banco Pastor, the Management Company, the auditors, the lawyers and other experts.

Undertakings of the Management Company.

The Management Company, representing the Fund, undertakes to provide the Rating Agency with periodical information about the situation of the Fund and the behaviour of the Loans. It will also provide such information when it may be reasonably requested to do so and, in any event, when there existed a change in the conditions of the Fund, in the contracts arranged by it through its Management Company, or in the interested parties.

II.4. Nature and denomination of the issued de los Bonds emitidos

The total face value of the issue is two hundred-and-twenty-five million (225,000,000) euro, and it comprises three (3) Classes of Bonds: Class A divided into Series AG and AS, , Class B, integrated by Series B, Class C, integrated by Series C, as detailed in section II.6 below.

	N^{br} Bonds	Face Value	S & P	Warranty
Series "AG"	763	76,300,000	AAA	Yes
Series "AS"	1,307	130,700,000	AAA	No
Series "B"	68	6,800,000	A	No
Series "C"	112	11,200,000	BBB	No
Total	2,250	225,000,000		

Bonds of the Series B rank behind the Bonds of the Series AG and AS for the reimbursement of principal and interest in accordance with the provisions of the Payment Priority established in section V.4.

In turn, Bonds of the Series C rank behind the Bonds of the rest of Series for the reimbursement of principal and interest, in accordance with the provisions of the Payment Priority established in section V.4.

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

The Bonds have the juridical nature of negotiable fixed-income securities with explicit return, being subject therefore, to the regime established by the Ley del Mercado de Valores, and subordinate legislation thereto.

As provided for in section II.5 of this chapter, the Bonds will be represented by book entries. Holders of the Bonds will be identified as such according to the accounting registry kept by Iberclear, the corresponding participating entity being entitled to issue the legitimacy certificates upon request of the holders of the Bonds and to their cost, being of application to these effect the provisions of the Ley del Mercado de Valores and those in the fourth section of Chapter I, of Title I, of Royal Decree 116/1992, of

February 14, on representation of securities by book entries and compensation and liquidation of stock market operations (the “Royal Decree 116/1992”).

The Bonds may be freely transmitted by any means admitted under the Law and in accordance with the rules of the market in which they are quoted. Title over each Bond will be transmitted by accounting transfer. Inscription of the transfer in favour of the purchaser in the accounting registry will have the same effects as the handing over of the titles and as from the moment of the transmission onwards will be exceptionable against third parties. In this sense, the third party purchaser by onerous title of the Bonds represented by book entries in the name of a person that, according to the records of the accounting registry is entitled to transfer them, will not be subject to replevy, except in the case where such third party may have acted in bad faith or tortuously as established in article 12 of Royal Decree 116/1992.

To the end of covering up for the temporary gaps between the calendar of the principal and interest of the Loans flows and that of the Bonds of each Series, the Management Company, representing the Fund, will sign (i) a Contract for the Opening of an Account at Guaranteed Interest Rate (Treasury Account) with Caixa d’Estalvis i Pensions de Barcelona by which, among other, the amounts received by the Fund by transfers from the Collection Account will be invested, and (ii) a Contract for the Opening of an Account at Guaranteed Interest Rate (Collection Account) with Banco Pastor by which the Administrator will pay each month on each Collection Date the amount collected by the Administrator, in relation with the loans that it administers, during the previous natural month, as well as the amount of the Reserve Fund.

II.4.1. Differing frequency between the collection and payment flows of the Fund.

El The financial service of the Bonds is carried out based on the income flow of the Loans pooled into the Fund. The Fund receives its income on a monthly basis and makes its payments on a quarterly basis, the resources of the Fund remaining temporarily invested through the Collection Account and, in its case, through the Treasury Account as specified in section V.3.6 of this Prospectus. The Fund boasts global protections that cover up to a limit the risk shortage of resources of the Fund that have been considered by the Rating Agency for granting to the risk of the Bonds issue the rating referred to in section II.3 of this Prospectus.

II.4.2. Payment Priority.

Bond holders are subject with regard to the payment of interest and principal of the Bonds, to the payment priority order of the Fund described in section V.4 de of this Prospectus, (hereafter “Payment Priority Order”).

II.4.3. Other considerations about risk.

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

The holders of the Bonds issued against the Fund will run the risk of non payment of the Loans pooled into it, there existing compromises assumed in the Deed of Formation of the Fund that act as a protection and the functioning of which is described in section V.3 of this Prospectus.

The Assignor, in accordance with article 348 of the Código de Comercio, will be responsible to the Fund exclusively for the existence and legitimacy of the Loans in the terms and conditions declared in the Deed of Formation of the Fund, as well as of the identity in which it effects the assignment, but will not assume any responsibility for default in payment by the Debtors. Neither will it assume in any other way, responsibility in directly or indirectly securing the success of the operation, nor will it grant any guaranties of any kind.

II.4.3.3. Risk of prepayment of the Loans.

The Loans pooled into the Fund are liable to be amortised in advance when the debtors thereof prepay the outstanding balance of the principal.

The risk that the amortisation in advance would entail will be transferred quarterly, on each Payment Date, to the holders of the Bonds in accordance with the amortisation rules described in section II.11 of this Prospectus.

II.4.3.4. Other considerations.

Limited Protection: An investment in Bonds might be affected, among other things, by a worsening in the general economic conditions that have a negative effect over the payments of the Loans that back the issue of the Fund. In the case that the defaults would reach a high level they may reduce, or even eliminate, the protection against the losses in the portfolio of Loans boasted by the Bonds as a result of the credit enhancements described in section V.3. of this Prospectus. Notwithstanding the foregoing, holders of Bonds of the Series AG have their risk reduced by the existence of the State Warranty.

Limited Responsibility: The Bonds issued by the Fund do not represent an obligation of the Management Company or of the Assignor. The flow of resources used to meet the obligations originated by the Bonds is secured or guaranteed only in the specific circumstances and up to the limits expressed in this Prospectus. With the exception of the said guaranties, there are no others granted by any public or private entity, including the Assignor, the Management Company and any company affiliated to or participated by any of the foregoing. The Loans pooled into the Fund and the rights these carry constitute the only income source of the Fund and, therefore of payments to the holders of its assets.

Limited Liquidity: There is no guaranty that a trading for the Bonds will ever occur in the market with a minimum frequency or volume. Also in no case will the Fund be entitled to buy back the Bonds from the holders of the same, although they can be redeemed in advance in full in the event of accelerated liquidation of the Fund in the cases and in the terms established in section III.11 of this Prospectus.

Yield: The prepayment rate of the Loans may be influenced by a variety of geographical, economic and social factors, such as seasonality, the market interest rates, the economic sector distribution of the portfolio and in general, the rate of economic activity. The calculation of the internal rate of return, the average life and the duration of the Bonds is subject to hypothesis about prepayment rates which may not prove true.

Default Interest: In no event the existence of delays in the payment of the interest or the principal to the holders of the Bonds will give rise to the accrual of default interest in their favour.

II.5. Form of representation, denomination and registered office of the entity in charge of the accounting registry.

The Bonds issued against the Fund will be represented exclusively by book entries, and will be constituted as such by virtue of their registration in Iberclear as entity in charge of their accounting registry as established in article 11 of Royal Decree 116/1992. The Deed of Formation will have the effects laid out in article 6 of the Ley del Mercado de Valores.

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

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

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

II.6. Amount of the issue, face value in euro, number of Bonds and face value of each of them.

The total face value of the securitisation bonds will be an amount of two hundred twenty five million (225,000,000) euro represented by book entries. The Bonds will be issued in three Classes.

Class A, comprising two Series of Bonds:

763 Bonds AG, with a face value each of them of 100,000 euro, which represent a total of 76,300,000 euro.

1,307 Bonds AS, with a face value each of them of 100,000 euro, which represent a total of 130,700,000 euro.

Class B, comprising one Series of 68 B Bonds, with a face value each of them of 100,000 euro, which represent a total of 6,800,000 euro.

Class C, comprising one Series of 112 C Bonds, with a face value each of them of 100,000 euro, which represent a total of 11,200,000 euro.

The holding or subscription of one of the Classes or Series does not imply holding or subscription of Bonds of the other Classes or Series.

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

The issue price of each Bond will be one hundred thousand (100,000) euro, that is, the 100% of its face value.

The redemption price of each Bond will be one hundred thousand (100,000) euro, equivalent to its face value.

The Bonds of all the Series are denominated in euro. All taxes and expenses inherent to the issue of the Bonds will be borne by the Fund.

II.8. Fees and related expenses of all kind that must be borne by the subscribers upon subscription of the securities issued against the Fund.

The price of the issue mentioned above will be free of taxes and subscription expenses for the subscriber.

II.9. Fees payable by the holders of the Bonds.

The expenses of inclusion and exclusion of the Bond Issue in the accounting registry of Iberclear, will be borne by the Fund, and will not be passed onto the holders of the Bonds. Iberclear has no fees established with regard to maintenance of balances.

However, the entities participating in Iberclear may establish, in accordance with the current legislation, the fees and expenses, chargeable to the holder of the Bonds for the administration of securities, that they may freely determine, and that from time to time they communicate to the Banco de España (Bank of Spain) and/or to the CNMV as supervisory organism.

II.10. Interest rate clause.

II.10.1 Nominal interest rate

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

The resulting annual interest rate (hereinafter the “Nominal Interest Rate”) will be paid quarterly on each Payment Date, on the Outstanding Balance of the Principal of the Bonds of each Series on the preceding Determination, provided always that the Fund has sufficient liquidity in accordance with the payment priority order laid down in section V.4 of this Prospectus.

Withholding tax retentions, payments on account and taxes current or that may be established in the future on the principal, the interest or the return of the, will be borne exclusively by the holders of the Bonds and the amount thereof will be deducted by the Management Company, if applicable, in the name and for the account of the Fund, through the Paying Agent, in the legally established manner.

a) Accrual of Interest

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

By way of exception, the first Interest Accrual Period shall have a duration different from one quarter, which will be equivalent to the one running from the Disbursement Date, that is October 31, 2003 (included) and the first Payment Date, that is, January 15, 2004 (excluded) calculated upon the basis of a 360-day-year.

b) Nominal interest rate

The Nominal Interest Rate determined for each Interest Accrual Period will be the resulting from adding together:

- (i) The Euribor reference interest rate for three (3) months or, if necessary the one that substitutes it as described in section c) below, and
- (ii) A margin for each of the:
 - of 0% for the Series AG Bonds
 - of 0.25% for the Series AS Bonds
 - of 0.65% for the Series B Bonds
 - of 1.65% for the Series C Bonds

The margin applicable to the Bonds of each of the Series will be made public prior to the Disbursement Date by means of the announcement provided for in section III.6.3

The resulting Nominal Interest Rate resultant will be expressed in (4) decimals.

c) Determination of the Euribor reference interest rate

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

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

To these purposes, CET ("Central European Time") shall mean the official time of the city of Brussels.

- (ii) In the event that rate established in section (i) above could not be obtained, the substitute reference interest rate will be the resulting from calculating the simple arithmetic average of the interbank interest rates offered for non-transferable deposit operations denominated in euro with three months maturityeuro, on the Interest Rate Fixing Date, declared by the banking entities listed below (hereinafter the "Reference Entities"), prior simultaneous request to each of them made by the Management Company through the Paying Agent.

The Reference Entities shall be:

- Bankinter, S. A.

- Caja de Ahorros de Madrid
- Deutsche Bank, S. A .E.

In the event that the substitute reference interest rate above cannot be applied, by reason of any of the said Reference Entities not supplying, on a continuous basis, quotation declarations, the interest rate resulting from calculating the simple arithmetic average of the rates declared by at least two (2) of the remaining Reference Entities will be applied.

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

The Management Company shall listings of the contents of the Reuters EURIBOR01 and Telerate 248 screens or, if applicable, of the quotations declarations of the Reference Entities as accreditation documents of the reference interest rate determined.

d) Interest Rate Fixing Date

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

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

- Saturday;
- Sunday;
- non-working days in Barcelona, Madrid and La Coruña
- non-working days in the TARGET calendar;

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

The Nominal Interest Rate determined for each Series of Bonds for the successive Interest Accrual Periods will be communicated to the holder of the Bonds in the time and manner provided for in section III.6.3 of the Prospectus.

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

For merely informative purposes, data are provide below about the Euribor rates for three (3) months on the indicated dates, fixed in accordance with the provisions of section b) above, which will be used for the calculation of the Nominal Interest Rate for the first Interest Accrual Period) (source: Bloomberg).

Fixing Date	EURIBOR 3 months
10-04-2001	4.5540%
12-07-2001	4.4870%
10-10-2001	3.6240%
11-01-2002	3.3450%
11-04-2002	3.4140%
11-07-2002	3.4140%
11-10-2002	3.2590%
13-01-2003	2.8290%
11-04-2003	2.5220%
11-07-2003	2.1290%
30-09-2003	2.1280%

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

The Payment of interest accrued by the Series AG and AS Bonds ranks 4th in the payment priority order established in section V.4 of the Prospectus.

The Payment of interest accrued by the Series B Bonds ranks 5th in the payment priority order established in section V.4 of the Prospectus.

The Payment of interest accrued by the Series C Bonds ranks 6th in the payment priority order established in section V.4 of the Prospectus.

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

The interest of the Bonds of all Series will be paid, for complete quarters, on dates January 15, April 15, July 15 and October 15 of each year, until the full redemption thereof (each of these dates being a “Date of Payment”) by means of the procedure outlined in section II.12 of the Prospectus.

In the event that any of the dates established in the above paragraph were not a Business Day, the immediately following Business Day shall be the Payment Date, the interests corresponding to the concerned Interest Accrual Period, as described in section II.10.1.a), being accrued until the said Business Day, not inclusive.

In the event that it was necessary to make the payment on the immediately following Business Day by reason of the Payment Date falling on a non-working day, the following Interest Accrual Period will comprise from the date on which the corresponding payment is made (inclusive) until the next Payment Date (that is, the date January 15, April 15, July 15 and October 15 as the case may be), not inclusive. This way, the fact that a Payment Date falls on a non-working day will not provoke a change in the stipulated Payment Dates Calendar.

The first Interest Payment Date for the Bonds of all Series will be January 15, 2004, the interest being accrued at the corresponding Nominal Interest Rate from the Disbursement Date, inclusive, up to January 15, not inclusive.

The calculation of the interest to be paid on each Payment Date for each Interest Accrual Period will be made in accordance with the following formula:

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

Where:

I = Interest payable on a specific Payment Date.

P = Outstanding Balance of the principal of the Bonds on the Determination Date corresponding to that payment Date.

R = Nominal Interest Rate expressed as a yearly percentage.

d = Number of effective days corresponding to each Interest Accrual Period.

The interest payable to the holders of the Bonds of each Series, calculated as above provided for, and the amount of the interest accrued and not paid, will be made communicated in the manner described in section III.6.3 of the Prospectus at least one (1) Business Day before each Date of Payment.

The payment of the interest accrued by the Bonds will take place on each Payment Date provided always that the Fund has sufficient liquidity, in accordance with the payment priority order provided for in section V.4.

In the event that on a Payment Date the Fund could not meet the total or partial payment of the interest accrued by the any of the Series, in accordance with the payment priority order established in section V.4, the amounts that the holders of the Bonds had not received (not including the amounts disposed of at the charge of the State Warranty to cover the payment of interest the secured Series Bonds) will be paid on the next Payment Date. The delayed interest amounts shall not accrue any interest whatsoever in favour of the holders of the Bonds.

The Fund, through the Management Company, shall not be entitled to defer the interest payments of the Bonds after April 15, 2027, the Statutory Maturity Date of the Bonds or, should it not be a Business Day, the following Business Day.

The financial service of the Bonds issue is carried out through Caixa d'Estalvis i Pensions de Barcelona (hereinafter, in relation with this service, the "Paying Agent"), which will sign the Paying Agent Contract with the Management Company, in representation and for the account of the Fund.

II.11. Amortisation of the Bonds.

II.11.1. Redemption Price

The redemption price will be one hundred thousand (100,000) euro per bond, equivalent to their face value, free of expenses and taxes for the holder of the bond, payable progressively on each Payment Date for the principal, as established in the following sections.

Each and all of the Bonds of a particular Series will be amortised in equal measure by means of the reduction of the face value of each of them.

II.11.2. Common Characteristics of the Maturity and Amortisation of the Bonds of all Classes

The maturity of the Bonds will occur on the date on which they will be fully amortised or on the date of liquidation of the Fund.

The amortisation of the Bonds will be made on each Payment Date, that is, on dates January 15, April 15, July 15 and October 15 of each year (or, in the even of not being these Business Days, the following Business Day), in accordance with the provisions herein.

The amortisation of each Class of the Bonds will be made in a sequential manner: amortisation of Class A will start on the first Payment Date in accordance with the provisions further below; amortisation of Class B will start once Class A has been fully redeemed; and the amortisation of Class C will start once Class B has been fully redeemed.

The amortisation of the Bonds will be made in accordance with the provisions of this section. On each Payment Date, the amount that will be destined to the amortisation of the Bonds (“Funds Available for Amortisation”) will be equal to the smaller of the following amounts on the prior Fixing Date: (i) the available Funds once the first six(6) concepts in the payment Priority established in section V.4 of the present Prospectus have been covered, and (ii) the Amount Accrued for Amortisation, as defined below.

The “Amount Accrued for Amortisation” is equal to the positive difference between the Outstanding Balance of the Bonds Principal and the Outstanding Balance of the Assets.

Being the Outstanding Balance of the Principal Pending Payment of the Bonds the amount of the principal of the pending amortisation from time to time and the Outstanding Balance of the Assets the sum of the Amount of the Assets pending maturity and of the Amount of the Assets matured and not paid, not including Default Amounts. The Default Amounts are the unpaid amounts, that is due and not paid on their respective maturity date, including the outstanding principal, of those assets that meet any of the following conditions:

- (i) the corresponding Assigned Debtor has been declared bankrupt or, as the case may be, insolvent
- (ii) the Management Company considers, in accordance with the information supplied by the Administrator, that there exist no reasonable expectative to recover the same; or, in any event when
- (iii) the amounts remain unpaid during a period of eighteen (18) months.

In case that on a Payment Date and notwithstanding the established mechanisms for the protection of the rights of the Holders of the Bonds, the Available Resources of the Fund were not sufficient to meet all the obligations of the Fund as specified in section V.4., the amount available for the payment of interest or of principal will be distributed in accordance with the priority order established in the said section and in the event that the Available Resources were only sufficient to partially meet obligations that rank at the same level of priority, the available amount will be proportionally distributed among the Bonds concerned, in proportion to the Outstanding Balance of the Principal of the same, and the amounts that the Holders of the Bonds did not receive will be paid on the following Payment Date on which that is

possible, without accruing any additional interest. All of it without prejudice to the Warranty granted by the State to cover the insufficiencies in the payment of the principal and interest of the AG Bonds in accordance with the provisions of section V.3.7 of this Prospectus.

The pending payments to the holders of the Bonds will be made on the following Payment Date (should there exist Available Resources for it) ranking in the position immediately before the payments to the holders of Bonds of the same Series corresponding to that same period. The payment priority order is outlined in section V.4 of this Issue Prospectus.

The last scheduled amortisation date of the Loans pooled into the securitised portfolio is July 31, 2023.

II.11.3. Specific characteristics of the Amortisation of each of the Classes or Series of Bonds

II.11.3.1. Amortisation of the Principal of the Class A Bonds

The amortisation of the Series AG Bonds will be made on each Payment Date, pro rata among the A Bonds, by means of the reduction of the face value, until the said face value is completed for an amount equal to the proportion that the Series AG represents over the total of Class A of the Amount to be Amortised on the corresponding Payment Date, as defined in the section above and always subject to the priority order established in section V.4 of this Prospectus.

The amortisation of the Series AS Bonds will be made, on each Payment Date, pro rata among the A Bonds by means of the reduction of the face value until the said face value is completed for an amount equal to the total of the Amount to be Amortised on each Payment Date, as defined in the section above, minus the amount destined to the amortisation of Series AG on the said Payment Date, and always subject to the availability of resources of the Fund as provide for in section V.4 of this Prospectus.

II.11.3.2. Amortisation of the Principal of the Series B Bonds

The amortisation of the Series B Bonds will not start until the Bonds of the AG and AS Series have not been fully redeemed.

The amortisation of the Series B Bonds will be made, on each Payment Date, pro rata among the Bonds of this Class, by means of the reduction of the face value until the said face value is completed for an amount equal to 100% the Amount to be Amortised on the corresponding Payment Date, as this is defined in the section above and always subject to the priority order established in section V.4 of this Prospectus.

The Management Company will notify the holders of the Bonds, in the manner established in section III.6.3, the amount of the amortisation resulting in their favour and the Outstanding Balance of the Principal of each of the Series.

II.11.3.3. Amortisation of the Principal of the Series C Bonds

The amortisation of the Series C Bonds will not start until the Bonds of the B Series have not been fully redeemed.

The amortisation of the Series C Bonds will be made, on each Payment Date, pro rata among the Bonds of this Class, by means of the reduction of the face value until the said face value is completed for an amount equal to 100% the Amount to be Amortised on the corresponding Payment Date, as this is defined in the section above and always subject to the priority order established in section V.4 of this Prospectus.

The Management Company will notify the holders of the Bonds, in the manner established in section III.6.3, the amount of the amortisation resulting in their favour and the Outstanding Balance of the Principal of each of the Series

II.11.3.4 Accelerated redemption of the Bonds Issue.

Notwithstanding the obligation of the Fund, through its Management Company, to proceed to the final redemption of the Bonds on the Final Maturity Date or of the amortisation of each Series prior to the Final Maturity Date, the Management Company, prior notification to the CNMV shall be entitled to proceed to, or as the case may be, will proceed to the Accelerated Liquidation of the Fund and with that to the accelerated redemption of the Bonds and the extinction of the Fund, on a Date of Payment, of the whole Issue of Bonds, in accordance with the Events of Accelerated Liquidation and in any case according to the requirements detailed in section of the present Prospectus.

II.11.3.5 Final Maturity Date

The Final Maturity Date and, consequently, the definitive amortisation of the Bonds is October 15, 2023, or should this not be a Business Day, the following Business Day, without prejudice to the Management Company, acting in representation and for the account of the Fund, and y accordance with the provisions of sections II.11.3.1 and following, proceeding to redeem the Issue of Bonds prior to the Final Maturity Date.

II.12. Financial Service of the Fund

The Financial Service of the Bonds issue will be conducted through the Caixa d'Estalvis i Pensions de Barcelona, entity designated as Paying Agent in accordance with The Paying Agent Contract signed by Caixa d'Estalvis i Pensions de Barcelona, and for the account of the Fund, by the Management Company, by virtue of which all payments to be made by the Fund to the holders of the Bonds will be made through the Paying Agent. The payment of interest and of principal will be communicated to the holders of Bonds in the cases and with the days of prior notice established in section III.6.3 of this Prospectus.

a) Practical case of fixing of the Nominal Interest Rate

I accordance with the dispositions of section II.10.1 and in order to facilitate the comprehension by the subscriber of the system for the fixing of the Nominal Interest Rate and of the amount of the interest payable to each Bond on each Payment Date, the following reflects the calculation manner of the same. The calculation has been made taking, as an example, the following values: (i) an Euribor rate for three months of 2.128% (coincident with the Euribor rate for 3 months fixed and published on September 30, 2003), (ii) The margin applicable to the Bonds in accordance with section II.10.1 b) (that is, 0%, 0.25%, 0.65% and 1.65% respectively) and (iii) an Interest Accrual Period of 90 days.

(i) Interest payable to each Bond of the Series AG

- Euribor for 3 months rate: 2.128%
- Margin: 0%
- Amount of interest per Bond:

Interest Period per Bond: 90 days.
Outstanding Balance of Principal of the Bond: 100,000 euro.
Calculation of the interest accrued per Bond:

$$100,000 \times (2.128/100) \times (90/360) = 532,00 \text{ euro}$$

The amount of the interest payable per each Bond of the Series AG would be 532.00 euro over an Outstanding Balance of Principal of the Bond of 100,000 euro.

(ii) Interest payable to each Bond of the Series AS

- Euribor for 3 months rate: 2.128%
- Margin: 0.25%
- Amount of interest per Bond:

Interest Period per Bond: 90 days
Outstanding Balance of Principal of the Bond: 100,000 euro.
Calculation of the interest accrued per Bond:

$$100,000 \times (2.378/100) \times (90/360) = 594.50 \text{ euro}$$

The amount of the interest payable per each Bond of the Series AS would be 594.50 euro over an Outstanding Balance of Principal of the Bond of 100,000 euro.

(iii) Interest payable to each Bond of the Series B

- Euribor for 3 months rate: 2.128%
- Margin: 0.65%
- Amount of interest per Bond:

Interest Period per Bond: 90 days
Outstanding Balance of Principal of the Bond: 100,000 euro.
Calculation of the interest accrued per Bond:

$$100,000 \times (2.778/100) \times (90/360) = 694.50 \text{ euro}$$

The amount of the interest payable per each Bond of the Series B would be 694.50 euro over an Outstanding Balance of Principal of the Bond of 100,000 euro.

(v) Interest payable to each Bond of the Series C

- Euribor for 3 months rate: 2.128%

- Margin: 1.65%
- Amount of interest per Bond:

Interest Period per Bond: 90 days

Outstanding Balance of Principal of the Bond: 100,000 euro.

Calculation of the interest accrued per Bond:

$$100.000 \times (3.778/100) \times (90/360) = 944.50 \text{ euro}$$

The amount of the interest payable per each Bond of the Series C would be 944.50 euro over an Outstanding Balance of Principal of the Bond of 100,000 euro.

b) Financial service of the debt table

The main feature of the assets securitisation bonds is their periodical amortisation, due to which their average life and duration depend mainly on the speed with the Assigned Debtors decide to repay their respective Loans.

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

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

- (i) that the prepayment rate of the Assets remains constant within the scenarios of 0%, 5%, and 10%, range in which the Management Company, in the name of the Fund, has estimated to cover the maximum and minimum probable prepayment limits;
- (ii) that no Assigned Debtor will default during the life of the Fund in its payment obligations under its corresponding Loan.
- (iii) that the Management Company exercises its Accelerated Redemption option established in section II.11.3.4.
- (iv) that the Disbursement Date falls on October 31, 2003 and that the payment Dates fall on the dates January 15, April 15, July 15 and October 15 of each year (assuming that all of them are Business Days).

The actual adjusted duration of the Bonds will also depend on their floating interest rate, and in all the tables included in this section they are assumed to remain constant in 2.128% for Bonds of the Series AG, 2.378% for the Bonds of the Series AS, 2.778% for the Bonds of the Series B and in 3.778% for the Bonds of the Series C (rates calculated based on Euribor for three months published on September 30, 2003: 2.128% plus a margin).

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

	Annual Constant Prepayment Rate		
	0%	5%	10%
SeriesAG			
Duration	3,817	3,308	2,873
Average Life	4,010	3,460	2,990
Maturity	15/04/2011	15/01/2011	15/07/2010
Gross I.R.R.	2.182%	2,188%	2.194%
SeriesAS			
Duration	3,796	3,291	2,860
Average Life	4,010	3,460	2,990
Maturity	15/04/2011	15/01/2011	15/07/2010
Gross I.R.R.	2.436%	2.442%	2.448%
SeriesB			
Duration	6,876	6,670	6,245
Average Life	7,560	7,310	6,800
Maturity	15/04/2011	15/01/2011	15/07/2010
Gross I.R.R.	2.828%	2.828%	2.830%
SeriesC			
Duration	6,664	6,471	6,071
Average Life	7,560	7,310	6,800
Maturity	15/04/2011	15/01/2011	15/07/2010
Gross I.R.R.	3.908%	3.908%	3.910%

In the above table,

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

$$V = \frac{\sum(P \times d)}{T} \times \frac{1}{360}$$

Where:

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

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

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

T = Total face value of the Bonds in euro

- “**Duration of the Bonds**”, is defined as the weighted average of time periods in which a security generates any kind of revenue stream, being the weighting the current value of

each stream divided by the price of the security, calculated in accordance with the following formula (adjusted Macaulay formula):

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

where:

D = Duration of the Bonds expressed in years.

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

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

PE = Price of the issue of Bonds, 100,000 euro.

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

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

$$100.000 = \sum_{i=1}^N Ai(1+r)^{-(nd/360)}$$

Where:

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

A_i = Total amounts of amortisation and interest the investors will receive. (A₁.....A_N)

nd = Number of days elapsed between the Disbursement Date of the issue and days 15 of January, April, July and October of each year, not.....)25.

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

- The prepayment rates of the Assets are assumed to remain constant on 0%, 5% and 10% respectively, throughout the life of the debt, whereas the actual prepayment rates change constantly.
- The Outstanding Balance of Principal of the Bonds on each Payment Date and the interest payable on each of them will depend on the actual prepayment rate existing in the Assets portfolio.
- The margin used for the calculation of the interest rates of the Bonds is 0%, 0.25%, 0.65% and 1.65% respectively.
- The interest rates of the Bonds are assumed constant in 2.128% for Bonds of the Series AG, 2.378% for Bonds of the Series AS, 2.778% for Bonds of the Series B and 3.778% for Bonds of the Series C, equivalent to Euribor for three months published on September 30, 2003: 2.128% plus a margin, whilst all the series have floating interest rates.

- The hypothetical values mentioned at the beginning of this section are assumed in all cases.
- It is assumed that the Management Company, in representation and for the account of the Fund, will exercise the accelerated redemption option established in the first paragraph of section II.11.3.4.

For the said purposes in the following Financial Service tables,

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

IMPORTANT NOTE FOR THE INVESTOR

Information presented in the following tables appear only with illustrative purposes, the amounts not representing any specific payment obligation to third parties by the Fund on the corresponding dates or periods to which they refer. Data have been elaborated under hypothesis of default rates and amortisation of the Loans and of interest rates, subject to continuous changes, and as a consequence, all investors interested in knowing the intended payment calendar of the Fund in each specific Date must request the relevant information from those institutions authorised to distribute it, Management Company, AIAF Market and Comisión Nacional del Mercado de Valores. Notwithstanding, the said information can also be requested through the Insuring Entities and others active in the secondary market. As indicated in section V.2 of this Prospectus, the Management Company undertakes to publish the respective information.

CASH FLOWS PER BOND WITH A CONSTANT PREPAY RATE OF 0%												
(Formation Date October 28, 2003 – Disbursement Date October 31, 2003 – Euribor for three months: 2.128%)												
Payment Date	Series AS			Series AG			Series B			Series C		
	Amort. Ppal.	Gross Inter.	Total Flow	Amort. Ppal.	Gross Inter	Total Flow	Amort. Ppal.	Gross Inter	Total Flow	Amort. Ppal.	Gross Inter	Total Flow
15/01/04	1,988	502	2,490	1,988	449	2,438	0	586	586	0	798	798
15/04/04	3,009	589	3,598	3,009	527	3,536	0	702	702	0	955	955
15/07/04	3,040	571	3,611	3,040	511	3,551	0	702	702	0	955	955
15/10/04	3,072	559	3,631	3,072	500	3,572	0	710	710	0	965	965
15/01/05	3,104	540	3,644	3,104	483	3,587	0	710	710	0	965	965
15/04/05	3,136	510	3,646	3,136	456	3,592	0	695	695	0	945	945
15/07/05	3,169	497	3,666	3,169	445	3,613	0	702	702	0	955	955
15/10/05	3,202	483	3,685	3,202	432	3,634	0	710	710	0	965	965
15/01/06	3,235	464	3,699	3,235	415	3,650	0	710	710	0	965	965
15/04/06	3,269	434	3,703	3,269	389	3,658	0	695	695	0	945	945
15/07/06	3,303	419	3,723	3,303	375	3,679	0	702	702	0	955	955
15/10/06	3,338	404	3,742	3,338	361	3,699	0	710	710	0	965	965
15/01/07	3,372	384	3,756	3,372	343	3,716	0	710	710	0	965	965
15/04/07	3,408	355	3,763	3,408	318	3,726	0	695	695	0	945	945
15/07/07	3,443	339	3,782	3,443	303	3,746	0	702	702	0	955	955
15/10/07	3,479	322	3,801	3,479	288	3,767	0	710	710	0	965	965
15/01/08	3,515	300	3,816	3,515	269	3,784	0	710	710	0	965	965
15/04/08	3,552	276	3,828	3,552	247	3,799	0	702	702	0	955	955
15/07/08	3,589	255	3,844	3,589	228	3,817	0	702	702	0	955	955
15/10/08	3,627	236	3,862	3,627	211	3,838	0	710	710	0	965	965
15/01/09	3,665	214	3,878	3,665	191	3,856	0	710	710	0	965	965
15/04/09	3,703	187	3,890	3,703	168	3,870	0	695	695	0	945	945
15/07/09	3,741	167	3,908	3,741	149	3,891	0	702	702	0	955	955
15/10/09	3,780	146	3,927	3,780	131	3,911	0	710	710	0	965	965
15/01/10	3,820	123	3,943	3,820	110	3,930	0	710	710	0	965	965
15/04/10	3,860	98	3,958	3,860	87	3,947	0	695	695	0	945	945
15/07/10	3,900	76	3,976	3,900	68	3,968	0	702	702	0	955	955
15/10/10	3,941	53	3,994	3,941	47	3,988	0	710	710	0	965	965
15/01/11	3,982	29	4,011	3,982	26	4,008	0	710	710	0	965	965
15/04/11	758	5	762	758	4	762	100,000	695	100,695	100,000	945	100,945
Total	100,000	9,535	109,535	100,000	8,532	108,532	100,000	21,012	121,012	100,000	28,576	128,576

CASH FLOWS PER BOND WITH A CONSTANT PREPAY RATE OF 5%												
(Formation Date October 28, 2003 – Disbursement Date October 31, 2003 – Euribor for three months: 2.128%)												
Payment Date	Series AS			Series AG			Series B			Series C		
	Amort. Ppal.	Gross Inter.	Total Flow	Amort. Ppal.	Gross Inter	Total Flow	Amort. Ppal.	Gross Inter	Total Flow	Amort. Ppal.	Gross Inter	Total Flow
15/01/04	2,905	502	3,407	2,905	449	3,354	0	586	586	0	798	798
15/04/04	4,305	584	4,889	4,305	522	4,827	0	702	702	0	955	955
15/07/04	4,243	558	4,800	4,243	499	4,742	0	702	702	0	955	955
15/10/04	4,181	538	4,719	4,181	482	4,662	0	710	710	0	965	965
15/01/05	4,120	513	4,633	4,120	459	4,579	0	710	710	0	965	965
15/04/05	4,060	477	4,537	4,060	427	4,487	0	695	695	0	945	945
15/07/05	4,001	458	4,459	4,001	410	4,411	0	702	702	0	955	955
15/10/05	3,942	439	4,381	3,942	393	4,335	0	710	710	0	965	965
15/01/06	3,884	415	4,299	3,884	371	4,256	0	710	710	0	965	965
15/04/06	3,827	383	4,210	3,827	342	4,170	0	695	695	0	945	945
15/07/06	3,771	364	4,135	3,771	326	4,097	0	702	702	0	955	955
15/10/06	3,715	345	4,060	3,715	309	4,024	0	710	710	0	965	965
15/01/07	3,660	322	3,983	3,660	288	3,949	0	710	710	0	965	965
15/04/07	3,606	294	3,900	3,606	263	3,869	0	695	695	0	945	945
15/07/07	3,553	275	3,828	3,553	246	3,799	0	702	702	0	955	955
15/10/07	3,500	257	3,756	3,500	230	3,729	0	710	710	0	965	965
15/01/08	3,447	235	3,683	3,447	211	3,658	0	710	710	0	965	965
15/04/08	3,396	212	3,608	3,396	190	3,586	0	702	702	0	955	955
15/07/08	3,345	192	3,536	3,345	172	3,516	0	702	702	0	955	955
15/10/08	3,294	173	3,468	3,294	155	3,450	0	710	710	0	965	965
15/01/09	3,245	153	3,398	3,245	137	3,382	0	710	710	0	965	965
15/04/09	3,195	131	3,326	3,195	117	3,312	0	695	695	0	945	945
15/07/09	3,146	113	3,259	3,146	101	3,248	0	702	702	0	955	955
15/10/09	3,098	95	3,193	3,098	85	3,183	0	710	710	0	965	965
15/01/10	3,050	76	3,127	3,050	68	3,119	0	710	710	0	965	965
15/04/10	3,003	57	3,059	3,003	51	3,053	0	695	695	0	945	945
15/07/10	2,956	39	2,995	2,956	35	2,991	0	702	702	0	955	955
15/10/10	2,909	22	2,930	2,909	19	2,928	0	710	710	0	965	965
15/01/11	642	4	645	642	3	645	100,000	710	100,710	100,000	965	100,965
Total	100,000	8,224	108,224	100,000	7,360	107,360	100,000	20,318	120,318	100,000	27,632	127,632

CASH FLOWS PER BOND WITH A CONSTANT PREPAY RATE OF 10%

(Formation Date October 28, 2003 – Disbursement Date October 31, 2003 – Euribor for three months: 2.128%)

Payment Date	Series AS			Series AG			Series B			Series C		
	Amort. Ppal.	Gross Inter.	Total Flow	Amort. Ppal.	Gross Inter	Total Flow	Amort. Ppal.	Gross Inter	Total Flow	Amort. Ppal.	Gross Inter	Total Flow
15/01/04	3,863	502	4,365	3,863	449	4,312	0	586	586	0	798	798
15/04/04	5,629	578	6,207	5,629	517	6,146	0	702	702	0	955	955
15/07/04	5,436	544	5,980	5,436	487	5,923	0	702	702	0	955	955
15/10/04	5,249	517	5,766	5,249	463	5,711	0	710	710	0	965	965
15/01/05	5,067	485	5,552	5,067	434	5,501	0	710	710	0	965	965
15/04/05	4,891	444	5,335	4,891	398	5,288	0	695	695	0	945	945
15/07/05	4,720	420	5,140	4,720	376	5,096	0	702	702	0	955	955
15/10/05	4,554	396	4,950	4,554	354	4,908	0	710	710	0	965	965
15/01/06	4,393	368	4,761	4,393	330	4,722	0	710	710	0	965	965
15/04/06	4,237	334	4,571	4,237	299	4,536	0	695	695	0	945	945
15/07/06	4,085	312	4,398	4,085	280	4,365	0	702	702	0	955	955
15/10/06	3,938	291	4,229	3,938	260	4,199	0	710	710	0	965	965
15/01/07	3,796	267	4,063	3,796	239	4,035	0	710	710	0	965	965
15/04/07	3,658	239	3,897	3,658	214	3,871	0	695	695	0	945	945
15/07/07	3,524	219	3,743	3,524	196	3,720	0	702	702	0	955	955
15/10/07	3,394	200	3,594	3,394	179	3,573	0	710	710	0	965	965
15/01/08	3,268	180	3,448	3,268	161	3,429	0	710	710	0	965	965
15/04/08	3,146	158	3,304	3,146	141	3,287	0	702	702	0	955	955
15/07/08	3,027	139	3,166	3,027	125	3,152	0	702	702	0	955	955
15/10/08	2,912	122	3,035	2,912	109	3,022	0	710	710	0	965	965
15/01/09	2,801	105	2,905	2,801	94	2,894	0	710	710	0	965	965
15/04/09	2,693	86	2,778	2,693	77	2,769	0	695	695	0	945	945
15/07/09	2,588	70	2,658	2,588	63	2,651	0	702	702	0	955	955
15/10/09	2,486	56	2,541	2,486	50	2,535	0	710	710	0	965	965
15/01/10	2,387	40	2,427	2,387	36	2,423	0	710	710	0	965	965
15/04/10	2,291	25	2,316	2,291	23	2,313	0	695	695	0	945	945
15/07/10	1,970	12	1,981	1,970	11	1,980	100,000	702	100,702	100,000	955	100,955
Total	100,000	7,110	107,110	100,000	6,363	106,363	100,000	18,898	118,898	100,000	25,701	125,701

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

The Internal Rate of Return (IRR) for the subscriber must consider the date and price of purchase of the Bond, the quarterly payment of the coupon, the amortisations, both in accordance to the forecasted calendar and the prepayments, and a given hypothesis of Prepayment Rate.

By way of example, on the Disbursement Date, under the assumption of a Nominal Interest Rate, indicated here below, for each Bond constant for the whole life of the Fund, paid by complete quarters, a price per Bond of 100% and using the theoretical amortisation table included in section II.13., which derives from the application to the Loans portfolio of the hypothesis of repayment rates (0%, 5% and 10%), the Internal Rates of Return (IRR) for the subscriber would be the following:

	Annual constant Prepayment Rate		
	0%	5%	10%
Series AG			
Gross I.R.R.	2.182%	2.188%	2.194%
Series AS			
Gross I.R.R.	2.436%	2.442%	2.448%
Series BS			
Gross I.R.R.	2.828%	2.828%	2.830%
Series C			
Gross I.R.R.	3.908%	3.908%	3.910%

The formula used for the calculation is the following:

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

being,

N= Face value of the Bond.

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

dn= Days elapsed between the Disbursement Date the issue and each Payment Date.

an= a1,.....,an. Total amounts of amortisation and interest to be paid quarterly to the investors.

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

II.14. Effective forecasted interest for the Issuer.

The *effective interest* has been calculated using the same formula as for the calculation of the Internal Rate of Return for the holder of the Bonds, adding the initial and periodical expenses of the Fund to the

flow of payments made by it to the holders of the Bonds, according with the information contained in the table shown in section V.1 of this Prospectus.

The forecasted initial expenses are the following:

1) Formation Expenses

C.N.M.V. fees	38,250.00
AIAF fees	13,050.00
Iberclear fees	1,271.36
Rating Entities, Legal Advisors, Auditors, Notary fees and Publications	186,430.81
Subtotal	239,002.17
Underwriting and Brokerage Fee	65.350,00
Subtotal	65.350,00
Total	304.712,17

Any expenses originated due to the liquidation of the Fund will be borne by it.

The Effective Interest rate forecasted for the Issuer, under the hypothesis indicated in section V.1.1 and in a scenario of PR of 0% is 2.4957%.

II.15. Special Guaranties over the Loans and over the Bonds.

II.15.1 Guaranties over the Loans

There are no especial guaranties granted by Banco Pastor, as Assignor, over the Bonds being issued Fund or over the Loans pooled into it, except for the compromises of Banco Pastor that are described in section IV.1.6 of this Prospectus in relation with the substitution of the Loans and Mortgage Transfer Certificates that, should that be the case, did not conform with the declarations contained in section IV.1.6 of the present Prospectus or with the specific characteristics of the Loans communicated by Banco Pastor to the Management Company, and for the provisions of section IV.1.7 in relation with the Acquisition Right over the whole portfolio of outstanding Loans in certain cases.

II.15.2 Guaranties over the Bonds. The State Warranty

By means of a Ministerial Order to be signed on the date of formation of the Fund, the Ministry of Economy will grant a Warranty to the Fund for a maximum amount of 76,300,000 euro, equivalent to the face value of the Series AG Bonds plus the interest corresponding to the said face value of this Series, in accordance with the following (hereinafter the "Warranty" or the "State Warranty"):

The Warranty will secure, with a waiver to the benefit of discussion established in article 1,830 of the Civil Code, the payments of the principal and the interest of the AG Bonds.

The Warranty will remain valid and with full effects until the total redemption of the payment

obligations derived from the Series AG Bonds de la Series AG. In any event, the Warranty will expire on April 15, 2027, or if the said date were not a Business Day, on the first Business day immediately after.

The validity of the Warranty is conditional on (i) the registration present Informative Prospectus by the CNMV, (ii) the granting of the Public Deed of Formation of the Fund, (iii) the confirmation as final by the Rating Agency, prior to the opening of the Subscription Period, of the provisional Rating granted to each of the Series (iv) that it does not cause the termination of the Direction, Underwriting and Brokerage Contract for the Bonds Issue, and (v) the submission of the documents mentioned in the next paragraph.

The Management Company must submit to the Dirección General del Tesoro y Política Financiera (General Directorate for the Treasure and Financial Policy): (i) a specimen of the Informative Prospectus; (ii) an authorised copy of the Deed of Formation; (iii) a certificate issued by Banco Pastor declaring that the Loans are loans that conform with all the conditions laid down in the Master Agreement for collaboration annexed to the Orden de 28 de diciembre de 2001 and that all of them are Loans granted to SMEs in accordance with the European Commission Recommendation of April 3, 1996 or any regulation that may substitute it; (iv) a copy of the letter of the Rating Agency granted to each of the Series of the Bonds; and (v) an authorised copy of the deed of disbursement of the Bonds subscription executed by the Management Company.

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

The Warranty will be executed in the event that the Available Resources of the Fund (as defined in the deed of Formation of the Fund), once the payments ranking higher in accordance with the payment priority order had been made, were not sufficient to cover the payment of the interest or principal of the AG Bonds AG in the corresponding Payment Dates. Should that be the case, the Management Company will immediately notify the amount to be paid by the State to the Dirección General del Tesoro y Política Financiera, which will, prior verification, proceed to the payment through the Treasury Account Opened in the name of the Fund in the Paying Agent. The payment, in its case, of the required amounts by virtue of the Warranty, will be made by the Dirección General del Tesoro y Política Financiera within the period of 90 days counting from the reception of the written requirement of the Management Company, by means of a payment into the Treasury Account.

The Management Company, in the name of the Fund, will have at its disposal the Liquidity Line, as established in section V.3.7 of the present Prospectus, in order to advance to the holders of the Bonds of the warranted Series the amounts that the State must pay to the Fund upon each execution of the Warranty. The amounts later received by the Fund from the State in execution of the Warranty will be destined to the refund of the amounts disposed of at the charge of the Liquidity Line.

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

The constitution and granting of the Warranty shall not bear any fee.

The Management Company will certify to the Dirección General del Tesoro y Política Financiera and to the Dirección General de Política de la Pequeña and Mediana Empresa (General Directorate of Policy for the Small and Medium Enterprises), at the end of the closing of each economic exercise and on each Payment Date, the Outstanding Balance of Principal of the issue and, if applicable, the date(s) of the prepayment(s) and the amount(s) not scheduled that, in such case, may affect the said Outstanding Balance of the Principal. Such information will be submitted by the Management Company on an aggregated manner.

The amounts paid by the State by virtue of Warranty will constitute an obligation of the Fund in favour of the State, in accordance with the priority order established in the Deed of Formation of the Fund, which is described in section V.4 of this issue Prospectus.

Notwithstanding, in the event that there existed any amounts pending refund to the State as a consequence of its contribution of resources by virtue of the Warranty granted to the AG Bonds, the Available Resources will be applied to the refund of the said contributions in a proportion equal the one which, at the Date of Formation of the Fund, the AG Bonds represent over the Class A Bonds, all of which in accordance with the Payment Priority Order established in the Public Deed of Formation established in section V.4 of this Prospectus.

The Warranty will be cancelled on the date on which the AG Bonds are fully redeemed, and in any event will expire on April 15, 2027.

II.16. Circulation of the securities.

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

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

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

In accordance with the Second article, number 3, of Royal Decree 926/1998 and with the dispositions of the Orden de 28 de diciembre de 2001, the Management Company will apply, once the disbursement of the Bonds has been made, for the inclusion of the present Bonds Issue in AIAF, which has the recognition as to its character of official secondary securities market in accordance with the regulations of the sixth Transitory Provision of Law 37/1998 of November 16, on reformation of the Ley del Mercado de Valores (Securities Markets Law). The Management Company undertakes that the definitive admission to trading happens no later than alter one month counting from the Disbursement Date and, in any event must occur before the first Payment Date(January 15, 2004).

The Management Company expressly states that it is aware of the requirements and conditions demanded for the admission, permanence and exclusion of securities in AIAF according with the current legislation and the requirements of its direction organisms, undertaking the Management Company, for the account of the Fund, to abide by them.

In the event that there was a default in the said time limit for the admission of the Bonds to trading, the Management Company undertakes to publish in a national distribution newspaper, both the reasons for the default and the new date forecasted for the admission to trading of the issued securities, all of which without prejudice to the eventual contractual responsibility that, as the case may be, the Company may incur.

II.18. Subscription or purchase requests.

II.18.1. Target pool of Investors.

The Brokerage of the Bonds of all the Series is targeted to institutional investors, whether juridical persons or non-personality patrimonies, such as pensions funds, collective investment institutions, insurance entities, credit entities, securities companies or entities authorised in accordance with articles 64 and 65 of the Ley del Mercado de Valores for the management of third-party portfolios, that on a professional and customary basis carry out investments in negotiable securities.

In the case of entities authorised for the management of securities portfolios, the requests for subscription or acquisition will be made by these entities for the account of the investors that may have previously the signed the corresponding securities portfolio management contract with the said entities.

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

There is no guaranty that for the Bonds a trading will ever occur in the market with a minimum frequency or volume. Also, in no case the Fund will be entitled to buy-back the Bonds from the holders thereof, although they may be redeemed in full in the event of accelerated liquidation of the Fund in the cases and according to the terms established in section III.11 of this Prospectus.

Effects of the subscription for the holders of the Bonds: The subscription of the Bonds implies for each holder of the Bonds acceptance of the terms of the Deed of Formation.

II.18.2. Legal status of the Bonds to be issued

The Bonds object of this issue have the following legal status, to the effect that they may be held by certain investors once they are admitted to trading in AIAF:

- i) The Series AG and AS Bonds, meet the selection criteria to be admitted as guaranty assets in operations with the Central European Bank, (Arrangement of the Central European Bank of august 31, 2000).

- ii) Be suitable for the investment by insurance entities in fulfilment of their obligations about technical reserves, in accordance with article 50.5 of the Reglamento de Ordenación and Supervisión de los Seguros Privados (Regulation for the Arrangement and Supervision of Private Insurance) approved by Royal Decree 2486/1998, of November 20.
- iii) Be suitable for the investment of the Technical Provisions Fund of the Mutual Guarantee Schemes, in accordance with Law 1/1994, of March 11 on the Legal Regime of the Mutual Guarantee Schemes, and Royal Decree 2345/1996, of November 8, relating to the administrative authorisation rules and solvency requirements for the Mutual Guarantee Schemes.
- iv) Be suitable for the investment of Pensions Funds in accordance with the provisions of article 34 of Royal Decree 1307/1988, of September 30, by which the Reglamento de Planes y Fondos de Pensiones (Regulation for the Pensions Plans and Funds) is approved.
- v) Be suitable for the investment of the patrimony of the Collective Investment Institutions in accordance with the particular rules established for each of them by articles 4, 10, 18, 25 of Law 46/1984, of December 26, regulating the Collective Investment Institutions, and in its subsequent development regulations, and with Royal Decree 91/2001, of February 2, by which Royal Decree 1393/1990, of November is partially modified.
- vi) The SeriesAG Bonds are suitable for the investment of the Movables Investment in State Debt Funds “Fondtesoro Renta FIM”, Monetary Market State Debt Related Assets Investment Funds “Fondtesoro Renta FIAMM” and Movables Investment in State Debt Funds “Fondtesoro Plus FIM”, all of which in the terms provided for in the Order of May 28, 1999, which modifies the Order of June 7, 1990, on the rules about subscription of Collaboration Covenants relating to Funds for the Investment in State Debt.

II.18.3. Subscription period.

The subscription period will last two (2) hours, between 12:00 hours and 14:00 hours of the second (2nd) Business Day prior to the Disbursement Day, which will also be the day in which the fixing of the interest rate will take place.

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

The subscription requests, in order to be considered, must be made during the Subscription Period established in the previous section, to Banco Pastor and Société Générale, Sucursal en España in their capacity as underwriting and Brokerage entities of the Bonds issue (the “Underwriting and Brokerage Entities”), in accordance with the procedures established below in this section.

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

II.18.5 Brokerage and allotment of the securities.

The Brokerage of the Bonds issue will be made as detailed below:

	Nbr Bonds	Face Value
Series AG	763	76,300,000
Series AS	1,307	130,700,000
Series B	68	6,800,000
Series C	112	11,200,000
Total	2,225	225,000,000

The Underwriting and Brokerage Entities will freely proceed to the acceptance or not of the subscription requests received, ensuring in all cases that there is no discriminatory treatment among requests with similar characteristics. Notwithstanding, the Underwriting and Brokerage Entities may give priority to the requests of those among their clients that they deem more appropriate and even subscribe for their own account each of the Bonds Series in part or in full.

Each Underwriting and Brokerage Entity undertakes to subscribe in its own name, at the end of the Subscription Period, the amount of Bonds necessary to complete the amount of its underwriting compromise as determined in section II.19.1 of the present Chapter.

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

II.18.6 Form and dates for effecting the disbursement.

The investors to whom the Bonds are allotted, shall pay to the corresponding Underwriting and Brokerage Entity on date October 31, 2003 (the "**Disbursement Date**"), prior to 10:30 hours (CET), with value that same day, the issue price (100% of their face value) corresponding to each Bond allotted for subscription.

II.18.7 Form and time of provision to the subscribers of copies of the subscription bulletins or provisional vouchers thereof, specifying their negotiability and maximum period of validity.

The Underwriting and Brokerage Entities will provide to the subscribers of the Bonds a documentary proof of the subscription by them of the Bonds allotted as well as of the effective amount disbursed by them for the said subscription, without prejudice to title over the Bonds being verified by means of the corresponding entry in the accounting registry.

The said documentary proof will not be negotiable and will be valid for the verification of the subscription of the corresponding Bonds, until the entry is made in the accounting registry as provided for in section II.5 of the present Prospectus.

II.19 Entities participating in the Brokerage or marketing indicating their different roles, with a description of the same in a concrete manner. Global amount of the fees agreed among the different distributors and the la Management Company.

II.19.1 Underwriting and Brokerage Entities of the Bonds Issue.

The Brokerage of the Bonds of each Series will be made by Banco Pastor and Société Générale, Sucursal en España as Underwriting and Brokerage Entities, subject to the conditions included in section II.19.3 and in this section in accordance with the Direction, Underwriting and Brokerage Contract of the Bonds Issue.

The commitment of each Underwriting and Brokerage Entity with regard to their participation in the underwriting of the Brokerage of the Bonds of each Series will be the following:

Underwriting and Brokerage Entity	Underwritten face value of the Bonds of each Series			
	Series AG	Series AS	Series B	Series C
BANCO PASTOR, S.A.	0	0	6,800,000	11,200,000
SOCIÉTÉ GÉNÉRALE, SUCURSAL EN ESPAÑA	76,300,000	126,700,000	0	0
CAJA MADRID		1,000,000		
AHORRO Y CORPORACIÓN FINANCIERA, S.V., S.A.		1,000,000		
INVERCAIXA VALORES, S.V., S.A		1,000,000		
SOCIEDAD ESPAÑOLA BANCA DE NEGOCIOS PROBANCA, S.A		1,000,000		
Total	76,300,000	130,700,000	6,800,000	11,200,000

The Underwriting and Brokerage Entities will be paid at the charge of the Fund an underwriting and Brokerage fee over the face value of the Bonds of each Series underwritten by each of them, as detailed below for each Series:

- **SeriesAG:** 0% fee.
- **SeriesAS:** 0.5% fee.
- **SeriesB:** 0% fee.
- **SeriesC:** 0% fee.

II.19.2 Direction Entities of the Bonds Issue.

Banco Pastor and Société Générale, Sucursal en España will participate as Direction Entities of the Bonds Issue.

Reproduced below is the statement by each of the Direction Entities signed by an individual with sufficient representation powers, in accordance with the provisions of number 2 of article 31 of Royal Decree 291/1992, of March 27, on issues and public sale offerings of securities, as amended in its redaction by Royal Decree 2590/1998, of December 7, and in accordance with the provisions of number 3 or article 20 of the said Royal Decree 291/1992:

Statement by BANCO PASTOR

Mr. José Manuel Sáenz García, with DNI (Nacional Identity Document) 2.705.132 X, in the name and representation of Banco Pastor, S.A., domiciled for these purposes in A Coruña, duly authorised for the purposes hereof, by means of the agreement of the Board of Directors May 29, 2003, and in relation with the formation of GC FTPYME PASTOR 1, FONDO DE TITULIZACIÓN DE ACTIVOS and issue of securitisation Bonds against the assets of the same, for an amount of two hundred twenty five million (225,000,000) euro, in compliance with Royal Decree 291/1992, of March 27, on issues and public sale offerings of securities, in its current redaction,

STATES

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

That, as a consequence of such verifications, no circumstances are observed that would contradict or alter the information included in the Prospectus, and that this does not omit significant facts that might be relevant for the investor.

That the statement does not cover or refer to the report by the auditors that is included as appendix to the Prospectus with regard to the selected loans.

And as to evidence it, for the appropriate purposes, makes the above statement in ACoruña, on October 21, 2003.

Statement by Société Générale, Sucursal en España

Mr. Alvaro Huerte Gómez and Mr. Demetio Salorio Simonet, in the name and representation of Société Générale Sucursal en España, domiciled for these purposes in Plaza de Pablo Ruiz Picasso, 1, Madrid, duly authorised for the purposes hereof, , and in relation with the formation of GC FTPYME PASTOR 1, FONDO DE TITULIZACIÓN DE ACTIVOS and issue of securitisation Bonds against the same, for an amount of two hundred twenty five million (225,000,000) euro, in compliance with Royal Decree 291/1992, of March 27, on issues and public sale offerings of securities, in its current redaction,

STATES

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

That, as a consequence of such verifications, no circumstances are observed that would contradict or alter the information included in the Prospectus, and that this does not omit significant facts that might be relevant for the investor.

That the statement does not cover or refer to the report by the auditors that is included as appendix to the Prospectus with regard to the selected loans.

And as to evidence it, for the appropriate purposes, makes the above statement in Madrid, on October 23, 2003.

Enclosed as Appendix 5 to the present Prospectus are photocopies of the letters of Banco Pastor and Société Générale Sucursal en España, in which the above statement is made.

The Direction Entities will not be entitled to any remuneration for the direction of the Bonds Issue.

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

The Management Company, in representation and for the account of the Fund, will execute a Direction, Underwriting and Brokerage Contract of the Bonds Issue with Banco Pastor and Société Générale, Sucursal en España as Direction Entities and/or Underwriting and Brokerage Entities and Caja Madrid, Ahorro Corporación Financiera, S.V., S.A., Invercaixa Valores, S.V., S.A. and Sociedad Española de Banca de Negocios Probanca S.A. as Underwriting and Brokerage Entities.

The Underwriting and Brokerage Entities of the Bonds Issue assume the obligations contained in the Direction, Underwriting and Brokerage Contract and that basically are the following: 1) undertaking to subscribe for their own account the Bonds that were not subscribed by third parties during the Subscription Period up to the amounts of their respective underwritings; 2) seek the Brokerage by means of subscription by third parties of the Bonds Issue; 3) payment to the Paying Agent prior to 11:30 hours (CET) of the Disbursement Date, value in that same date, of the face value of the Bonds corresponding to their respective underwriting commitment, once deducted the amount of the underwriting and Brokerage fee accrued in their favour, the Paying Agent proceeding to pay to the Fund before 12 hours (CET) of the same day, value in that same date, the amount paid to it by the Underwriting and Brokerage Entities, once deducted the amount of the underwriting and Brokerage fee accrued in their favour; 4) commitment to pay the default interest agreed in the contract for the event of delay in the payment of the amounts due; 5) provision to the subscribers of documentary proof of the subscription; 6) provision to the Management Company of the information about the circulation achieved in the Brokerage of the Bonds Issue; and 7) the rest of aspects that regulate the underwriting and the Brokerage.

The underwriting commitments of each Underwriting and Brokerage Entity and the underwriting and Brokerage fee are specified in section II.19.1 of this Prospectus.

Banco Pastor and Société Générale, Sucursal en España will participate in the Bonds Issue as Direction Entities. These shall not receive any remuneration for the direction of the Bonds Issue.

The Direction, Underwriting and Brokerage Contract will be terminated for all legal purposes in the event that the Rating Agency did not confirm prior to the start of the Subscription Period, as final, the provisional Rating granted to each of the Series, or in the event of force majeure in the terms established by article 1,105 of the Código Civil.

II.19.4 Pro rata allotment in the Brokerage, manner of the same, date of its making, manner of the publication of its results and, if appropriate, refund to the petitioners of the amounts paid that

should exceed the price of the securities allotted, as well as the compensations for the interest that may apply.

Not applicable.

II.20. Time and manner forecasted for the first registration and for the assignment of registration references.

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

II.21. National Legislation under which the Bonds are created and indication of the jurisdictional organs competent in case of litigation.

The formation of the Fund and the issue of the Bonds is made under the coverage of the provisions of the Orden de 28 de diciembre de 2001, and they will be subject to (i) the Deed of Formation; (ii) Royal Decree 926/1998 and subordinated dispositions; (iii) Law 19/1992, for issues not contemplated in Royal Decree 926/1998 and in so far as it may be applicable; (iv) the Ley del Mercado de Valores; and (v) the rest of current legal and regulatory dispositions that may be applicable from time to time.

The Deed of Formation and the contracts for operations for financial risk coverage and for the provision of services de operations that the Management Company will enter to for the account of the Fund will be regulated and interpreted in accordance with Spanish Law.

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

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

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

II.22. Tax regime over the income derived from the securities offered.

Personal taxation over the income derived from the securities offered, differencing between resident subscribers and non-residents.

The following is a brief extract of the current tax regime applicable to the investments derived from the

present offer, for which purpose exclusively the current state legislation is being considered as well as the general aspects that may affect investors, who should take into account both their possible special fiscal circumstances, and the legislation of territorial application as well those that are current at the time of the corresponding income obtaining and declaration.

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

Withholding tax retentions, contributions and taxes established or that may be established in the future over the principal, the interest or the return of the Bonds will be borne by their holders, and the amounts thereof will be deducted, in the legally established manner.

Lastly, the tax treatment analysed here is of a general character, and therefore the taxation applicable to income obtained through entities under the regime of income allocation.

II.22.1 Individuals or juridical persons resident in Spain.

Personal Income Tax.

Income obtained by holders of the Bonds that have the consideration of subject to the Impuesto sobre la Renta de las Personas Físicas -IRPF- (Personal Income Tax), both with regard to the payment of interest (coupons), and on occasion of transfer, redemption or amortisation of the same, will have the consideration of unearned investment income obtained from the assignment of own assets to third parties in the terms of article 23.2 of Law 40/1998, of November 9, on the Impuesto sobre la Renta de las Personas Físicas y Otras Normas Tributarias (Personal Income Tax and Other Tax Regulations).

In this sense, in the case of income derived from the reception of the coupons of the Bonds, the total income (rendimiento integro) will be determined by the gross amount of interest received, including the withholding tax retention on account of the IRPF which, in such a case, may have been made.

However, in case of transfer, refund or amortisation of the Bonds, the difference between the value of the transfer, refund or amortisation (minus the accessory transfer expenses) and their price of acquisition or subscription (incremented with the accessory acquisition expenses) will be deemed as return from movable assets. The accessory expenses of acquisition and transfer will be computed for the quantification of the income, in so far as they are justified with documents. Notwithstanding, the negative return derived from the transfer of the Bonds, when the tax subject had acquired other homogeneous financial assets within the previous two months or the two following such transfer, will be integrated in the same measure as the financial assets that remain in the patrimony of the taxpayer are transferred.

The net return of the movable capital will be determined by deducting the administration and deposit expenses of the Bonds from the total income, provided always that the said expenses are not incurred

in exchange for a discretionary and individualized management of the investment portfolio. Income derived from the transfer, refund or amortisation of Bonds that had remained in the patrimony of the investor for a period of time longer than two years will be reduced by 40%.

The income obtained as payment of interest will be subject to 15% withholding tax retention on account of IRPF for the receiver, in accordance with the dispositions of Royal Decree 214/1999, of February 5, by which the Reglamento del Impuesto sobre la Renta de las Personas Físicas -RIRPF- (Regulation to the Personal Income Tax).

No obligation exists to make any withholding tax retention on the income derived from the transfer or redemption of the Bonds, since these are represented by book entries and negotiated in a Spanish official securities secondary market, save a) the income obtained by the holders of contracts for accounts based on operations about the Bonds and b) the part of the price equivalent to the coupon accrued in transfers made within the thirty days immediately before the maturity of the coupon when (i) the acquirer is an individual or entity non-resident in the Spanish territory, or is subject to Corporations Tax, and (ii) such income is excepted for the acquirer from the obligation to retain withholding tax.

Corporations Tax.

Income, both by way of interest and on occasion of the transfer, redemption or amortisation of the Bonds obtained by entities having the consideration of subject to Corporations Tax will be integrated in the tax base in the way established in Title IV of Law 43/1995, of December 27, of the Impuesto sobre Sociedades (Corporations Tax).

The said income will be excepted from withholding tax retention in accordance with the provisions of article 57.q) of Royal Decree 537/1997, of April 14, by which the Reglamento del Impuesto sobre Sociedades (Regulation to the Corporations Tax) is approved. Notwithstanding, in accordance with the Ministerial Order of December 22, 1999, the procedure for effecting the exclusion from withholding tax retention or payment on account of the interests of the Bonds will be subject to the following requirements:

- 1.- The Management Company, in the name and on behalf of the Fund as issuing entity, will pay to the depositary entities, directly or through the Paying Agent, the net amount resulting from the application of the general retention rate current as at that date, to the whole of the interest.
- 2.- Before the day 10 of the following month to that of maturity of each coupon, the depositary entities must submit to the Management Company or the Paying Agent a detailed list of the holders subject to Corporations Tax with their identity data, the ISIN code of the securities, the

number of securities they hold at the date of maturity of each coupon, the corresponding gross returned and the amount withheld.

3.- The holders of the Bonds subject to Corporations Tax must prove such circumstance before the depositary entities of the securities before day 10 of the following month to that of maturity of the coupon, to the end that the depositary entities may produce the list indicated in the previous section.

4.- The Management Company, as soon as it receives the said list, will pay immediately, directly or through the Paying Agent, to the depositary entities el the amount withheld on account of the said subjects.

5.- The depositary entities will pay immediately the amount withheld to the holders subject to Corporations Tax.

II.22.2 Individuals or juridical persons non-resident in Spain.

The income obtained by the holders of the Bonds subject to Non-residents Income of Tax, both by way of interest and on occasion of the transfer, redemption or amortisation of the same, will be deemed as income obtained in Spain, with or without permanent establishment, in the terms of articles 11 and 12 of Law 41/1998, of December 9, on the Impuesto sobre la Renta de no Residentes y Normas Tributarias – Non-residents Income Tax and Tax Rules (hereafter, Law 41/1998).

Income obtained through a permanent establishment

The income from the Bonds obtained by the holders of a permanent establishment in Spain will be taxed in accordance with the rules of Chapter III of the said Law 41/1998, although the provisions of the Treaties to avoid double taxation signed by Spain may determine the non-taxation of the of the corresponding income or, as the case may be, the application of reduced tax rates. The said income will be subject to withholding tax retention or payment on account of the Non-residents Income Tax in the same cases and conditions that have been mentioned for those residents in Spain subject to the Corporations Tax, it being equally applicable the procedure for effecting the exclusion from withholding tax retention or payment on account of the interests of the Bonds described for those subject to Corporations Tax.

Income obtained without a permanent establishment

Income from the Bonds obtained by individuals or entities non-resident in Spain acting without a permanent establishment, will be taxed in accordance with the rules of Chapter IV of the said Law 41/1998, of which regime, and although the provisions of the Treaties to avoid double taxation signed

by Spain may determine the non-taxation of the of the corresponding income or, as the case may be, the application of reduced tax rates, the following notions can be highlighted:

- The tax base will be quantified as the total amount of income obtained, calculated in accordance with the provisions of Law 40/1998, not being applicable for this purpose the reductions established in the said Law.
- In the case of transfer, redemption or amortisation the accessory expenses of acquisition and sale will be taken into account, in so far as they are adequately justified. The taxation will be made separately for each accrual, total or partial, of income subject to taxation, no compensation among them being possible.
- The tax will be in principle calculated by applying to the tax base corresponding to the interest and income from the Bonds the a 15 per 100 rate.
- Notwithstanding, the income derived from the Bonds, both by way of interest and on occasion of their transfer, redemption or amortisation, by individuals or entities not resident in Spain acting, for these purposes, without a permanent establishment, will be exempt when the receiver is a resident of another European Union member State.
- Income derived from the transfer of the said securities made in any of the Spanish secondary official securities markets, obtained by non—resident individuals or entities without a permanent establishment in the Spanish territory which are resident in a State that has signed a Treaty with Spain to avoid the double taxation that includes a clause for the exchange of information , will also be exempt.
- In no case will these exemption be applicable when the income is obtained through the countries or territories legally qualified as tax havens.
- The application of any exemption or reduced tax rate established in the internal regulation or in a Treaty signed by Spain, will require due accreditation of the fiscal residence of the investor in the way established in the Spanish legislation.
- However, coupons derived from the Bonds are, in principle, subject to withholding tax retention, save accreditation of applicability of the exemption or of payment of the Tax. The amount to be withheld is equivalent to that of the definitive Tax.
- In accordance with Ministerial Order of April 13, 2000, for the purposes, only in the case of coupons, of applying the withholding tax exemption or the withholding tax retention at a reduced rate by means of the application of the tax limits established in the double-taxation Treaties, the procedure will be as follows:

- 1.- The Management Company, in the name and representation of the Fund as issuing entity, will transfer directly or through its Paying Agent, on each date of maturity of the interest, to the depositary entities, the net amount resulting from the application of the general withholding tax retention rate current as of that date, in accordance with the dispositions regulating the Personal Income Tax and the Corporations Tax, to the whole interest.
- 2.- Prior to day 10 of the month following that of maturity of the coupon, the depositary entities shall submit to the Management Company or the Paying Agent, for each value code/issue and maturity date/distribution, a detailed list of the holders subject to the Non-residents Income Tax by reason of the obtaining of income within the Spanish territory without having a permanent establishment which shall contain, among other a detailed list of the holders of the Bonds non-resident in Spain without a permanent with data about the Series and maturity, the identification of the holder, the number of securities held by the same at the date of maturity of the coupon, the corresponding gross income and the withholding tax retention made.
- 3.- The Holders of the Bonds shall have their right to the application of the taxation limits of a Treaty or to the exclusion of withholding tax retention accredited to the depositary entities. The depositary entities will prepare the list indicated in the previous paragraph including the holders of the securities that have their right accredited at the time of submission of the list to the Management Company.
- 4.- The Management Company, as soon as it receives the detailed list of holders subject to the Non-residents Income Tax by reason of the obtaining of income within the Spanish territory without having a permanent establishment, will immediately transfer, directly or through its Paying Agent, to the depositary entities the amount retained to the taxpayers with the right to apply the exclusion from withholding tax retention or the amount withheld in excess over the taxation limits established in Treaties with regard to those tax subjects with the right to the application of the same.
- 5.- The depositary entities will immediately pay, for the account of the Management Company, the amount retained, or if appropriate, the amount retained in excess, to the subjects to the Non-residents Income Tax by reason of the obtaining of income within the Spanish territory without having a permanent establishment.
- 6.- For the purposes of accrediting the right to the practice of withholding tax retention with application of the taxation limits of a Treaty or the exclusion thereof, the tax subjects shall justify their fiscal residence by means of the following documentation:

- When the retention exclusion is caused by the application of the Spanish internal legislation, by means of a residence certificate issued by the fiscal authorities of the country of residence.
- When the retention exclusion or the retention practiced at a reduced rate in application of a Treaty with a certificate issued by the corresponding fiscal authority, which will expressly state that the tax subject is a resident in the sense defined in the Treaty. Notwithstanding, when the retention is practiced by applying a taxation limit fixed in a Treaty developed by means of an Order in which the use of a specific form is established, it will be justified by means of the same instead of the certificate.

The residence certificates referred to in the previous paragraphs currently have a validity of one year.

- On other account, and independently of their taxability or not by the Tax, the income derived from the transfer or redemption of the Bonds will not be subject to withholding tax retention, given that they are Bonds with explicit return represented by book entries and traded in a Spanish official secondary securities market, in the terms and conditions provided for by article 70.3 f) of the RIRPF, by express remission of article 14.3 b) of the Regulation to the Non-residents Income Tax. All of it, without prejudice to the joint and several responsibility that may incur the depository or management entity for the Bonds, and of the eventual Tax declaration and payment obligations for the non-resident holder.
- In the event that the retention or payment on account exceeded the applicable Tax, those affected may request the refund of the excess to the fiscal authorities, by filing the corresponding declaration and within the terms and limits established in the applicable legislation.

II.22.3 Indirect Taxation.

The subscription, acquisition, and transfer of movable securities is exempt from the Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados (Tax on Patrimonial Transfer and Documented Legal Acts), and from the Impuesto sobre el Valor Añadido (Value Added Tax).

In conformity with the provisions of article 20.Uno.18.e) Law 37/1992, of December 28, of the Value Added Tax, the assignment of loans or credits to the Fund are tax-exempt.

II.22.4 Patrimony Tax.

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

each year.

Non-resident individuals holders of the Bonds on December 31 of any given year shall equally be subject to the Patrimony Tax through real obligation, except for as foreseen in the Treaties to avoid double taxation. Nevertheless, residents of other European Union member States will be exempt from the Patrimony Tax insofar as the return of the Bonds is exempt under the Law on Non-Resident Income Tax, according to the terms previously set forth.

II.22.5 Inheritance and Gift Tax.

The transfer of the Bonds by reason of death or donation in favour of natural persons is subject to the general rules of the Impuesto sobre Sucesiones y Donaciones (Inheritance and Gift Tax). In the event the beneficiary is a company, the income obtained shall be taxed in conformity with the rules of the Corporations Tax or, in the case of a non-resident entity, according to the rules of Non-resident Income Tax Law, unless exempted under the Treaties to avoid double taxation.

II.23. Purpose of the transaction.

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

II.24. Entities that, if applicable, are committed to intervene in secondary negotiation, giving liquidity through the offer of compensation, indicating the form and extent of their intervention.

There exists no arrangement with any entity to guarantee the liquidity of the Bonds in the secondary market.

II.25. Individuals or juridical persons who have participated in the advising or design of the Fund or with regard to significant information contained in the Prospectus.

II.25.1. Enumeration of persons.

- a) The financial design of the operation has been carried out by BANCO PASTOR, S.A. and GESTICAIXA S.G.F.T., S.A.
- b) BANCO PASTOR, S.A. is the Assignor of the Loans and the Issuer of the Mortgage Transfer Certificates that are grouped into the Fund.
- c) BANCO PASTOR, S.A. and Société Générale, Sucursal en España, take part as the Direction, Underwriting and Brokerage Entities of the Bonds Issue. Société Générale, Sucursal en España shall be the Brokerage entity responsible for the bookkeeping of the Bonds subscription orders book.
- d) CAIXA D'ESTALVIS I PENSIONS DE BARCELONA participates as Paying Agent of the Bonds Issue.

- e) DELOITTE & TOUCHE ESPAÑA, S. L. participates as auditor of the verification of a series of attributes in the selection of loans from which will be extracted the Loans that will be assigned to the Fund on its formation.
- f) CUATRECASAS ABOGADOS participates as independent legal adviser and has provided legal advice to the Management Company for the legal structure of the operation.

II.25.2. Declaration of the person responsible for the Prospectus in the name of the Management Company, regarding whether he knows any type of tie (political rights, work-related, family, etc.) or economic interests of said experts, consultants, or any other of the intervening parties, either with the Management Company or the old holders of the assets (Loans) acquired through the Fund.

“Mr. Xavier Jaumadreu Patxot, in name and representation of GESTICAIXA, Sociedad Gestora de Fondos de Titulización, S.A. (Management Company for Securitisation Assets), with domicile in Barcelona, Avenida Diagonal, 621-629, and in relation to the creation of the “Fondo de Titulización de Activos GC FTPYME PASTOR” and the issue of bonds against it, for the amount of two-hundred-and-twenty-five million (225,000,000) euro, whose presentation for registry with the Comisión Nacional del Mercado de Valores has been registered with the date of October 26, 2003, in compliance with that set forth in section II.25.2 of Circular 2/94, of March 16, of the Comisión Nacional del Mercado de Valores (in development of the Order of July 12, 1993, that, in turn, develops Royal Decree 291/92, of March 27th),

DECLARES

That Caixa d’Estalvis i Pensions de Barcelona, through the company CaixaHolding, S.A., have an indirect share (that results in the control) of 96,4 % of the share capital of GestiCaixa, S.G.F.T., S.A..

That there exists no other type of link (voting rights, work-related-family, etc. . .) or economic interests between the Management Company and/or the Assignor and the experts, advisors, and/or other entities that have participated in the design or advisement of the establishment of the Fund or of any significant information contained in the Prospectus, other than the strictly professional.,

A photocopy of the letter from the Management Company containing the cited declaration is attached as Appendix 6 to the present Prospectus.

II.25.3 Declaration of the Assignor.

Mr. Jose Manuel Sáenz García, in name and representation of BANCO PASTOR, S.A., with domicile, for these purposes, at calle Cantón Pequeño, 1, La Coruña, and CIF A-15000128, duly authorized for this purpose by virtue of the agreements adopted by the Board of Directors in its meeting held on May 29, 2003, and in relation with the creation of GC FTPYME PASTOR 1, Assets Securitisation Fund,

DECLARES

I. That the statements in respect of the Loans and the Mortgage Transfer Certificates and Mortgage Loans), included in section IV.1.4 of the Prospectus, are true.

II. That the previous statements will be declared to the Management Company, in representation of the Fund, in the Deed of Formation of the Fund.

III. *That the necessary tests have been implemented to check the veracity and integrity of the information contained in the Prospectus regarding the portfolio of loans selected, which will be for the most part assigned to the Fund in the Deed of Formation, constituting the Mortgage Loans object of the issue of the Mortgage Transfer Certificates and the Non-Mortgage Loans directly assigned.*

IV. *That, as a consequence of these verifications, no circumstances are observed that would contradict or alter the information included in the Prospectus, neither does it omit facts or significant data which may be relevant to the investor.*

And as to evidence it, for the appropriate purposes, makes the above declaration in La Coruña, on October 14, 2003

A photocopy of the letter from the Assignor containing the cited declaration is attached as Appendix 7 to the present Prospectus.

CHAPTER III

GENERAL INFORMATION REGARDING THE FUND GC FTPYME PASTOR 1

III.1. Name of the Fund and Regulating Regime.

The name of the Fund is "GC FTPYME PASTOR 1, Fondo de Titulización de Activos" (GC FTPYME PASTOR 1, Assets Securitisation Fund).

"GC FTPYME PASTOR 1, Fondo de Titulización de Activos" is formed in accordance with the stipulations set forth in the Orden de 28 de diciembre de 2001 and will be subject to the legal regime set forth in: (i) the Deed of Formation of the Fund, (ii) Royal Decree 926/1998 and the regulations that develop it, (iii) Law 19/1992, in so far as issues not contemplated in Royal Decree 926/1998, and in as far as it is applicable, (iv) in the Orden de 28 de diciembre de 2001, (v) and the Ley del Mercado de Valores, regarding its supervision, inspection, and sanction, and (vi) in all other legal rules and regulations in effect from time to time which may be applicable.

The purpose of the Fund will be the transformation of the Loans acquired by the Assignor into standardized, homogeneous fixed rate securities, and therefore negotiable on the organized securities market, as well as favouring entrepreneurial financing .

It is stated that neither the formation of the Fund, nor the Bonds that are issued with against its assets, will be registered in the Registro Mercantil (Mercantile Registry), in accordance with the optional faculty contained in number 4 of article 5 of Royal Decree 926/1998.

III.2. Legal Nature of the Fund.

The Fund, in conformity with article 1 of Royal Decree 926/1998, will constitute a separate patrimony, lacking legal personality, and will be of closed character, in conformity with article 3 of Royal Decree 926/1998, integrated, with regard to its assets, by the Non-Mortgage Loans and the Mortgage Transfer Certificates that it groups at the moment of its formation, and with regard to its liabilities, for the Bonds that it issues, for the Subordinated Loans for Formation Expenses and for Principal Gaps and Interest Gaps, respectively, in conformity with the dispositions of number 1 of article 1 of Royal Decree 926/1998, in such a way that the net patrimonial value of the Fund will be null. Additionally, the Fund arranges the State Warranty, the Liquidity Line and the Interest Swap which will figure in the order accounts.

In accordance with section fourth of the Fifth Additional Regulation of Law 3/1994 of April 14, through which Spanish Legislation regarding credit entities in adapted to the Second Directive for Banking Coordination, in the case of bankruptcy of the Issuer of the Loans grouped in the Fund, the issue and assignment business may only be challenged under paragraph two of article 878 of the Commercial Code by means of an action exercised by the Receivers of the bankruptcy, in which the existence of fraud is demonstrated, having the Fund an absolute right of separation, according to the terms set forth in articles 908 y 909 of the Commercial Code the Fund will have an equal right to separate in the case of the suspension of payments or equivalent situations of the Issuer.

The Statutory Maturity Date for the Fund will coincide with the date falling forty two (42) months from the Final Maturity Date, and in any event, April 15, 2027 or the following Business Day, without prejudice to the option for anticipated redemption of the issue by the Management Company, as foreseen in section II.11 of this Prospectus.

The patrimonial elements that integrate the assets and liabilities of the Fund, and the risk coverage operations and services that are contracted for the account of the same are determined further below in this chapter.

III.3. Management and representation of the Fund and of the Bonds holders.

III.3.1. Functions and responsibilities of the Management Company.

"GC FTPYME PASTOR 1," is formed by "GestiCaixa, S.G.F.T., S.A." as the Management Company authorized for this purpose, and in consequence, authorized to exercise the administration and legal representation of the GC FTPYME PASTOR 1 Fund, under the provisions of Royal Decree 926/1998.

It falls equally to the Management Company, as manager of the businesses of third-parties, the representation and defense of interests of the holders of Bonds issued against the Fund and of the rest of ordinary creditors of the same. In consequence, the Management Company will subordinate its acts to the defense of the same, in accordance with the regulatory dispositions that may be established to this effect. The Bondholders will not any action against the Management Company, except in case of failure to carry out its functions or the failure to observe the terms of the Formation Deed and those of the present Informative Prospectus.

The Management Company shall inform the holders of the Bonds, through the publication of timely announces according to the terms established in section III.6 of this Chapter, of those circumstances that could be of their interest.

Standards of conduct for the Management Company.

1. Standard of diligence.

The Management Company shall carry out its work with the diligence demanded in accordance with Royal Decree, representing the Fund and defending the interests of the Bonds holders and of the remaining ordinary creditors of the Fund as if defending its own interests, with maximum levels of diligence, information, and defense of those interests and avoiding situations that imply a conflict of interest, giving priority to the interests of the Bonds holders and the remaining ordinary creditors before the interests of third parties or of its own.

For these purposes, and without prejudice to the above, the Management Company shall be able to act as Management Company for the Fund, as well as the Management Company of any other Securitisation Fund, as long as the simultaneous management of such funds does not in any way compromise its obligations of diligence as the Management Company of the Fund or of other Securitisation Funds.

2. Availability of resources.

The Management Company has the necessary resources, including adequate information systems, to accomplish the administrative functions of the Fund, as required by Royal Decree 926/1998.

3. Code of Conduct.

The Management Company shall abide by the applicable code of conduct. The Management Company has established an Internal Code of Conduct in compliance with that set forth in Chapter II of the Royal Decree 629/1993, of May 3, over norms of conduct in the securities market and obligatory registries, that has been communicated to the CNMV, as well as in compliance with the fourth additional regulation of the Financial Law.

4. Confidentiality.

Neither during the life of the Fund nor after its extinction, shall the Management Company reveal to persons, firms, or companies (except for what may be necessary for the due performance of its obligations or assertion of its rights, or where the law or whatever stock exchange or organized secondary market demands, or that ordered by a tribunal or that which is normal information of legitimate interest on the part of the Bonds holders, or that which is required by the CNMV or by the Rating Agency) information relating to the Loans or the Debtors or to the operations for the coverage of financial risks and the provision of services that will be contracted at the charge of the Fund, and that the Management Company had obtained in the course of its functions with relation to the Fund.

Obligations and performance of the Management Company for the administration of the Fund.

1. Management of the Fund.

- (i) Manage the Fund with the object that its patrimonial value be null at all times.
- (ii) Be responsible for the accounting of the Fund, with due separation from its own accounting, present the accounts, and carry out the fiscal obligations or those of any legal nature that may corresponds to effect to the Fund.
- (iii) Avoid any action which could deteriorate the Rating assigned to each Series of the Bonds Issue by the Rating Agency, and ensure the adoption of those means that are reasonably within its reach so that the mentioned Rating shall not be negatively affected in any moment.
- (iv) Sign as many contracts as are determined in the Formation Deed and in this Prospectus.
- (v) Take the appropriate decisions in relation to the liquidation of the Fund, including the decision for the Accelerated Liquidation of the Fund and Accelerated Redemption of the Bonds Issue, in accordance with that established in the Formation Deed and in this Prospectus. Likewise, make the opportune decisions in case of the termination of the Fund Formation.
- (vi) Fulfil its formal obligations, in documents and information with regard to the CNMV, the Dirección General del Tesoro y Política Financiera, the Rating Agency and any other supervising organism.
- (vii) Name and, where necessary, substitute and revoke the accounts auditor that carries out the auditing and inspection of the annual accounts of the Fund.

- (viii) Prepare and submit to the CNMV and to any other competent organism, all the documents and information which should be submitted in accordance to current regulations, the Formation Deed, and this Prospectus, or that may be requested from it, as well as produce and send to the Rating Agency the information that may reasonably be requested from it.
- (ix) Facilitate to the holders of the Bonds issued against the Fund, to the CNMV, and to the public in general, such information and notifications as may be established by the current legislation and, especially, those contemplated in the Formation Deed and in the present Prospectus.
- (x) Fulfil the calculation obligations set forth in the Formation Deed, in the present Prospectus, and in the diverse operations contracts of the Fund that are described in section V.3 of the Prospectus or in those others that, when the case arises, are subsequently agreed to by the Management Company in name and for the account of the Fund.

In order to allow the operation of the Fund under the relevant terms of the Formation Deed and in the regulations in effect from time to time, acting on behalf and in representation of the Fund, the Management Company will be able to extend or modify the contracts that have been undersigned in name of the Fund and substitute every one of the providers of services to the Fund by virtue of the same; and even, if necessary, the Management Company will be able to make additional contracts, including new contracts for line of credits, and be able to modify the Formation Deed, provided always that the regulatory requirements that may be established for such modification were met. In any case, such actions will require the prior notification by the Management Company to the CNMV, and, where necessary, its prior authorization, or competent administrative organism, and to the Rating Agency, and that with such acts the rating granted to the Bonds by the Rating Agency is not prejudiced. The modification of the Formation Deed, the modification of the contracts or the signing of additional contracts shall be communicated by the Management Company to the CNMV as a relevant fact or as a supplement to the Informative Prospectus, as appropriate. The Formation Deed or the contracts can also be the object of rectification at the request of the CNMV. Also, such conduct will not require the modification of the Formation Deed in as far as they do not give rise to the modification of the Payment Priority Order.

2. In relation to the loans and assets.

- (i) Exercise the rights inherent to the ownership of the Loans acquired by the Fund and, in general carry out all the acts of administration and disposition that are necessary for the correct administration and representation of the Fund.
- (ii) Verify that the amount of the income that the Fund effectively receives corresponds with the amounts that the Fund is due to receive, in accordance with the conditions of the assignment of each Loan and with the conditions of their corresponding contracts.
- (iii) Validate and control the information that the Administrator receives with regard to the Loans, both in reference to the collection of the ordinary instalments, principal prepayments, payments received of unpaid instalments and situation and control of overdue.
- (iv) Supervise that the renegotiation, in its case, of the conditions of the Loans, is carried out by the Administrator in accordance with the general or specific instructions that have been communicated to it by the Management Company.

- (v) Supervise the acts concerted with the Administrator for debt collection, passing on instructions, when appropriate, for it to start the recovery procedure established in accordance with the Administration Contract. Exercise the recovery when the circumstances so require.

3. In relation to the Bonds Issue

- (i) Prepare and notify to the Bonds holders the information determined by the present Prospectus as well as all additional information that is legally required.
- (ii) Determine, in each Interest Fixing Date and with respect to each following Interest Accrual Period, the nominal interest rate to be applied to each of the Series of Bonds, resulting from the determination made in conformity with the provisions of section II.10, publishing it in the form foreseen by section III.6.
- (iii) Calculate and liquidate the amounts due to be paid in each Payment Date for the interest accrued by of each of the Series of Bonds, in conformity with the provisions of section II.10, publishing it in the form set forth by section III.6.
- (iv) Calculate and determine in each Determination Date, the principal to be amortized and reimbursed of each of the Series of Bonds in the corresponding Payment Date in conformity with the provisions of section II.11.3, and publishing it in the form set forth by section III.6.
- (v) Determine the amount to be paid by the State for the amounts due to the holders of the secured Series AG Bonds, and if necessary, execute the Warranty.

4. In relation to the rest of services and financial operations.

- (i) Determine the interest rate applicable to each of the active, passive or coverage financial operations.
- (ii) Calculate and liquidate the quantities for interests and commissions that the Fund should receive and pay for each of the active, passive or coverage operations, as well as the fees to be paid for the different arranged financial services.
- (iii) Open two financial accounts in the name of the Fund, Treasury Account, initially with the Paying Agent, and the Collections Account, initially with the Banco Pastor.
- (iv) Carry out the foreseen actions in relation to the rating of the debt of Banco Pastor or its financial situation in the Contracts of Subordinated Loan A, Subordinated Loan B, Participatory Loan, Interest Swap and the Collections Account carry out the foreseen actions with regard to the contracts described in sections V.3.1., V.3.2., V.3.3., V.3.5. y V.3.6.1., respectively.
- (v) Check that that the amounts corresponding to the Fund are deposited by the Administrator of the Loans in the Collections Account, both in respect of principal and interest and of any other concept that corresponds to the Fund from in relation to the same.
- (vi) Give the appropriate instructions in order to effect the necessary payments from the Collections Account in order to fulfil the obligations of the Fund, through the Treasury Account.
- (vii) Monitor that the amounts deposited in the Treasury Account and in the Collections Account generate the return on investment established in the respective Contracts for Opening of Guaranteed Interest Rate Account.

5. In relations to the management of Fund collections and payments.
 - (i) Calculate the Available Funds and the obligations for payments or withholding that will have to effectuate and apply them in accordance with the Payments Priority Order.
 - (ii) Order the transfer of funds between the different active and passive accounts, and the appropriate payments instructions, including those assigned to carry out the financial service of the Bonds.

III.3.2 Resignment and substitution of the Management Company.

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

Renouncement.

- (i) The Management Company will be able resign its administration and legal representation functions for either all or some of the Funds it manages when it deems appropriate, requesting its replacement by written document addressed to the CNMV, which will contain the designation of the substitute management company. Such document must be accompanied by that of the new management company, in which it declares its willingness to accept such function, and requests the necessary authorisation.
- (ii) The authorisation by the CNMV of the substitution will be conditioned on the fulfilment of the following requirements:
 - (a) The delivery by the replaced Management Company to the new management company of the accounting and electronic registries. Such delivery will only be considered to have taken place when the new management company can fully assume its role and communicates this circumstance to the CNMV.
 - (b) In the case where the securities issued against the funds managed by the replaced Management Company have been evaluated by a rating agency, the rating granted to the securities shall not diminish as a result of the proposed replacement.
- (iii) In no case shall the Management Company be able to renounce the exercise of its functions until all the requisites and procedures have been fulfilled so that its substitute is able to assume its functions.
- (iv) The expenses resulting from the replacement shall be borne by the renouncing Management Company and in no circumstance can be imputed to the Fund.
- (v) The replacement shall be published, within a period of fifteen days, through an advertisement placed in two newspapers of national circulation and in the bulletin of the organized secondary market, in which the Bonds emitted by the Fund are quoted. Likewise, the Management Company shall notify the said replacement to the Rating Agency.

Mandatory Replacement.

- (i) When and if the Management Company is declared in suspension of payments or bankrupt, it shall find a management company to replace it, in accordance with the provisions of the above paragraph.
- (ii) Should, in the event indicated in the previous paragraph, four months elapse from the date in which the fact determining the substitution had taken place, without a new management company willing to assume the management being found, the accelerated liquidation of the Fund will be carried out as well as the amortisation of the loans and the redemption of the Bonds issued against it, in accordance with the provisions of the public deed of formation .

The Management Company is committed to grant the public and private documents that may be necessary for its substitution by other management company, in conformity with the regime established in the previous paragraphs of this section. The replacement management company must be subrogated to the rights and obligations that, in relation to the Formation Deed and the present Prospectus, correspond to the Management Company. Likewise, the Management Company shall turn over to the substitute management company all documents and accounting and electronic registries relating to the Fund that may be in its possession.

III.3.3 Subcontracting.

The Management Company shall be entitled to subcontract or delegate to third parties of recognized solvency and capacity, the rendering of any of the services that must perform in its functions as legal representative and administrator of the Fund, in accordance with that established in the Formation Deed, provided that the subcontractor or delegated party waives the right to exercise any responsibility claim from the Fund. In any case, the subcontracting or delegation of any service (i) shall not produce any cost or additional expense to the Fund, (ii) shall be legally admissible, (iii) must not cause a downgrade of the rating granted to any of the Bonds Series, and (iv) shall be notified to the CNMV, requesting, where legally necessary, its previous authorization. Notwithstanding any subcontracting or delegation, the Managements Company shall not be exonerated or liberation by such subcontracting or delegation from any of the responsibilities assumed by virtue of the Formation Deed that by law are attributable or actionable.

III.3.4. Remuneration of the Management Company.

The Management Company shall receive a remuneration that will be quarterly accrued in each Payment Date, in conformity with the following rules:

- (i) The Management Company will receive a fixed periodic remuneration, in each Payment Date, equal to 6,000 euro per year and which will be received in proportion to the days elapsed between Payment Dates.
- (ii) In addition, the Management Company will receive a variable periodic remuneration that will be calculated in function of the Outstanding Balance of Principal of the Bonds on the Payment Date prior to the Payment Date on which is due to be paid. The periodical variable remuneration will be equal, on each Payment Date, to the annual 0,03% annual over the Outstanding Balance of Principal of the Bond in proportion to the days of the Accrual Period.

That is, it will be calculated according to the following formula:

$$R_t = (6.000 + 0.03\% * N_i) * (d_i / 360)$$

where:

N_i = is the Outstanding Balance of Principal of the Bonds at the beginning of the period.

d_i = is the number of days of the period.

Therefore in the first Payment Date the remuneration of the Management Company, considering a quarter of 90 days, will be:

$$R_t = (6,000 + (0.03 / 100 * 225,000,000)) * (90 / 360) = 18,375.00 \text{ euro.}$$

The said remunerations will be understood to be gross, in the sense that they include any direct or indirect tax or withholding tax retention that may apply to them.

In the case of the substitution of the Management Company in conformity with that established in section III.7, the payments mentioned in this section may be modified as a consequence of the selection of the replacement management company, always prior agreement to the new conditions with the Assignor.

III.4. Patrimonial Value of the Fund

The Fund has been designed in such a way that its patrimonial value be zero, in conformity to that established in article five, point 1 of Law 19/1992 , applicable for these purposes by express reference by Royal Decree 926/1998 itself.

a) On formation

Assets:

- (i) Outstanding Balance of the loans grouped in the Fund;
- (ii) The amount to be collected from the disbursement of the underwritten subscription of each Series of the Bonds.
- (iii) The initial expenses accounted for.
- (iv) The balance of the Collections Account and the Treasury Account.

Liabilities:

- (i) The face value of the securitisation Bonds Issued.;
- (ii) The amount of the Subordinated Loans and the amount of the Participative Loan.

(iii) The amount to be paid to Banco Pastor for the acquisition of the Loans.

b) During the life of the Fund.

Assets:

- (i) Outstanding Balance of the loans grouped in the Fund;
- (ii) The principal and interest of the Loans accrued and not collected;
- (iii) The balance pending amortisation of the initial expenses;
- (iv) The resources deposited in the Collections Account and the Treasury Account and the corresponding accrued interest.
- (v) Any amounts, goods or assets received in payment of the principal, the interest or the expenses of the Mortgage and non-mortgage Loans, by reason of judicial or notary execution of the mortgage guaranties adjudicated to the Fund of the sale or exploitation of the real state adjudicated to the fund on execution of the mortgage guaranties, or in administration and interim possession (pending execution), acquisition at the auction price or by a judicially fixed price and in general, the goods that, it such event, may come to be adjudicated to the Fund as a consequence of the eventual execution of the guaranties granted in relation with the Loans as well as all the rest of rights conferred into the Fund as a consequence of the assignment by the Assignor and acquisition by the Fund of the Loans

Liabilities:

- (i) Outstanding Balance of the Principal of the securitisation Bonds;
- (ii) The balance not amortised of the Subordinated Loans (Loan A and Loan B) and of the Participative Loan;
- (iii) Principal, interests, fees and various expenses accrued and not paid.
- (iv) Variable remuneration of the Participative Loan accrued and pending payment.

In the event of execution of the State Warranty in accordance with that established in section II.15.2, it will likewise be a liability of the Fund the amount that had been charged on execution of the said Warranty, as well as the amounts disposed of out of the Liquidity Line.

(v) III.4.1. Description of the Assets of the Fund.

The fundamental asset of the Fund is formed by the Loans grouped into it. For detailed information about the same see section IV.1 of this Prospectus.

III.4.2. Description of the liabilities of the Fund.

From the date of formation of the Fund and along the life of the same, the fundamental liability of the Fund will be formed by the Bonds that are issued against it, described in Chapter II, by the

Subordinated Loans (Loan A and Loan B) obtained from the Assignor described in sections V.3.1. and V.3.2., by the Participative Loan described in section V.3.3, by the interest, fees and other various concepts accrued and not paid that may be accumulated.

III.4.3. Expenses.

The Management Company will pay, at the charge of the Fund, all necessary expenses for the functioning of the same, both the initial ones and the periodical ordinary expenses and extraordinary expenses that may be incurred by reason of the liquidation of the Fund.

1. Initial Expenses.

The Fund shall face the following expenses originated as a consequence of its formation: fees to the Comisión Nacional del Mercado de Valores, expenses of the admission into the AIAF Market, Iberclear tariffs, Rating Agency fees, notary fees, legal advisers wages, commissions to be paid to the underwriters of the Bonds issue, audit expenses and publicity and printing expenses.

2. Periodical Payments.

The Fund shall face the following payments:

- (i) Payment to the Management Company, as this is described in section III.3.2 of this Prospectus.
- (ii) Fee to be paid to the Paying Agent.
- (iii) Variable Remuneration of the Participative Loan. On each Payment Date a variable amount will be paid under the concept of Variable Remuneration of the Participative Loan, the calculation of which will be made according to the procedure described in the Deed of Formation of the Fund.
- (iv) Remuneration of the Liquidity Line
- (v) Fee to be paid to the Administrator.
- (vi) Such extraordinary expenses that originate on occasion of the defense of the interests of the Bonds holders.
- (vii) Audit expenses of the Fund.
- (viii) Expenses derived from the publishing of announces or from the practice of notifications relating to the Fund and/or the Bonds.
- (ix) Expenses for the maintenance of the rating assigned by the Rating Agency, in the terms initially agreed with said Agency.

All fees are understood as gross, including, as a consequence, any tax or withholding tax retention that may apply to them. The entities entitled to the said fees will also bear any expenses they may incur in the performance of their functions.

III.4.4. Income of the Fund derived from its functioning

The Available Resources of the Fund on each Payment Date will equal the sum of:

- (i) The amounts deposited in the Collections account and the returns of such amounts.
- (ii) The balance of the Treasury Account opened in the Paying Agent, including the returns produced by this, including if appropriate the amount of the Reserve Fund in the terms established in section V.3.4.
- (iii) Available amount of the Liquidity Line (which shall only be used in the event that it was necessary to pay the interest of the Bonds secured by the State, there were not enough Resources available, the Warranty had been executed and the Treasury had not yet paid).
- (iv) In addition, if and when it may correspond, the amount of liquidation of the assets off the Fund shall be available.

III.4.5. Risk covering and services operations.

With the purpose of consolidating the financial structure of the Fund, increasing the security or the regularity of the Bond payments, covering temporary gaps between the calendar for the flow of capital and interest and principal of the Loans and that of the Bonds, neutralizing the differences in interest rates between the Loans and the Bonds and other liabilities, or, in general, transforming the financial characteristics of the issued Bonds, as well as complementing the Fund administration, the Management Company, representing the Fund, will proceed in the act of granting the Deed of Formation, to formalize the contracts and operations established below, in accordance with article 6 of Royal Decree 926/1998 and Law 19/1992.

The Management Company will be entitled to prorogue or modify the contracts it may have undersigned in the name of the Fund and to substitute each and all of the providers of services to the Fund vi virtue of the same and even, should the need arise, to arrange new additional contracts including new credit line contracts, provided that in accordance with the legal disposition current at the time no circumstances would impede it. In any event such acts will require prior communication by the Management Company to the CNMV, or its prior authorisation when necessary, or competent administrative organism and to the Rating Agency, and that with such acts the rating assigned to the Bonds by the Rating Agency is not prejudiced.

Likewise, such acts will not require the amendment of the Deed of Formation in so far as they do not entail the modification of the Payment Priority Order of the Fund.

The financial risk covering and services provision operations to be arranged on account of the Fund are:

- i. Contract for the Opening of an Account at Guaranteed Interest Rate (Treasury Account).
- ii. Contract for the Opening of an Account at Guaranteed Interest Rate (Collections Account).
- iii. Subordinated Loans Contracts for Formation expenses and Principal Gap and Interest Gap.
- iv. Interest Swap Contract.

- v. Participative Loan Contract
- vi. State Warranty.
- vii. Liquidity Line Contract.
- viii. Administration and Management of the Loans and Deposit of the Mortgage Transfer Certificates Contract
- ix. Direction, Underwriting and Brokerage of the Bonds Issue Contract.
- x. Paying Agency of the Bonds Contract .

The individualized description of the most relevant terms of each of the mentioned contracts is made in section V.3 of the present Prospectus, as well as a more exhaustive description of the State Warranty made in section II.15.2 and the description of the Administration and Management of the Loans Contract made in section IV.2.

III.5. Formulation, verification and approval of the annual accounts and other accounting documents of the Fund. Name of the accounts auditors designated for the audit of the Fund.

The Management Company will submit to the Comisión Nacional del Mercado de Valores the annual accounts of the Fund together with the audit report about the same within the four months following the closing of the economic year of the Fund, which will coincide with the calendar year.

The Board of Directors of the Management Company has appointed Deloitte & Touche España, S.L., registered in the R.O.A.C. with number S-0692 as auditors of the Fund. The Board of Directors of the Management Company will inform the Comisión Nacional del Mercado de Valores about any change that may happen in the appointment of auditors.

III.6 Manner of effecting the notifications.

The Management Company, for the precise fulfilment of the conditions of the issue, undertakes to effect the notifications detailed below, observing the periodicity established for each of them.

III.6.1 Ordinary periodical notification

The Management Company will have available for the public all documents and information necessary according to the Deed of Formation.

1. In the time period between the Interest Rate Fixing Date and three (3) Business Days at the maximum following each Payment Date, the Management Company will proceed to notify to the holders of the Bonds the Nominal Interest Rates resulting for each Series of the Bonds, for the following Interest Accrual Period.
2. Quarterly, with a minimum notice in advance of one (1) Business Days before each Payment Date, the Fund, through its Management Company will notify to the holders of the Bonds, the interest resulting from the Bonds of each Series, together with the amortisation of the same, as applicable, as well as:
 - (i) the effective prepayment rate of the loans within the preceding Fixing Period;
 - (ii) the average residual life of the Bonds estimated under the hypothesis of maintaining

such effective prepayment rate constant;

(iii) the Outstanding Balance of Principal, after the amortisation to be liquidated on each Payment Date, of the Bonds of each Series and the percentages that the said Outstanding Balance of Principal represent over initial face value of the Bonds;

(iv) if applicable, it will be made known to the holders of the Bonds the amounts of interest and amortisation amortised and not paid due to insufficiency of Available Resources, in accordance with the payment priority order.

The notifications indicated above will also be communicated to Iberclear at least two (2) Business Days before each Payment Date.

3. During the three (3) months following the end of the accounting period, the Management Company will issue a report containing:

(i) A report on the portfolio of assets grouped into the Fund, the balance of the Collections Account and the Treasury Account, the balance sheet, the profit and loss account and an appendix specifying the accounting principles applied.

(ii) A management report containing:

- a) The Balance Pending Maturity of the Assets.
- b) The percentage of prepaid Assets.
- c) The changes occurred on the prepayment rate.
- d) The amount of unpaid Assets.
- e) The amount of Default Assets, and the percentage they represent over the total.
- f) The average life of the Assets portfolio.
- g) The average Interest rate of the Assets portfolio.
- h) Outstanding Balance of Principal of the Bonds.
- i) The percentage of the Bonds pending maturity.
- j) If applicable, the amount of interest corresponding to the Bonds accrued and not paid.
- k) The amount pending amortisation of the Subordinated Loans and the situation of the Participative Loan
- l) The amount disposed of and the available amount in the Liquidity Line of the State Warranty.

- m) A detailed analysis of the evolution of the Fund and of the factors affecting the said results.
- n) The amount and variation of the management expenses and fees during the accounting period.

4. The Management Company will quarterly provide to the CNMV y and to AIAF, during the month following the end of each quarter a report about the evolution of the assets pooled into the Fund, as well as the balance of the Collections Account and the Treasury Account and relevant information about the Fund and the assets grouped into it.

All information of a public nature of the Fund may be found at the registered office of the Management Company, at the Underwriting Entities, in AIAF and in the Registry of the CNMV.

III.6.2 Extraordinary notifications

1. On occasion of the formation of the Fund and issue of the Bonds, once granted the Deed of Formation, the Management Company, in representation and for the account of the Fund, will proceed to make the notification, by means of the procedure indicated in section III.6.3 paragraph 2, of the formation of the Fund and of the issue of the Bonds, as well as of the Nominal Interest Rates of the series of Bonds applicable to the first Interest Accrual Period, which will be that comprised between the Disbursement Date and the first Payment Date, all of which, in conformity with the contents of the present Prospectus, it being suitable for such notification any calendar day, whether Business or non-working.
2. The Management Company, in representation and for the account of the Fund, will inform the holders of the Bonds about any relevant fact that may arise in relation with the Assets, with the Bonds, with the Fund and with the Management Company, that may sensibly influence the trading of the Bonds and, in general, about any relevant modification to the assets or the liabilities of the Fund. The Management Company, in representation and for the account of the Fund, will inform the holders of the Bonds about any eventual decision of anticipated amortisation of the Bonds due to any of the causes established in the Prospectus, submitting in such event to the CNMV the Notary Liquidation Deed referred to in section III.11 of this Prospectus.

III.6.3 Procedure

All notifications to the holders of the Bonds that the Management Company must make about the Fund, will be made in the following manner:

- 1.- The periodical ordinary notifications referred to in section III.6.1 (paragraphs 1 and 2) above, by means of the publication in the daily bulletin of AIAF or other of similar characteristics, or by means of the publication in a newspaper of wide circulation in Spain, be it of economic-financial character or general.
- 2.- The extraordinary notifications referred to in section III.6.2 above, by means of the publication in a newspaper with wide circulation in Spain be it of economic-financial character or general.

In addition, the above notifications may be made by means of their publication in other general circulation media.

To these effect the notifications will be deemed to have been made on the date of their publication , being suitable for that purpose any calendar day, be it Business or non-working.

III.6.4 Information to the CNMV

The Management Company, in representation and for the account of the Fund, will proceed to bring to the knowledge of the CNMV the publications of a periodical ordinary character and of extraordinary character that were made as provided for above, as well as any information that, independently of the foregoing, may be requested from it.

III.7. Fiscal regime of the Fund

In accordance with that established in section 2 of article 1 of Royal Decree 926/1998, of May 14, by which the assets securitisation funds and the securitisation funds management companies are regulated (hereafter, Royal Decree 926/1998); in article 5.10 of Law 19/1992, of July 7, on the Regime of Companies and Funds for Real State Investment and on Mortgage Securitisation Funds; article 7.1.h) of Law 43/1995, of December 27, of the Corporations Tax; article 20.Uno.18º of Law 37/1992, of December 28, of the Value Added Tax; article 57.k of Royal Decree 537/1997, of April 14, by which the Regulation to the Corporations Tax is approved, the defining characteristics of the fiscal regime of the Fund are the following:

The formation of the Fund is exempt with regard to the “corporate operations” concept from the Tax on Patrimonial Transfers and Documented Legal Acts (article 5.10 of Law 19/1992, by remission of number 2 of article 1 of Royal Decree 926/1998).

The Bonds issue is exempt from the Value Added Tax (article 20.Uno.18º of the VAT Law) and from the Tax on Patrimonial Transfers and Documented Legal Acts (article 45-I.B number 15 of the Composite Text of the the Tax on Patrimonial Transfers and Documented Legal Acts, confirmed by the ruling of the Supreme Court of November 3, 1997).

The Fund is subject to the Corporations Tax, its tax base being determined in accordance with the dispositions of Title IV of Law 43/1995, of December 27, of the Corporations Tax, and being applicable the rate current from time to time, which at present is 35%.

The management and deposit service of the Fund by the Management Company are exempt from Value Added Tax.

With regard to the income from the Mortgage Transfer Certificates, Loans and other credit rights that may become income of the Fund there is no obligation to make any withholding tax retention or payment into account thereof.

The returns of the Loans that constitute income of the Fund will not be subject to withholding tax retention on account of the Corporations Tax, as established in Royal Decree 537/1997, of April 14, by

which the Regulation on Corporations is approved.

III.8. Amendments to the Deed of Formation

The Deed of Formation may be the object of amendment, only, in case it becomes strictly necessary and provided that it were legally possible by reason of the regulatory requirements that may be established for such amendment being met. In any event such acts will require prior notifications by Management Company to the CNMV, or its prior authorisation should it be required, or competent administrative organism and to the Rating Agency, and that such acts do not prejudice the rating assigned to the Bonds by the Rating Agency. The Deed of Formation may also be the object of amendment by request of the CNMV.

La prorogation or the amendment by the Management Company of the Contracts that may have undersigned in the name of the Fund, the substitution of the providers of the services to the Fund by virtue of the same, or even the arrangement of additional Contracts, including new credit line Contracts, provided for in the Deed of Formation and in the present Prospectus, in as far as such acts did not entail the modification of the Payment Priority Order of the Fund.

III.9. Anticipated Liquidation and Extinction of the Fund

III.9.1. Anticipated Liquidation of the Fund.

The Management Company, prior communication a la CNMV, will be entitled to proceed to the anticipated liquidation ("Anticipated Liquidation") of the Fund and with it the anticipated amortisation ("Anticipated Amortisation") and extinction of the Fund on a Payment Date for the whole Bonds issue in any of the following cases en ("Anticipated Liquidation Cases"):

- a) When the amount of the Outstanding Balance of the Principal of the Loans becomes lower than 10 per cent of the Initial Outstanding Balance of the Loans at the date of Formation of the Fund, according to the empowerment established in article 5.3 of Law 19/1992, and provided that the payment obligations derived from the Bonds of each the Series can be met and cancelled in full in accordance with the Payment Priority Order.
- b) Mandatory, if the Assignor exercises the Acquisition Right over the whole of the remaining Loans included in the Fund in accordance with the provisions of section IV.1.7. of this Prospectus, which will be exercisable at any time from the moment in which the Outstanding Balance becomes lower than 10 per cent of the initial principal Loans at the time of Formation of the Fund, and provided that the payment obligations derived from the Bonds of each the Series can be met and cancelled in full in accordance with the Payment Priority Order.
- c) When by reason of any event or circumstance of any kind outside or not from the development of the Fund itself, a substantial alteration occurred or the financial balance of the Fund required by article 5.6 of Law 19/1992 were permanently impaired. Included within this case are such circumstances as the existence of a legal modification or complementary legislative developments, the establishment of withholding tax retentions or other situations that might permanently affect the financial balance of the Fund.
- d) Mandatory, in the event that the Management Company were declared bankrupt or in

suspension of payments and having the elapsed the statutory time limit established for that purpose, or in its absence, four months, without a new Management Company having been designated, in accordance with that established in section III.3.2 of the present Prospectus.

- e) When 42 months have elapsed since the last maturity of the Loans, even though there may still be amounts overdue.

For the purposes of the paragraph (a) above, it will be deemed, in any event as payment obligations derived from the Bonds at the date of Anticipate Liquidation of the Fund, the Outstanding Balance of the Principal of the securitisation Bonds at that date plus the interest accrued and not paid until that date, deducted, if applicable the withholding tax retention, amounts that for all legal purposes will be considered matured and claimable.

The following will be necessary requirements for proceeding to the said Anticipated Liquidation of the Fund:

- a) That the necessary authorisations for it from the CNMV or of the authorities or competent administrative organisms, had been obtained, if applicable.
- b) That the communication to the Bonds holders is made, in the manner in section III.6. of the present Prospectus and fifteen (15) Business Days in advance, of the decision of the e Management Company to proceed with the anticipated liquidation of the Fund.

The said communication, that must have previously been brought to the knowledge of the CNMV and of the rating Agency, must contain the description of (i) the case or cases by reason of which the Anticipated Liquidation of the Fund is being done, (ii) of the procedure for conducting it, and (iii) the way in which the payment obligations derived from the Bonds will be met and cancelled in accordance with the Payment Priority Order.

To the end that the Fund, through its Management Company, may conduct the anticipated liquidation of the Fund and the anticipated redemption of the Bonds Issue, the Management Company, in the name and for the account of the Fund, will proceed to:

- a) Sell the Loans, included the Mortgage Transfer certificates, for a price that may not be lower than the sum of the amount of the principal plus the interests accrued and not paid of the Loans pending amortisation.
- b) Cancel all such contracts as may not be necessary for the Fund liquidation process.
- c) In the event that, both by reason of the above acts being insufficient or because there existed payment obligations on the part of the Fund, the Management Company will appoint an independent expert which will determine the selling value of the Loans existing within the Fund at the time of liquidation. In no case the selling price of the Loans will be lower than the value determined by the said independent expert. The appointment of the independent expert will be communicated to the CNMV and to the Rating Agency.
- d) It will be authorised to arrange a credit line that will be destined in full and immediately to the anticipated redemption of the Bonds Issue. The refund of the said credit line will be secured by the flow of interest and principal derived from the Loans pending amortisation and by the

product of the sale of the rest of assets remaining within the Fund.

In the events (a) and (c) of Anticipated Liquidation the Assignor will have the stock right in such a way that it will be entitled with preference over third parties to acquire the Loans or other assets derived from them that remain within the assets of the Fund, or to grant to the Fund the credit line destined for the anticipated redemption of the Bonds Issue. To that end, the Management Company will submit to the Assignor a list of the assets and offers received from third parties, being the last entitled of the above mentioned right, regarding all the assets being offered by the Management Company or the credit line, within the five Business Days following the reception of the said communication and provided that its offer equals, at least, the best one received from third parties.

The Management Company, once the reserve referred to in section III.9.2 below has been made, will immediately apply all the amounts that gradually obtains from the sale of the assets of the Fund to the payment of the different concepts, in the manner, amount and order corresponding in accordance with the Payment Priority Order, if applicable, of the arranged credit line that will be integrally dedicated to the Anticipated Redemption of the Bonds Issue.

III.9.2 Extinction of the Fund

The Fund will be extinct, in any event as a consequence of the following circumstances:

- a) By the total amortisation of the Loans it groups.
- b) By the total redemption of the issued Bonds.
- c) By the Anticipated Liquidation procedure contemplated in section III.9.1 above.
- d) In any event, at the Final Maturity Date established for the definitive redemption of the Bonds.
- e) The Fund will also be extinct in the case where the Rating Agency did not confirm the provisional rates assigned, as final, before the start of the Subscription Period, or in case the termination conditions of the Direction, Underwriting and Brokerage for the Bonds Issue Contract were met. In such cases, the Management Company will resolve the Fond Formation, the assignment of the Loans to the Fund, and the Bonds Issue.

The extinction of the Fund will be communicated to the CNMV as soon as it is confirmed, and will be made public using the procedure stated in section III.6 of this Prospectus. In the maximum term of one month since the occurrence of the cause for resolution the Management Company, will grant a Notary Deed declaring liquidated and resolved the obligations of the Fund and the extinction of the same. Notwithstanding, the Management Company of the Fund will attend to the claimable expenses of formation of the Fund indicated in section II.14 by means of the Loan for Formation Expenses and Principal Gap, which Contract will not be terminated, but will be cancelled once all mentioned obligations have been met, the refund of the principal being subordinated to the fulfilment of the rest of obligations incurred by the Management Company, in representation and for the account of the Fund.

In the event that on the liquidation of the Fund, and once all payments due to the different creditors have been made by distributing among them the Available Funds in accordance with the Payment Priority Order, there existed any remaining amount, this will be credited to the Assignor in the conditions established by the Management Company.

Whatever the case, the Management Company, acting in representation and for the account of the

Fund, will not proceed to the extinction of the Fund and to the cancellation of its registration from the relevant administrative registries until after proceeding to the liquidation of the remaining assets of the Fund and to the distribution of the Available Funds following the Payment Priority Order, with the exception of the corresponding reserve for the final expenses of extinction and liquidation of fiscal, administrative or publicity nature.

Once a period of six (6) months from the liquidation of the remaining assets of the Fund and the distribution of the Available Funds has elapsed, the Management Company will grant a Notary deed declaring (i) the extinction of the Fund, as well as the causes for such extinction, (ii) the procedure for the communication to the holders of the Bonds and to the CNMV made, and (iii) the distribution of the available amounts of the Fund, following the Payment Priority Order of the Fund; all of which will be announced in a national distribution newspaper and will comply with the rest of administrative procedures that may be applicable. The said notary deed will be submitted by the Management Company to the CNMV.

CHAPTER IV

INFORMATION ON THE CHARACTERISTICS OF ASSETS SECURITIZED THROUGH THE FUND

IV.1. Description of the assets pooled into the Fund

The credit rights that are grouped into the Fund, represented by the Management Company, at the moment of its formation, shall only be those credit rights secured by Banco Pastor derived from bilateral loans granted by Banco Pastor to all kinds of companies, excluding finance companies, domiciled in Spain, all of them being small and medium companies ("SMEs") according to the definition of the European Commission (Recommendation April 3, 1996), fulfilling in this manner the requirement established by the Order of December 28.

The loans can be classified according to their incidental guarantees:

- a) Loans guaranteed by real estate mortgages, formalized by public document ("The Mortgage Loans").
- b) Loans without guarantees or with third party personal guarantees (security deposits), formalized in self-executive public documents (article 517 of the Civil code) (The "Non-Mortgage Loans" and together with the Mortgage Loans, referred to as the "Loans").

IV.1.1. Loan characteristics

Number and amounts of the Loans

The Assignor is owner, among others, of the Loans that are pooled into the Fund and that represent, at the moment of the Date of Formation of the Fund, the total principal, not matured, of at least 225,000,000 euros. The pre-selected audited portfolio described in section IV.4, its balance being on September 27, 2003, 253,182,534.88 euros.

Economic and Financial Characteristics

The loans will in the most part be a selection of Banco Pastors' portfolio, the most significant characteristics of which are detailed in section IV.4 of this prospectus. On September 27, 2003, the amount of the principal pending expiration, of the 2,895 selected loans, totalled to 253,182,534.88 euros.

IV.1.2. Formalization of the assignment of the loans.

Through the formation deed, the Management Company, in the name and on behalf of Banco Pastor as the Assignor will formalize the assignment agreement with the Loans of the Fund, in the following manner:

- i) The assignment of the Mortgage Loans will be carried out through the issuance by Banco Pastor and the subscription by the Mortgage Transfer Certificates Fund according to the rules set by article 18 of the Finance Law.

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

The Mortgage Transfer Certificates will be transferable through written declaration on the title and, in general, by any means admitted by law. The transfer of the Mortgage Transfer Certificates and the address of the new title-holder must be notified by the buyer to the issuing entity of the same, its ownership or acquisition being reserved to professional or institutional investors and not to be acquired by the non-specialized public.

In the event either of having to substitute any of the Mortgage Transfer Certificates, as described in section IV.1.6, or in the case of substitution by the Management Company, in representation and on the behalf of the Fund, at the execution of a Mortgage Loan, as provided for in section IV.1.2.e), as well as in the event of Early Liquidation of the Fund, in the circumstances and conditions described in section III.9.1; if the sale of the cited Mortgage Transfer Certificates has taken place, Banco Pastor agrees to split, in its case, any multiple title in as many individual or multiple titles as are required, to substitute or exchange it so as to achieve the original results.

Banco Pastor, as the issuing company, will keep a special book where the issued Mortgage Transfer Certificates and the address changes notified by the owner of the Mortgage Transfer Certificates will be recorded, also recording (i) the formalization and due dates of the Mortgage Loan, the amount paid and method of liquidation; and (ii) the public records data for the mortgage that guaranties the Mortgage Loan.

Given that the Fund is directed to institutional investors and the subscription by the Fund of the Mortgage Transfer Certificates, in accordance with the second paragraph of the art. 64.1, of the Royal Decree 685/1982, of March 17, elaborated on Royal Decree 1289/1991, of August 2, the issuance of the Mortgage Transfer Certificates will not be registered as a marginal note to each record of the corresponding mortgage loans, in the Property Registry ("Registro de la Propiedad").

- ii) The assignment of the Non-Mortgage Loans, with or without personal guaranties - security deposits - will be done directly without any intermediate title.

In this chapter and in the rest of this prospectus, the term "Loan" will be used to make joint reference to the Non-Mortgage Loans, Mortgage Loans, and "Assets" to the Mortgage Loans and Mortgage Transfer Certificates.

The terms and conditions for the assignment of the Loans will be detailed in the remaining sections of the current chapter.

IV.1.3 Terms of the assignment of the Loans.

1. The assignment of the Loans will be full and unconditional for the total of the period remaining until the due date of each Loan.

The Assignor, in accordance to article 348 of the Commercial Code, will answer to the Fund for the existence and legitimacy of the Loans, as well as for the validity of the Assignor to make the assignment, but it will not answer for the solvency of the Debtor.

The Assignor does not run the risk of the loan default and, therefore, does not assume any responsibility on any loan default by the Debtors, neither for the principal, the interest, nor for any other amount that they might owe according to the Loan terms; neither does it assume the effectiveness of the guaranties linked to them. It will neither assume, in any other form, responsibility to guaranty, directly or indirectly, the successful end of the transaction; it will not grant any guaranties or security deposits; nor it will enter agreements for repurchase or substitution of the loans, exception made for the described in section IV.1.6 following, to fulfil the dispositions in the Royal Decree 926/1998 and the other applicable legislation.

2. The assignment of each Loan will be realized for the whole outstanding balance on the assignment date and for the totality of the ordinary interests of each assigned Loan.

In particular, and without the intention to limit, but only with the intention of enunciation, the assignment will provide the Fund with the following rights in relationship to each of the Loans:

- a. To receive the totality of the amounts accrued and collected for the repayment of the nominal amount or principal of the Loans.
- b. To receive the totality of the amounts accrued and collected as ordinary interest over the principal of the Loans from the time of the Purchase Date.
- c. To receive any other amounts, goods or rights received by Banco Pastor S.A. as a repayment of the principal, ordinary interests; in as much for the auction price as the price determined by judicial ruling or notarial executive process on the Mortgage or Non-Mortgage guaranties, such as eviction or exploitation of the real estate or assigned goods, or as a consequence of the cited executions, in administration and interim ownership of the real estate in process of execution until the repayment of the assigned and secured amount.
- d. To receive any other payment that Banco Pastor S.A. receives for the Mortgage Loans, the same as the rights derived from any accessory rights to the same, such as the rights or indemnities that correspond to any insurance contract in relation to the assets, that, in its case, were mortgaged as the guaranty of the Mortgage Loans, until the repayment of the assigned and secured amount, with the exception of the deferral interest, collection fees for unpaid instalments, subrogation fees, amortisation/early repayment fees, as well any other fees or supplement that might correspond to the Assignor.

The yields on the Loans that will be constitute deposits into the Fund revenues will not be subject to withholding in the account of the Corporations Tax ("Impuesto sobre Sociedades"), as established by Royal Decree 537/1997, of April 14, in which the Corporations Tax regulations are approved.

3. The event of early amortisation of the Loan by full or partial repayment of the principal, shall not give rise to the substitution of the affected Loans.
4. The Fund rights in relation to the Loans are linked to payments made by the Debtors, and as a result, are directly effected by the evolution, delay, early amortisation or any other development

regarding the Loans.

5. The fund will assume any expenses or charges to the Assignor that could result from the collection process in case of non-payment by the Debtors, including the exercise of lawsuits against them.
6. In case of renegotiation allowed by the Management Company, in representation and on behalf of the Fund, of the Loans, or their instalments; the modification conditions will affect the Fund in the manner conforming to the fifteenth norm, section 2d, of Circular 4/1991, of the June 16th, from the Bank of Spain.

IV. 1.4 Disclosures by the Assignor.

Banco Pastor, as the owner of the Loans until their assignment to the Fund, and as the issuer of the Mortgage Transfer Certificates, discloses to the Management Company, acting in name and representation of the Fund, and to the Bonds Issue Underwriting and/or Brokering Entities, the following:

1. In relation to the Banco Pastor.
 1. That it is a credit institution duly formed and constituted under the applicable laws and is registered in the Mercantile Registry ("Registro Mercantil") and in the Bank of Spain's Register of Credit Institutions, and it is accredited to issue loans to SMEs and to part take in the mortgage market.
 2. That neither at this time, nor at anytime since it was founded, has it been in state of insolvency, suspension of payment, bankruptcy, or any other situation that would make it loose its credit institution authorization.
 3. That its accounts for the last three years have been audited with at least a favourable opinion and without negative comments in the last year by the auditors; and its account records for the last year have been deposited with the CNMV.
 4. That it has signed a Master Collaboration Agreement with the Ministry of the Economy to determine the credits susceptible to assignment the securitisation funds that are believed to favour business funding, in accordance to that established in appendix II of the Order of December 28, 2001, ("Covenio Marco de colaboración entre el Ministerio de Economía y las Entidades de Crédito para determinar los créditos susceptibles de cesión a los fondos de titulación de activos que se creen para favorecer la financiación empresarial").
2. In relation to the Loans.
 1. That its company bodies have validly adopted all resolutions needed for assignment of the Loans, and for valid grant of the Deed of Formation of the Fund, the contracts and supplementary commitments undertaken.
 2. That the whole of the Loans are duly set out public document either in deed or in form, and that Banco Pastor keeps, depending on the case, the first copy of the public deed or the official form, at the disposal of the Management Company.

3. That all of the Loans exist and are valid and enforceable according to the applicable laws, except in those cases where their enforceability becomes limited by a future insolvency proceeding, having observed in their constitution all applicable regulations.
4. That it is has full title to the Loans, free from defects and lawsuits; and there exists no impediment to the assignment of the same.
5. The loans will no longer be accounted as assets by Banco Pastor as of the date of assignment to the Fund and in the amount that they are assigned, in accordance to that established in the Circular 4/91 of the Bank of Spain; not disregarding the effects that the partial or total subscription of the Bonds Issue, as the case may be, might have for Banco Pastor according to said Circular.
6. That all the Loans are denominated in euro and are payable exclusively in euros.
7. That all the loans have an initial amortisation period of no less than a year.
8. That all loan Debtors are non-financial enterprises domiciled in Spain and are all small and medium companies according to definition of the EU Council (Recommendation of April 3, 1996).
9. That at the time the Loans were granted and the acceptance, in the case any subrogation of posterior subsequent borrowers to the position of the initial borrowers, the regular approval process in effect at the time was followed, and to that effect it is annexed to the Formation Deed a memorandum on the criteria of the loan and credit approvals to companies currently in effect (forthcoming, Internal Memorandum on Financing Operations "Memorandum Interno sobre Operaciones de Financiación").
10. It is not aware of any lawsuits of any kind in relation to the Loans capable of impairing their validity or enforceability.
11. On the Transfer Date for transferring the Assets to the Fund, the Loans shall not have payments overdue for more than ninety (90) days.
12. On the date of the Fund Formation, the outstanding balance on the loans is equal to the amount for which it is assigned to the Fund, and that also, the sum of the outstanding balance on the loans will be at least equal to the nominal value of the bond issue.
13. The data in relation to the loans will be included as appendix 7 and appendix 8 in the Deed of the Fund formation accurately reflects the current status, as it was written in the loan contracts and in the computer records of the Finance Operations, reflect accurately the status at the time that they were recorded are correct and complete. Furthermore, any additional information in the characteristics of the loan portfolio of the Assignor shown in the prospectus is accurate and complete. Concretely, the Loans at the time of signing had an amortisation period not less than a year.
14. The criteria contained in the Internal Memorandum for Financing Operations, that is included in appendix 9 on the Deed of Formation of the Fund are used normally by the Assignor as part

- of their approval process in financing operations with SMEs.
15. The criteria contained in the Internal Memorandum for Financing Operations cited in the previous point, was strictly followed for the approval of the Loans in the portfolio.
 16. All the Loans are clearly identified by the Banco Pastor's computer records and their contracts, deed or in an Official Form attested by a notary public, in possession of Banco Pastor and their evolution is analyzed and followed by the Assignor, from their approval, according to the pre-established operating procedure.
 17. All the Loan have been and are been manage by the Assignor according to its standard operating procedure for the management of SMEs financing operations.
 18. It has no knowledge that any of the debtors is entitled to a credit at the expense of Banco Pastor from which he had asked the right to compensation.
 19. At the Fund Formation date, none of the assigned Loan debtors is involved in liquidation proceedings.
 20. The guarantees, an in its case, of the Loans are valid and executable according to the applicable legislation, and Banco Pastor has no knowledge of any circumstance that might prevent the guarantees from being executed.
 21. None of the Loan has an amortisations date later than the redemption date of the Bonds.
 22. The corresponding contracts, public deeds or Official Form attested by a notary public, that document the loans contain any clauses preventing them from being assigned or than would require some type of consent or communication to be done.
 23. It has no knowledge that the debtors assigned would be able ask for an exemption on the payment of any of the Loan instalments.
 24. No person has preferred right to the Fund, in the condition of owner of the Loans.
 25. The loan approval and the loan assignment to the Fund, and all aspects relating to them, have been and will be done according to the open market criteria ("at arm's length").
 26. The data and information in relation to the selected Loans to be assigned to the Fund and the statistical information of Banco Pastor shown, respectively, in sections IV.3 and IV.4 of the prospectus, closely reflect the situation on the date showed and are accurate and complete.
3. In relation to the Mortgage Transfer Certificates and the Mortgage Loans.
1. its company bodies have validly adopted all resolutions needed for issuing the Mortgage Transfer Certificates.
 2. the data on the Mortgage Loans and on the Mortgage Transfer Certificates which refer to those loans, represented in one multiple registered certificate, give an exact view of the current

situation of those Mortgage Loans and Mortgage Transfer Certificates and are accurate and complete.

3. the Mortgage Transfer Certificates are issued in accordance with article 18 of the law 44/2002 of November 22, 2002 on Financial System Reform Measures (“Ley de Medidas de Reforma del Sistema Financiero”), which added a new paragraph to section two of the fifth additional provision of Act 3/1994, and the rest of the applicable legislation.
4. All the Mortgage Loans are guaranteed by a real state mortgage.
5. all of the Mortgage Loans corresponding to the Mortgage Transfer Certificates of reference are executed in public deeds and all of the mortgages are duly constituted and registered in the relevant Property Registries. The registration of the mortgages properties remains in force and without any contradiction whatsoever.
6. The mortgages are constituted on the real state of which the mortgagor has full ownership, not having Banco Pastor any knowledge of any lawsuits over the ownership of the cited real state that might adversely affect the mortgages.
7. the Mortgage Loans are not executed in any credit instruments, be they registered, to the order of or bearer instruments, other than the Mortgage Transfer Certificates issued to be subscribed for by the Fund.
8. the Mortgage Loans are not subject to any issue of mortgage-backed bonds, mortgage participating units (“participaciones hipotecarias”) or Mortgage Transfer Certificates other than the issue of the Mortgage Transfer Certificates, and, as from the issue of the latter, the Mortgage Loans shall not be affected by any issue of mortgage-backed notes (“cédulas hipotecarias”), mortgage-backed bonds (“bonos hipotecarios”), mortgage participating units (“participaciones hipotecarias”) or other Mortgage Transfer Certificates.

IV.1.5 Price for the sale or assignment of The Loans.

The sale price or assignment of the Loans will on par. The price that the Fund must pay to Banco Pastor for the assignment of the Loans will be equal to the addition (i) Outstanding Principal balance of each loan and (ii) the interest accrued and not due and in its case the interest overdue on each of the Loans at the time of the assignment (“running interests”).

The full payment of the price for the assignment of the Loans will be made by the Management Company, in the account of the Fund, in the following way:

1. The part of the price of the assignment corresponding to the principal outstanding balance on all the Loans, notation “(i)” of the previous paragraph, will be satisfied on the Bonds Disbursement Date, effective that same day, once the disbursement for the subscription for the Bonds Issue has been effected, through transfer done by the Management Company to Banco Pastor from the Treasury Fund opened in the name of the Fund.
2. The part of the price corresponding to the running interest corresponding to each of the Loans,

notation "(ii)" above, will be satisfied on the collection date corresponding to the first date of interest liquidation for each of the Loans, or, if the date in which the Assigned Debtor satisfied the interest is earlier, then on such date, without being subject to the Order of Payments Priority of the Fund.

In the case that the Fund Formation be terminated and, consequently, the sale of the Loans are also terminated: (i) the obligation for the payment of the total price for the acquisition of the Loans by the Fund will be extinguished; (ii) the Management Company will be obligated to restitute to Banco Pastor whatever rights that might have been accrued in favour of the Fund for the acquisition of the Loans; and (iii) Banco Pastor will again include the Loans in the assets portion of their balance sheet and will cancel the Mortgage Transfer Certificates.

IV.1.6 Rules established for the substitution of the Non-Mortgage Loans or the Mortgage Transfer Certificates in the case of the appearance of hidden defects in the same, or, in its case, reimbursement to the Fund.

In the case of the appearance of hidden defects in any of the Loans detected during their time of effectiveness; that any of the Loans or the Mortgage Transfer Certificates fail to correspond with the declarations contained in section IV.1.4, or to the concrete characteristics communicated about them by the Assignor to the Management Company; the Assignor agrees that it will, with the prior approval of the Management Company, proceed to substitute the Loans that are found in said situation, subject to the following rules:

1. The party that encounters the hidden defect, be it the Assignor or the Management Company, will communicate this circumstance, in writing, to the other party. The Assignor will have a period of five (5) Business Days after the such notification to remedy the defect in the case that it is susceptible to remedy, or to proceed with the partial or total substitution of the Loans or Mortgage Transfer Certificates effected, communicating to the Management Company the characteristics of the Loans that the Assignor proposes to assign in substitution, that should comply with the declarations contained in section IV.1.4 and be homogeneous with the Loans that are pooled into the Fund. Once the Management Company verifies the adequacy of the substituting loan and having expressly manifested to the Assignor that the loans are apt for substitution, the substitution will take place through the termination of the assignment of the effected loans, or, as the case may be, the cancellation of the corresponding Mortgage Transfer Certificates and the simultaneous assignment of the new loans in substitution.

The substitution will be carried out in public deed with the same formalities established for the acquisition of the Loans at the Fund Formation and in conformity with the concrete characteristics of the new loans subject to the assignment. The Management Company shall submit a copy of the aforementioned contract to the National Securities Market Commission and to the Rating Agency.

2. Subordinate to the obligation assumed in conformity to previous rule 1, and in the event that effected Loans are not fully substituted, the assignment of the effected Loans that are not substituted shall be terminated, and, in its case, the cancellation of the corresponding Mortgage Transfer Certificate. Said termination shall take place through the cash reimbursement to the Fund by the Assignor of the outstanding Principal on the effected non-substituted loans, of the accrued unpaid interest calculated till the Reimbursement Date, as well as any other amount that might correspond to the Fund in relation to those loans.

IV.1.7. Right of Purchase.

The Fund will concede to the Assignor a right of purchase (the "Right of Purchase") over the totality of the Non-mortgage Loans and the Mortgage Transfer Certificates remaining in the Fund, that will be enforceable at any time from the moment the Outstanding Balance on the Loans is less than 10 percent of the initial capital of the Loans at the Fund Formation Date, and as long as all the obligations of payment derived from the Bonds of each Series can be attended to and cancelled in accordance with the Payment Priority Order.

The exercise of the Right of Purchase will be subject to the following conditions:

- (i) The purchase must be carried out on a Payment Date and include the totality of the Non-Mortgage Loans and the Mortgage Transfer Certificates remaining in the Fund; therefore, partial purchase cannot be carried out.
- (ii) The Assignor shall communicate to the Management Company its decision to execute the Right of Purchase with notice of at least 30 Business Days to the Payment Date in which the purchase would take place. Said communication shall be done by the Assignor in writing, in a verifiable manner, and addressed to a person or persons with sufficient powers.
- (iii) The previous attainment by the Assignor of all the administrative and internal permissions and authorizations that are required.

The price that the Assignor must pay to the Fund as a consequence of the exercise of the Right of Purchase will be equal to the sum of the repurchase price of each one of the Loans. The repurchase price of each Loan will be:

- i) for the Loans that have not overdue or defaulted amounts: its Outstanding Amortisation Balances on the Payment Date in which the Repurchase Right is effective together with the accrued ordinary interest, not overdue, until said Payment Date; and
- ii) for the Loans that have Overdue Amounts and/or Default Amounts: the price set by a third party, designated in joint agreement between the Assignor and the Management Company and approved by the Rating Agency, taking into account the recovery expectations.

In any case, the total price that the Assignor pays to the Fund in exercise of the Repurchase Right shall be sufficient to be able to attend to and cancel the total payment obligations derived from the Bonds issued against the Fund, in accordance with the Order of Payments Priorities.

Once the Right of Purchase has been exercised and the price paid, the Assignor will become the owner of the Loans, constituting a full and unconditional assignment on the part of the Fund.

The exercise of the Right of Purchase by the Assignor will give rise to the Early Liquidation and Termination of the Fund, in conformity with that established in section III.9.1 of the present Prospectus.

IV.1.8 Actions in the case of Non-payment of the Loans.

The Administrator will carry out the actions described in section IV.2.1.8 of the present Informative Prospectus being able to carry out any action that the Administrator considers reasonably necessary or convenient, applying, in any case, the same diligence and proceedings in the collection of the amounts of the Loans due and not satisfied as if it were his own portfolio, carrying out, to such effect, the usual actions for these situations, as described in Appendix 9 of the Deed of Formation of the Fund.

In any case, in the event of the non-payment of the principal or interest of a Mortgage Transfer Certificate by reason of non-payment of the Mortgage Loan by the Assigned Debtor, it will correspond to the Management Company, in representation of the Fund as owner of the Mortgage Transfer Certificates, to exercise the totality of the faculties foreseen by article 66 of Royal Decree 685/1982.

Under the assumption that a situation regulated by part b) of article 66 of Royal Decree 685/1982, would arise, the right of payment assignment corresponds to Banco Pastor and the distribution of the remaining product will be effected in the form described the the aforementioned article.

In the event that any of the situations described in sections c) and d) of article 66 of the Royal Decree 685/1982, should arise, the Management Company, in representation of the Fund, may petition to a Judge or competent Notary to commence the mortgage guarantee execution proceedings, accompanying its petition with the original of the itemized Mortgage Transfer Certificate, the notarial petition ("requerimiento notarial") set forth in section c) previous, registry certification of inscription and subsistence of the Mortgage. Banco Pastor shall remain obligated to issue a certification of the existing outstanding balance of the Mortgage Loan.

Likewise, in the events in which the Management Company, as a representative of the Fund, subrogates itself to the position of Banco Pastor in the proceeding initiated by it; or the Management Company initiates a process for the execution of the Mortgage Guarantees, the Management Company shall proceed to sell the awarded real estate in the shortest period of time that the market conditions will permit.

Banco Pastor will have the right to bid for the acquisition of those real estate assets that were mortgaged in guarantee to the Mortgage Loans that it administers, and that are awarded to the Fund, during the period of 15 Business Days from the date in which the Management Company communicates verifiably to Banco Pastor the intention to sell the real estate. The bidding right will implicate that the Assignor can acquire the real estate in the same condition that were offered to the Management Company. All of the actions described in the present section in relation to the Mortgage Transfer Certificates will be realized in the terms of Title IV of Book III of the Law of Civil Judicial Proceedings ("Ley de Enjuiciamiento Civil").

In the case of the failure to fulfil the payment obligations arising from the Non-Mortgage Loans by the Assigned Debtor, the Management Company, acting in representation of the Fund, will petition executive action against said assigned debtors, in conformity with the proceedings foreseen for that process by the Law of Civil Judicial Proceedings that would be exercised by the Management Company in representation of the Fund only in the event that the Administrator fails to adequately carry out his functions according to the usual procedures that exist to that effect.

Neither the Bondholders nor any other creditor to the Fund will have any legal action against the assigned debtors that have failed to fulfil their payment obligations, being the Management Company, as representative of the Fund, that holds said right of action, in the terms described in the present section.

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

Banco Pastor, Assignor of the Loans to be acquired by the Fund, in accordance with that established in article 2.2.b) of Royal Decree 926/1998 and, with respect to the Mortgage Transfer Certificates, in article 61.3 of Royal Decree 685/1982, will hold, by mandate of the Management Company, the administration and management of the Loans, governed by the Contract of Administration and Management of the Loans and Mortgage Transfer Certificates (the "Administration Contract"), the relations between Banco Pastor and the Fund, represented through the Management Company, in regard to the custody and administration of the Loans and the deposit of the Mortgage Transfer Certificates.

Banco Pastor (in regard to this Contract, the "Administrator"), will accept the mandate received by the Management Company and, by reason of said mandate, agrees to the following:

- i) To exercise the administration and management of the Loans acquired by the Fund in the terms of the regime and ordinary procedures of administration and management established in the Administration Contract.
- ii) To continue administering the Loans, dedicating the same time and attention to them and the same level of proficiency, care, and diligence in their administration as it would if they were their own loan and, in any case, exercise an adequate level of proficiency, care, and diligence in the performance of the services set forth in the Administration Contract.
- iii) That the procedures that apply and will apply to the administration and management of the Loans are, and continue to be, in conformity with the applicable laws and legal rules in effect.
- iv) To comply with instructions given by the Management Company with the proper loyalty.
- v) To indemnify the Fund for damages that may arise through the failure to comply with the assumed obligations.

The most relevant terms of the Administration Contract are found in the notes following the present section.

IV.2.1 Regime and ordinary procedures of Loan management and administration.

The succinct and summarized description of the regime and ordinary procedures for the administration and management of the Loans (hereinafter, the "Services") regulated through the Administration Contract are the following:

1. Custody of the deeds, documents, and archives.

The administrator will maintain all the deeds, contracts, documents, and computer records relating to the Loans; and will not abandon the possession, custody, or control of the same without prior express written consent by the Management Company to that effect, unless a document would be required to initiate proceedings for the reclamation of the Loan, or it were demanded by any other competent authority.

The Administrator will facilitate reasonable access at all times to said deeds, contracts, documents, and records to the Management Company or the Funds auditors, duly authorized by the Management Company. Likewise, and if the Management Company requests it, facilitate, at no charge and within fifteen (15) Business Days following the request, said deeds, contracts, and documents.

2. Collections Management.

The Administrator will continue with the collection management of all amounts that should be satisfied by the debtors, deriving from the Loans, as well as any other concept, including those corresponding to the insurance contracts against damage to the guaranteed mortgaged real estate of the corresponding Mortgage Loans. The Administrator will use due diligence so that the payments made by the Debtors, will be collected in accordance with the contractual terms and conditions of the Loans.

The deposit by the Administrator to the Fund of the amounts collected for the administered Loans will be done in the following manner:

The deposits by the Administrator will be realized monthly into the Collection Account on each Collection Date, that is, any day of the seven first natural days of each month, and will refer to the amount recorded by the Administrator, in relation to the administered loans, during the previous natural month.

The Administrator, will be able to freely manage the collected funds in relation to the loans, from the time of collection to the next Collection Date, any benefits yielding from the administration of the fund during that period go to the administrator.

In the event of discrepancy in between the Administrator and the Management Company in regards to the amount that the Administrator has to turn over to the Fund on each Collection Date both parties will try to resolve such discrepancies, if and agreement is not reach before the Collection Date the Administrator will make a provisional transfer to the Fund of the amount establish by the Management Company, sufficiently accredited to the Administrator, with not adverse consequence in later agreements to adjust the cited amount.

In any event the Administrator will deposit any amount in the Fund that was not previously collected from the debtors of the assigned for the loan payments.

3. Interest Rate Setting.

The variable interest rates Loans, the Administrator will continue to set the cited interest rates according to that established by the corresponding loan contracts, issuing the communications y notifications as established to that effect.

4. Information.

The administrator must inform periodically to the Management Company the information related with the individual characteristics of each of the Loans, with regards the debtors compliance with their duties derived from the Loans, with defaulted loans, with any modifications with regard to the characterises of the Loans and with regard to the collections of overdue loans and lawsuits, and all that following the procedures and with the periodicity established by the Administration Contract.

Likewise, the Administrator must prepare and submit to the management Company, in default estimates, the additional information that, in relation with the Loans or the rights derived from them, the Management Company might request.

5. Loan Subrogation.

The Administrator will be authorized to allow substitutions of the Debtor position in the Loans contracts, exclusively the case in which the characteristics of the new Debtor are similar to the previous and the replacement Debtor fits the criteria of the granting of loans, described in the memorandum of the criteria of the granting of credits and loans to companies, annex to the Deed of Formation of the Fund, and always where the expenses deriving from such modification are, in their entirety, paid by the Debtors. The Management Company will be able the limit, partially or wholly, this power of the Administrator or establish conditions to the same, when said substitutions could negatively effect the ratings granted to the Bonds by the Rating Agency.

On the other hand, in relation to the Mortgage Loans, the mortgage Debtor will be able to urge the subrogation by the Administrator to the Mortgage Loans to the extent set forth in Law 2/1994. The subrogation of a new creditor in the Mortgage Loan and the consequential deposit of the amount owed, will produce the anticipated amortisation of the Mortgage Loan and of the corresponding Mortgage Transfer Certificate.

6. Faculties and actions in relation to the process of renegotiation of the Loans.

The Administrator will not be able to cancel, voluntarily, the Loans or their guarantees for cause distinct to the payment of the Loan, renounce or compromise the same, cancel, in whole or in part, or extend them, or in general realise any action that diminishes the juridical efficacy or economic value of the Loans or the guarantees, without prejudice to the ability to proceed to attend the petitions of the Assigned Debtors with equal diligence and procedure as if the Loans were his own.

The above notwithstanding, the Management Company will be able to, in its capacity as manager of third party businesses and attending the solicitations of the Assigned Debtors to the Administrator directly or in exercise of Law 2/1994, give instructions to the Administrator or previously authorize so that agreement is made with the Assigned Debtor, in the terms and conditions it esteems opportune in conformity with the requirements established in this section to modify the Loan in question, be it for the renegotiation of the interest rate or for the extension of the due date, always so that no prejudice in incurred to the ranking of the Mortgage Loans by virtue of said modification.

a) Renegotiation of the interest rate.

In no case shall the Administrator be able, without doing so by request of the Assigned Debtor, to open renegotiations of the interest rate, that could result in the diminishment of the interest rate applicable to a Loan.

Without prejudice to what is net explained, all renegotiation of the interest rate undersigned through the Administrator, will take place only with the previous consent of the Management Company, in representation of the Fund, " it being advisable that the Administrator request said consent by the Management Company as soon as he has knowledge that a Debtor is requesting renegotiation. Nonetheless, the Management Company initially will authorize the Administrator to open and to accept negotiations concerning the interest rate applicable to the Loans, without the necessity of previous consent by the Management Company, subject to the following generic authorization requirements:

- i) The Administrator, without prejudice to that determined in section "ii)" that follows, shall be able to renegotiate the interest rate clause of the Loans, in at market-deemed conditions and that are not distinct to those that the proper Administrator would have applied in the renegotiation or in the concession of his credits and loans. For those purposes, the market interest rate shall be considered the interest rate offered by credit entities in the Spanish market for loans or credits for amounts and other conditions similar to those of the Loan.
- ii) Notwithstanding that established in the prior paragraph, the Administrator no longer will be able to realise future negotiations of the interest rate if, on a Determination Date the average pondered interest rate of the Assets results to be inferior to the Euribor for three (3) months plus a margin of 1% annually.
- iii) In no case will the renegotiation of the interest rate applicable to a Loan have, as a result, the modification to a floating interest rate with a reference index for its determination different from the rates or reference index that the Administrator would be using in the loans or credits granted by it.

b) Extension of the due date.

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

- i) In no case shall the Administrator be able to begin proceedings by his own initiative, in other words, without being by request of the Debtor, for the modification of the final due date of the Loan that could result in an extension of the same. The Administrator without encouraging the extension of the due date, shall always act in relation to said extensions with the interests of the Fund in mind.
- ii) The amount of the sum of the principal or capital assigned to the Fund from the Loans over which an extension of deadline occurs cannot exceed 5% of the capital o principal of all Loans assigned to the Fund.
- iii) The extension of a due date for a particular Loan may be carried out so long as the

following prerequisites are met:

- a) That, whatever the case, the frequency of the amortisation quotas of principal or interest of the Loan is maintained or reduced, but maintaining the same amortisation system.
- b) That the new maturity date or date of final amortisation, be, at the latest, July 31, 2023.
- c) That the Loan has not had any delay in the payment of the debt due superior to ninety (90) days during the six (6) months previous the the effective date of the due date extension.

The Management Company, in representation of the Fund, will be able, at any moment, cancel, suspend, or modify the authorization and the prerequisites for the renegotiation on the part of the Administrator that are established in the section, or in the case of modification, that had been previously authorized. In any case, all renegotiation of interest rates or of due dates for the Loans, be it generically authorised or not, shall be undertaken and resolved with the interests of the Fund in mind.

When a renegotiation of a Loan takes, the Administrator shall proceed to immediately notify the Management Company of the conditions resulting from each renegotiation. Said notification shall take place through the electronic registry foreseen for the updating of the Loans conditions.

In the case that the renegotiation consented to, through the Management Company in representation and on behalf of the Fund, for the Loans, or of their maturity dates, the modification of the conditions will affect the Fund in conformity with the Fifteenth Rule section 2d) of Circular 4/1991, of June 16, of the Banco de España (Bank of Spain).

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

7. Extension of the mortgage.

If at any moment the Administrator has knowledge to the effect that, for whatever reason, the value of a real estate mortgage that is guaranteed by a Mortgage Loan, has fallen in value in more than the percentages legally permitted, he should, in conformity with that established in articles 26 and 29 of Royal Decree 685/1982, request to the mortgage Debtor in question, in so far as it is legally required:

- a) The extension of the mortgage to other assets in an amount sufficient to cover the required ratio between the value of the good and the loan or credit it secures; or
- b) the return of the Mortgage Loan in totality or of the part thereof that exceeds the amount resulting from applying to the current evaluation the percentage used initially to determine the amount of the same.

If within the period of two (2) months from the time of the extension had been requested, the mortgage Debtor has not executed it, nor has returned the part of the Mortgage Loan referred to

the previous paragraph, it will be understood to have opted for the refund of the Mortgage Loan in its entirety, which the Administrator should immediately demand from him.

8. Action against the Debtors in the case of default in the payment of the Loans.

Actions in case of delay.

The Administrator will apply equal diligence and procedure in the demand of the amounts due and not paid of the Loans as for the rest of the Loans in his portfolio.

In the case of default by the Assigned Debtor of the payment obligations, the Administrator will carry out the acts described in the Administration Contract, adopting that effect, the measures he would normally take if the Loans were of his own portfolio, and acting in conformity to the good banking usage and practice for the collection of the amounts owed, being obligated to anticipate those expenses necessary to carry out said actions, without prejudice to the right to be reimbursed by the Fund. Including, of course, in said actions, all the judicial action that the Administrator considers necessary for the claim and collection of the amounts due by the Assigned Debtors.

Judicial Actions.

The Administrator, by virtue of fiduciary title to the Loans or by virtue of the powers cited in the following paragraph, will exercise the corresponding actions against the Assigned Debtors that fail to fulfil their payment obligations as derived from the Loans. Said action shall be exercised through judicial executive procedure that may apply in conformity with that set forth in article 517 and following the Civil Procedure Law.

To the previous effect and to effect of that foreseen by articles 581.2 and 686.2 of the Law of Civil Procedure, in the event that it is necessary, the Management Company, by the Formation Deed, grants the authority to the legally required extent in favour of Banco Pastor so that it, acting through anyone of its attorneys duly authorised to that end, is able, in name and representation of the Management Company as legal representative of the Fund, require, through any judicial or extrajudicial means, that the Debtor of any of the Loans pay its debt, exercising legal action against the same, in addition to other powers required for the exercise of his functions as Administrator. These powers shall be able to be amplified and modified through another instrument when necessary.

In relation to the credit rights derived from the Loans, the Administrator shall, in general, present an executive demand if, during a period of six (6) months, the Assigned Debtor of the Loan that has failed to meet its payment obligation without resuming the payment to the Administrator, and the Administrator, with the consent of the Management Company, is unable to obtain a satisfactory promise for payment, in the interests of the Fund. The Administrator, in any case, should proceed immediately to present the executive demand if the Management Company, in representation of the Fund, after analyzing the specific circumstances of the case, deems it appropriate.

If eight (8) months have passed from the time of the latest payment default, without the Debtor resuming the payments or without restructuring, and the Administrator would not have presented the executive demand without sufficient motive to justify it, the Management Company, in representation of the Fund, shall proceed directly to the commencement of the judicial proceedings respective to demand for the debt total.

In the case of a stay of the proceedings followed by the Administrator, without motive sufficient to justify it, the Management Company, in representation of the Fund, shall, in its case, subrogate in the position of the Administrator and continue with judicial proceedings.

The Administrator is obligated to timely inform of the payment requests, judicial actions, and whatever other circumstances that affect the collection of the pending overdue amounts for the payment of the Loans. Also, the Administrator will provide to the Management Company all the documentation that it might request in relation to said Loans and, in especially, the documentation necessary to the commencement, in its case, by the Management Company, legal actions.

9. Insurance for damage to the mortgaged real estate.

The Administrator shall not take nor omit to take measures that would result in the cancellation of any insurance policy against damage to the mortgaged real estate or that would result in the reduction of the amount to paid in any claim under the same. The Administrator shall exercise due diligence, and in any case exercise the rights that the insurance policies or the Mortgage Loans grant him, with the object of maintaining said policies in vigour and plain effect (or any other policy that grants an equivalent coverage) in relation to each Mortgage Loan and its respective real estate.

The Administrator shall be obliged to advance the payment of the premiums relating to the policies that have not be satisfied by the Assigned Debtors, always having reliable knowledge of said circumstance, and without prejudice to the right to obtain reimbursement from the Fund of the amounts satisfied.

The Administrator, in case of an accident, shall coordinate the actions for the collection of the indemnifications derived from the insurance policies for real estate damage, in accordance with the terms and conditions of the Loans and of the policies, depositing to the Fund, in its case, the amounts collected.

10. Compensation.

In the case that any of the Assigned Loan Debtors holds a right to a cash credit, due and demandable from the Administrator, and that as a result any of the Loans are compensated, in full or part, against such right of credit, the Administrator will remedy such circumstance, or, if remedy is not possible, the Administrator will proceed to deposit in the Fund the amount that would have to be compensated plus the interest accrued that the Fund would be entitled to until the date that the deposit is made calculated in according to the applicable conditions of the corresponding Loan.

11. Subcontracting.

The Administrator shall be able to subcontract any of the services that he has agreed to provide in virtue of the Administration Contract, except for those services that are not delegable under applicable law. Said subcontracting shall not suppose any cost or additional expense to the Fund or the Management Company, and shall not cause a lowering of the rating granted to each of the Bonds. Notwithstanding any subcontracting or delegation, the Administrator shall not be exonerated nor liberated, through such subcontracting or delegation, of any of the responsibilities

assumed by the Administrator by virtue of the Administration Contract or of those that are legally attributable or demandable.

12. Notifications.

In the case that the Administrator finds himself in any situation of insolvency or a bankruptcy situation the Management Company, as soon as it has knowledge of said situation, will carry out the timely notification to Assigned Debtors of the assignment of the Loans to the Fund.

IV.2.2 Duration.

The services will be rendered by the Administrator until, once the totality of the Loans acquired by the Fund are amortized, the obligations assumed by the Administrator will be extinguished with regard to the Assignor of the Loans; or when the liquidation of the Fund is concluded once the Fund is terminated, without prejudice to the possible early revocation of his mandate in conformity with the terms of the Administration Contract.

As much as in the case of the failure of the Administrator to perform the obligations established in the Administration Contract, as in the case of suspension of payment or bankruptcy or being the object of administrative intervention or for decrease of its credit rating; that would pose a threat or risk for the financing structure of the Fund or to the rights and interests of the Bondholders, the Management Company will be able, if allowed by law, to take any of the following actions:

- i. Request that the Administrator subcontract or delegate or guarantee that said obligations will be performed by another entity that in the judgment of the Management Company and the Rating Agency, has adequate legal and technical proficiency, as well as a credit rating and quality acceptable to the Rating Agency.
- ii. Terminate the Administration Contract; to which effect the Management Company must designate in advance a new administrator that will have a credit rating and quality acceptable to the Rating Agency.

In case that actions “(i)” and “(ii)” above are impossible to execute, the Management Company shall directly assume the performance of the services foreseen in the Administration Contract.

The Management Company shall take into account the proposals that the Administrator presents for the subcontracting, delegation, or designation of the substitute to perform its obligations, as well as over the entity that would be able to guaranty their execution.

The Administrator, can also voluntarily renounce the exercise of the administration and management of the Loans where possible in conformity with the law current and applicable at any time and always where (i) authorized by the Management Company, (ii) the rating granted to the Bonds by the Rating Agency will not be effected, (iii) the Management Company has designated a new Administrator with a credit rating and quality acceptable to the Rating Agency, and (iv) the Administrator has compensated the Fund for the damages that the resignation and replacement could cause it.

Having arisen the early termination of the Administration Contract, the Administrator shall turn over

to the new Administrator, by request from the Management Company in the form determined by the same, the documents and computer records necessary to perform the corresponding activities.

The Administration Contract will be terminated at law, in the case that the Rating Agency fails to confirm as final, before the start of the Subscription Period, the provisional ratings of each of the Series.

IV.2.3 Responsibility of the Administrator and indemnification.

In no case will the Administrator have any responsibility in relation to the obligations of the Management Company in its capacity as administrator of the Fund and manager of the interests of the Bondholders, nor in relation to the Debtors' obligations derived from the Loans, and notwithstanding the responsibilities assumed by the Administrator in the Formation Deed with regard to the Assignor of the Loans acquired by the Fund.

In accordance with that set forth by Royal Decree 926/1998 and Law 19/1992, the Bondholders will run the risk of default on the Loans. In consequence, the Assignor does not assume responsibility whatsoever for the default by the Assigned Debtors, be it on the principal or on the interest that they may owe in relation to the Mortgage Loans and/or Non-Mortgage Loans.

The Administrator assumes the obligation to compensate the Fund or the Management Company for any loss or expense incurred for reason of the failure to perform on the part of the Administrator of his obligations of administration, management, and information of the Loans and custody of the Mortgage Transfer Certificates, established by virtue of the Administration Contract.

The Management Company, in representation and on behalf of the Fund as holder of the Mortgage Transfer Certificates, will have executive action against Banco Pastor, as the issuer of the Mortgage Transfer Certificates, for the effectiveness of the due dates for the principal and interest of the Mortgage Transfer Certificates, when the failure to fulfil the payment obligation for said amounts is not a result of the failure to pay by the Mortgage Loans Debtors. Also, the Management Company will have corresponding action for the effectiveness of the due dates of the Non-Mortgage Loans, when the failure to fulfil the payment obligation for said amounts is not a result of default by the Debtors of said Non-Mortgage Loans.

Neither the Bondholder nor any creditor to the Fund will have any right of action against the Assignor, being the Management Company as a representative of the Fund that holds title to the Assets, the one to have said right of action.

IV.2.4 Remuneration of the Administrator for the administrative functions, management of the Loans, and deposit of the Mortgage Transfer Certificates

As compensation for the custody, administration and management of the Loans, and for the deposit of the Mortgage Transfer Certificates, Banco Pastor, as the Administrator, will be entitled to receive, for complete periods in each of the Payment Dates, and as long as the Administration Contract is in effect, a commission of subcontracted administration equal to an annual 0.01%, Value Added Tax included where not exempt, that will accrue over the effective days past and over the outstanding amortisation balance of the assets on the last day of the previous month to the date of the current Payment Date. If Banco Pastor is substituted in said administration function, the Management Company will be empowered to modify the commission percentage in favour of the new Administrator for a maximum

of an annual 0.1%. Likewise, in the event that the Management Company would have to assume directly the administration and management of the Loans, the commission for the administration of the Loans will be accrued in favour of the Management Company during the effective time that those functions are performed.

If the Fund, through the Management Company, lacks sufficient liquidity according to the Fund Payments Priority Order, will not pay on the Payment Date, the totality of the commission owed; the unpaid amounts will be added, without any penalty, to the commission that will be paid in the subsequent Payment Dates, proceeding with the payment at that same moment.

Likewise, in each Payment Date, the Administrator will have the right to the reimbursement of all the non-ordinary expenses that may have been incurred, such as those caused by reason of the executive actions or by the administration of the sale of the goods or real estate awarded to the Fund, and with prior justification thereof in relation to the administration of the Loans. Said expenses will be paid if the Fund has sufficient liquidity and in accordance to the Payments Priority Order.

IV.3. Loan Approval Process

The loans grouped in the Fund were approved by the Assignor following its normal approval process as described in appendix 9 of the Deed of Formation of the Fund, , Internal Memorandum on Financing Transactions (“Memorándum Interno sobre Operaciones de Financiación”).

At the time of the Fund formation, according to the Assignor declaration, no lawsuits of any kind in relation with the Loans exist that could adversely affect the assignment of them.

IV.3.1. Historical data on the SMEs (Small and Medium companies) loan portfolio

The following table show the SMEs loan portfolio historical data. The data shows the evolution of the loan investment and the evolution on the overdue loans in the portfolio. The early loan amortisation is not included since the data that can be obtained from complete loan portfolio that of the Assignor is not applicable to the loan portfolio selected for this issue. The Management company does not have historical data on the early amortisation of the type of loan portfolio grouped in Fund.

All amounts in euros

SMEs Loan Portfolio Evolution					
Date 1	Loan Investment		Overdue Transactions		
	Num. Of Transactions 2	Balance 3	Num. Of Transactions 4	Balance 5	Overdue% 6
1995	3,499	409,143,691	90	6,493,197	1.59%
1996	2,882	440,025,768	50	3,225,511	0.73%
1997	2,400	420,044,172	24	2,842,668	0.68%
1998	2,150	486,694,073	16	803,823	0.17%
1999	2,037	493,543,559	11	796,341	0.16%
2000	2,061	551,574,603	14	1,839,097	0.33%
2001	2,638	689,572,327	17	1,951,095	0.28%
2002	2,635	823,231,276	10	2,403,955	0.29%
2003	1,888	904,112,460	4	248,715	0.03%
* Includes loans and credits					
1: The data shown on every year as of December 31st, except for 2003: June 30th					
2: Number of open transactions at year end					
4: Number of overdue transactions at year end					
6: Net overdue Balance in relation to the net balance					

IV.4. Description of the characteristics of the loan portfolio grouped in the Fund

Loan Selection

The following is a series of tables giving stratified analysis of the portfolio of securitizable assets of the Assignor composed of 2,895 loans with a outstanding balance, as of September 27th 2003, of 253,182,534.88 euro, and it has been audited by the firm Deloitte & Touche España, S. L.

The following tables show the distribution of the Loans selected initially according to the nominal interest rate, reference interest rate, contract date, final amortisation date, outstanding balance, geographical distribution, CNAE and guarantee type.

a. Distribution by Nominal Interest Rate

The following table shows the distribution of the Loans according to the interest rate in percentage intervals.

Loan Portfolio at September 27th 2003 Classification by Nominal Interest Rate				
Interest Interval (%)	Transactions		Outstanding Principal	
	Number	%	Amount	%
1.50 to 1.99	1	0.03%	18,030.37	0.01%
2 to 2.49	6	0.21%	290,030.28	0.11%
2.50 to 2.99	429	14.82%	37,574,104.85	14.84%
3 to 3.49	197	6.80%	34,761,991.00	13.73%
3.50 to 3.99	301	10.40%	43,200,243.94	17.06%
4 to 4.49	390	13.47%	55,665,284.60	21.99%
4.50 to 4.99	286	9.88%	29,201,371.42	11.53%
5 to 5.49	262	9.05%	20,466,996.37	8.08%
5.50 to 5.99	217	7.50%	12,018,038.55	4.75%
6 to 6.49	142	4.91%	6,669,661.68	2.63%
6.50 to 6.99	232	8.01%	6,150,036.13	2.43%
7 to 7.49	187	6.46%	4,219,577.47	1.67%
7.50 to 7.99	98	3.39%	1,430,110.98	0.56%
8 to 8.49	40	1.38%	428,506.47	0.17%
8.50 to 8.99	48	1.66%	498,833.81	0.20%
9 to 9.49	26	0.90%	370,340.48	0.15%
9.50 to 9.99	18	0.62%	160,282.61	0.06%
10 to 10.49	6	0.21%	30,953.33	0.01%
10.50 to 10.99	5	0.17%	15,835.86	0.01%
11 to 11.49	3	0.10%	9,294.66	0.00%
11.50 to 11.99	1	0.03%	3,010.02	0.00%
Total portfolio	2,895	100.00%	253,182,534.88	100.00%
Weighted Average Interest:			4.16%	
Minimum Interest:			1.91%	
Maximum Interest:			11.50%	

b. Distribution by Reference Interest Rate

The following table shows the distribution of the Loans according to the reference interest rate used to determine the nominal interest rate for each Loan.

Loan Portfolio at September 27th 2003				
Classification by Reference Index of the Interest Rate				
Benchmark Index	Loans		Outstanding Principal	
	Number	%	Amount	%
FIXED RATE OFFICIAL EURIBOR	981	33.89%	26,518,860.92	10.47%
	1,914	66.11%	226,663,673.96	89.53%
Total Portfolio	2,895	100.00%	253,182,534.88	100.00%

c. Distribution by Loan Contract Date

The following table shows the distribution of the Loans according to the Loan Contract Date.

Loan Portfolio at September 27th 2003					
Classification by Loan Contract Date					
Interval of Dates		Loans		Outstanding Principal	
		Number	%	Amount	%
01/01/1994	30/06/1994	3	0,10%	113,633.22	0.04%
01/07/1994	31/12/1994	3	0,10%	125,975.62	0.05%
01/01/1995	30/06/1995	2	0,07%	62,075.29	0.02%
01/07/1995	31/12/1995	8	0,28%	234,916.77	0.09%
01/01/1996	30/06/1996	17	0,59%	307,970.15	0.12%
01/07/1996	31/12/1996	11	0,38%	202,935.83	0.08%
01/01/1997	30/06/1997	24	0,83%	1,339,918.20	0.53%
01/07/1997	31/12/1997	23	0,79%	1,188,037.63	0.47%
01/01/1998	30/06/1998	37	1,28%	2,536,512.96	1.00%
01/07/1998	31/12/1998	37	1,28%	4,200,451.25	1.66%
01/01/1999	30/06/1999	75	2,59%	6,815,677.36	2.69%
01/07/1999	31/12/1999	54	1,87%	1,742,643.93	0.69%
01/01/2000	30/06/2000	121	4,18%	5,877,569.28	2.32%
01/07/2000	31/12/2000	81	2,80%	6,087,421.57	2.40%
01/01/2001	30/06/2001	339	11,71%	30,142,468.26	11.91%
01/07/2001	31/12/2001	559	19,31%	40,007,835.47	15.80%
01/01/2002	30/06/2002	345	11,92%	28,416,677.22	11.22%
01/07/2002	31/12/2002	431	14,89%	39,257,682.89	15.51%
01/01/2003	30/06/2003	592	20,45%	66,750,699.73	26.36%
01/07/2003	31/12/2003	133	4,59%	17,771,432.25	7.02%
Total Portfolio		2,895	100.00%	253,182,534.88	100.00%

d. Distribution by Final Maturity Date

The following table shows the distribution of the Loans according to their final maturity date.

Loan Portfolio at September 27th 2003 Classification by Final Maturity Date				
Year Loan Falls Due	Transactions		Outstanding Principal	
	Number	%	Amount	%
2003	85	2.94%	621,441.16	0.25%
2004	297	10.26%	6,513,175.44	2.57%
2005	358	12.37%	10,708,147.87	4.23%
2006	674	23.28%	31,260,039.40	12.35%
2007	366	12.64%	28,369,850.78	11.21%
2008	424	14.65%	40,951,107.09	16.17%
2009	124	4.28%	10,914,108.79	4.31%
2010	86	2.97%	8,988,399.31	3.55%
2011	74	2.56%	10,555,986.20	4.17%
2012	88	3.04%	16,925,027.52	6.68%
2013	100	3.45%	22,258,025.90	8.79%
2014	70	2.42%	19,808,868.36	7.82%
2015	67	2.31%	18,396,816.22	7.27%
2016	13	0.45%	5,175,285.03	2.04%
2017	20	0.69%	4,457,287.04	1.76%
2018	36	1.24%	14,434,231.82	5.70%
2019	2	0.07%	364,678.02	0.14%
2020	4	0.14%	506,668.64	0.20%
2021	3	0.10%	811,713.08	0.32%
2022	1	0.03%	134,058.60	0.05%
2023	3	0.10%	1,027,618.61	0.41%
Total	2,895	100.00%	253,182,534.88	100.00%
Weighted Average Final Maturity			7.80 years	06/08/2011
Minimum Maturity			0.00 years	27/09/2003
Maximum Maturity			19.85years	31/07/2023

e. Distribution by Outstanding Principal

The following table shows the distribution of the outstanding principal of the Loans in the following intervals, expressed in euro:

Loan Portfolio at September 27th 2003					
Classification by Intervals of Outstanding Principal					
Principal Intervals		Transactions		Outstanding Principal	
Euros		Num.	%	Amount	%
0.00	49,999.99	1,831	63.25%	33,328,768.72	13.16%
50,000.00	99,999.99	437	15.09%	31,787,278.50	12.56%
100,000.00	149,999.99	213	7.36%	25,816,707.46	10.20%
150,000.00	199,999.99	116	4.01%	19,981,851.81	7.89%
200,000.00	249,999.99	61	2.11%	13,525,048.97	5.34%
250,000.00	299,999.99	54	1.87%	14,828,470.25	5.86%
300,000.00	349,999.99	35	1.21%	11,255,030.77	4.45%
350,000.00	399,999.99	23	0.79%	8,590,985.52	3.39%
400,000.00	449,999.99	31	1.07%	13,104,387.19	5.18%
450,000.00	499,999.99	19	0.66%	8,960,905.31	3.54%
500,000.00	549,999.99	16	0.55%	8,387,337.39	3.31%
550,000.00	599,999.99	7	0.24%	4,014,185.82	1.59%
600,000.00	649,999.99	3	0.10%	1,916,981.07	0.76%
650,000.00	699,999.99	5	0.17%	3,371,099.83	1.33%
700,000.00	749,999.99	11	0.38%	7,952,260.87	3.14%
750,000.00	799,999.99	2	0.07%	1,530,038.38	0.60%
800,000.00	849,999.99	4	0.14%	3,230,283.63	1.28%
850,000.00	899,999.99	3	0.10%	2,674,994.79	1.06%
900,000.00	949,999.99	2	0.07%	1,842,923.29	0.73%
1,000,000.00	1,049,999.99	1	0.03%	1,000,000.00	0.39%
1,050,000.00	1,099,999.99	1	0.03%	1,067,672.17	0.42%
1,100,000.00	1,149,999.99	5	0.17%	5,597,544.59	2.21%
1,150,000.00	1,199,999.99	1	0.03%	1,179,967.33	0.47%
1,200,000.00	1,249,999.99	3	0.10%	3,627,964.32	1.43%
1,300,000.00	1,349,999.99	1	0.03%	1,332,909.13	0.53%
1,400,000.00	1,449,999.99	1	0.03%	1,402,353.57	0.55%
1,500,000.00	1,549,999.99	1	0.03%	1,500,000.00	0.59%
1,550,000.00	1,599,999.99	1	0.03%	1,582,872.08	0.63%
1,650,000.00	1,699,999.99	1	0.03%	1,672,011.84	0.66%
1,850,000.00	1,899,999.99	1	0.03%	1,859,194.83	0.73%
2,000,000.00	2,049,999.99	1	0.03%	2,037,770.80	0.80%
2,300,000.00	2,349,999.99	1	0.03%	2,346,988.78	0.93%
2,700,000.00	2,749,999.99	1	0.03%	2,726,000.00	1.08%
3,950,000.00	3,999,999.99	1	0.03%	3,979,311.55	1.57%
4,150,000.00	4,199,999.99	1	0.03%	4,170,434.32	1.65%
Total		2,895	100.00%	253,182,534.88	100.00%
Average Outstanding Principal:				87,455.11	
Minimum Outstanding Principal:				2.48	
Maximum Outstanding Principal:				4,170,434.32	

f. Geographical Distribution by Spanish province

The following table shows the geographical distribution of the Loans according to the location of the guarantees (by Spanish province).

Loan Portfolio at September 27th 2003				
Geographical Classification by Spanish Province				
Province	Loans		Outstanding Principal	
	Número	%	Amount	%
MADRID	357	12.33%	45,755,150.52	18.07%
LA CORUÑA	433	14.96%	29,267,215.24	11.56%
PONTEVEDRA	397	13.71%	24,307,592.84	9.60%
BARCELONA	201	6.94%	18,788,062.22	7.42%
SEVILLA	95	3.28%	16,228,210.18	6.41%
LAS PALMAS	80	2.76%	10,145,539.51	4.01%
VIZCAYA	92	3.18%	9,802,539.40	3.87%
LUGO	123	4.25%	9,367,689.72	3.70%
LEON	152	5.25%	7,971,876.00	3.15%
ASTURIAS	144	4.97%	7,759,588.26	3.06%
CASTELLON	41	1.42%	5,955,580.97	2.35%
ORENSE	109	3.77%	5,526,772.35	2.18%
VALENCIA	96	3.32%	5,512,728.96	2.18%
VALLADOLID	13	0.45%	5,475,409.78	2.16%
ZARAGOZA	101	3.49%	5,044,152.50	1.99%
GRANADA	37	1.28%	4,106,096.01	1.62%
ALMERIA	15	0.52%	3,245,641.61	1.28%
BALEARES	20	0.69%	3,242,176.30	1.28%
MURCIA	37	1.28%	2,693,514.98	1.06%
GUIPUZCOA	10	0.35%	2,540,685.95	1.00%
LLEIDA	38	1.31%	2,488,274.94	0.98%
ALAVA	21	0.73%	2,015,280.85	0.80%
NAVARRA	18	0.62%	1,871,699.45	0.74%
TOLEDO	10	0.35%	1,799,109.97	0.71%
TENERIFE	21	0.73%	1,763,188.83	0.70%
GUADALAJARA	10	0.35%	1,712,394.29	0.68%
MÁLAGA	20	0.69%	1,707,089.47	0.67%
SEGOVIA	2	0.07%	1,681,000.00	0.66%
BADAJOS	10	0.35%	1,563,102.85	0.62%
SANTANDER	25	0.86%	1,536,527.33	0.61%
JAEN	6	0.21%	1,517,728.31	0.60%
CADIZ	22	0.76%	1,492,656.72	0.59%
ALICANTE	26	0.90%	1,286,115.16	0.51%
BURGOS	9	0.31%	1,236,852.03	0.49%
SALAMANCA	4	0.14%	1,052,288.55	0.42%
PALENCIA	5	0.17%	972,805.25	0.38%
CORDOBA	9	0.31%	968,206.15	0.38%
TARRAGONA	28	0.97%	924,356.09	0.37%
LA RIOJA	11	0.38%	766,941.97	0.30%
HUELVA	12	0.41%	757,383.84	0.30%
ALBACETE	20	0.69%	738,116.73	0.29%
ZAMORA	7	0.24%	250,576.44	0.10%
CACERES	2	0.07%	141,313.20	0.06%
GIRONA	4	0.14%	110,682.86	0.04%
HUESCA	1	0.03%	73,624.00	0.03%
TERUEL	1	0.03%	18,996.30	0.01%
Total Portfolio	2.895	47100.9400%	253,182,534.88	10046.0065%

f. Distribution by Type of Borrower (industry)

The following table shows the distribution of the Loans according to the business sector of the respective Assigned Debtors (according to the Spanish CNAE classification).

Loan Portfolio at September 27th 2003					
Classification by CNAE Type					
CNAE Código	Num	%	Outstanding Principal	%	CNAE Definition
70	257	8.88%	44,823,083.54	17.70%	REAL ESTATE SECTOR
51	357	12.33%	28,455,567.54	11.24%	WHOLESALE COMMERCE
45	377	13.02%	22,070,904.54	8.72%	CONSTRUCTION
55	184	6.36%	16,439,346.33	6.49%	HOTEL, RESTAURANT & CATERING
52	238	8.22%	13,810,763.40	5.45%	RETAIL COMMERCE
74	147	5.08%	9,239,932.73	3.65%	OTHER BUSINESS ACTIVITIES
26	59	2.04%	9,166,301.63	3.62%	MANUF. OTHER MINERAL PRODUCTS
15	82	2.83%	8,983,324.74	3.55%	FOOD INDUSTRY
28	113	3.90%	8,899,679.24	3.52%	MANUFACTURE OF METAL PRODUCTS
85	62	2.14%	8,318,472.35	3.29%	HEALTHCARE
60	166	5.73%	8,293,100.15	3.28%	GROUND TRANSPORTATION
92	53	1.83%	8,081,068.00	3.19%	MOVIE INDUSTRY
50	115	3.97%	7,512,111.01	2.97%	VEHICLE SALES-MAINTENANCE
63	45	1.55%	6,044,726.34	2.39%	AUX. TRANSPORTATION ACTIVITIES
22	71	2.45%	5,163,836.65	2.04%	GRAPHIC ARTS
14	30	1.04%	4,672,798.24	1.85%	NON-METALLIC MINERALS MINING
25	36	1.24%	4,256,850.74	1.68%	RUBBER PRODUCTS MANUFACTURING
20	59	2.04%	3,929,968.12	1.55%	WOOD AND CORK INDUSTRY
27	31	1.07%	3,722,291.77	1.47%	METALLURGY
12	13	0.45%	3,131,754.36	1.24%	URANIUM MINING
71	50	1.73%	2,690,617.49	1.06%	MACHINERY RENTAL
18	24	0.83%	2,363,224.94	0.93%	FUR GOODS MANUFACTURING
29	28	0.97%	2,285,131.88	0.90%	CONSTRUCTION MACHINERY IND.
31	15	0.52%	2,281,658.04	0.90%	ELECTRICAL COMPONENTS MANUF.
24	20	0.69%	2,081,005.08	0.82%	CHEMICAL INDUSTRY
36	36	1.24%	1,966,878.42	0.78%	FURNITURE MANUFACTURING
21	17	0.59%	1,793,527.21	0.71%	PAPER INDUSTRY
80	29	1.00%	1,500,886.29	0.59%	EDUCATION
93	26	0.90%	1,454,296.66	0.57%	CLEANING SERVICES
13	7	0.24%	1,223,381.69	0.48%	IRON ORE MINING
66	8	0.28%	1,043,226.08	0.41%	INSURANCE
72	28	0.97%	957,260.73	0.38%	INFORMATION TECHNOLOGY ACT.
34	14	0.48%	922,275.06	0.36%	MOTOR VEHICLE MANUFACTURING
91	6	0.21%	788,529.83	0.31%	ENTERPRISE ACTIVITIES
17	21	0.73%	734,752.07	0.29%	TEXTILE MANUFACTURING
19	6	0.21%	670,463.98	0.26%	LEATHER INDUSTRY
40	10	0.35%	543,360.96	0.21%	ENERGY PRODUCTION AND DISTRIBUTION
64	14	0.48%	488,527.80	0.19%	POSTAL-TELECOMMUNICATIONS
11	6	0.21%	471,709.62	0.19%	CRUDE OIL-GAS DRILLING
35	5	0.17%	370,003.91	0.15%	MANUF. OTHER TRANSPORTATION COMP.
67	6	0.21%	368,455.04	0.15%	FINANCE INTERMED. AUX. ACT.
32	5	0.17%	364,408.65	0.14%	ELECTRONIC COMP. MANUFACTURING
30	2	0.07%	175,844.25	0.07%	MANUF. OFFICE MACHINES-COMPUTERS
37	2	0.07%	158,472.68	0.06%	RECYCLING
33	3	0.10%	137,009.43	0.05%	MEDICAL EQUIPMENT MANUFACTURING
73	1	0.03%	128,615.42	0.05%	RESEARCH-DEVELOPMENT
75	6	0.21%	113,989.32	0.05%	PUBLIC SECTOR
90	2	0.07%	51,268.14	0.02%	PUBLIC SANITATION
61	1	0.03%	22,214.78	0.01%	MARITIME TRANSPORT
10	1	0.03%	12,197.69	0.00%	ANTHRACITE-COAL MINING
41	1	0.03%	3,460.32	0.00%	WATER DEVELOPMENT AND TREATMENT
	2.895	100.00%	253,182,534.88	100.00%	

h. Distribution by type of Guarantee

The following table shows the distribution of the Loans according to the type of guarantee given to secure the Loans.

Loan Portfolio at September 27th 2003 Classification by Type of Guarantee				
Type of Guarantee	Transactions		Outstanding Principal	
	Number	%	Amount	%
MORTGAGE	704	24.32%	135,983,634.99	53.71%
NON-MORTGAGE	2,191	75.68%	117,198,899.89	46.29%
Total Portfolio	2,895	100.00%	253,182,534.88	100.00%

i. Disclosure of collections in overdue loan instalments (principal and interest), and if instalments overdue, balance on the principal of the loans with overdue instalments exceeding 30, 60 and 90 days

Loan Portfolio at September 27th 2003 Overdue Loan Instalments Due			
Num. Day Interval	Transactions	Not Overdue Principal	Principal and Interest Overdue
30	179	13,592,857.88	319,001.67
60	53	2,318,784.47	109,414.55
90	27	2,378,394.13	144,865.17
Total	259	18,290,036.48	573,281.39

CHAPTER V

ECONOMIC-FINANCIAL INFORMATION OF THE FUND

V.1. Initial Balance sheet of the Fund and descriptive hypothesis charts and estimated behaviour of the economic-financial flows of the Fund.

Initial Balance sheet of the Fund

Balance Sheet (in thousands of euro)			
Assets		Liabilities	
Fixed Assets		Bond Issue	225.000
Assets	225,000	Bonds	225,000
Formation and Issue expenses	304		
		Other Long-Term Debt	
Current Assets		Subordinated Loans	1,004
Current Accounts (Reserve Fund)	5,875	Participative Loan	5,175
Total Assets	231,179	Total Liabilities	231,179
Order Accounts			
Available Warranty Liquidity Line	1,500		
Interest Rate Swaps	225,000		

V.1.1. Hypothesis assumed

The following charts show two scenarios (yearly rate for early amortisation constant at 0%, 5% and 10%) which, in relation to the payments and collections of the Fund may apply through the life span of the Fund and the present bond issue, however this hypothesis may vary.

To prepare the following charts the financial service of the Fund has used the following hypothesis:

Loans

Volume of the portfolio of the loans pooled into the Fund (estimated at Disbursement Date): 225,000,000 euro.

Interest rate: It is assumed an average interest rate for the Loans portfolio of 4.16% (coincident with that of the portfolio at September 27, 2003), without prejudice to the later revisions that have been calculated as indicated in the following paragraph.

Interest rates of the Loans: It is applied to each loan, on its corresponding revision period, the current differential as at September 27, 2003, adding to it the reference rate of the Bonds.

Yearly rate for early amortisation hypothesis of 0%, 5% and 10%.

□□ For the preparation of the chart of financial service of the Fund a yearly rate of overdue and defaulted loans of 0% is assumed.

□□ The average pondered maturity of the Loans in the portfolio is 7.80 years.

Bonds

□□ Total amount: 225,000,000 euro

□□ Interest rate: Floating nominal annual interest rate, paid quarterly. The bonds interest rate is the result of adding to a three moth EURIBOR rate equal to 2.128% the differential rates for each bond indicated as follows:

	Numb. Bonds	Face Value	Margin	Interest rates
Series "AG"	763	76,300,000	0%	2.128%
Series "AS"	1,307	130,700,000	0.25%	2.378%
Series "B"	68	6,800,000	0.65%	2.778%
Series "C"	112	11,200,000	1.65%	3.778%
Total	2,225	225,000,000		

Subordinated Loan A:

□□ Amount: 700,000 euro. The amount of the loan will be use to cover the gap corresponding to the first Payment Date of the Fund between the accrual and collection of interest from the Loans.

□□ Interest Rate: The remuneration on the Subordinated Loan A will be equal to the Reference Interest Rate of the Bonds during that period plus a 0.25 % margin calculated over the remaining nominal balance.

□□ Amortisation: The Loan amortisation will be free, on each payment date, the Management Company will decide the amount destined for the payment of the amortisation according to estimated need of resources to cover the gap between the amount accrued and the amounts collected in relation to the Loans by the Fund.

Subordinated Loan B:

□□ Amount: 304,712.17 euro. The amount of the loan will be applied for the payment of the initial costs of Fund formation and Bond Issue.

□□ Interest Rate: The remuneration on the Subordinated Loan B will be equal to the Reference Interest Rate of the Bonds during that period plus a 0.25 % margin calculated over the remaining nominal balance.

□□ Amortisation: The part of the subordinated loan destined to finance the Fund formation and Bond issue will be amortised on every payment date, on the amount that the formation expenses were amortised according to the official accounting records of the Fund, in any case no more than five (5) years from the Fund formation and according to accounting and fiscal rules applicable from time to time.

Participative Loan:

□□ Amount: 5,175,000 euro. The amount of this loan will be destined to the reserve Fund of the ASF.

□□ Interest Rate: The remuneration of the participation loan will have two components, a fix component that will be equal to the Reference Interest Rate of the Bonds during that period plus a 0.25 % margin calculated over the remaining nominal balance, and another variable that will be determined according to the description given in section V.3.3 of this Prospectus.

□□ Amortisation: The Amortisation of the Participative Loan of the Fund will be done at the Date of liquidation of this Fund.

Reserve Fund

□□ Amount: The Initial Reserve Fund will be drawn of an amount equal to the 2.30% of the initial amount of the Bonds at the Disbursement Date.

The minimum level of the Reserve Fund will be the smallest of the following amounts:

- 2.30 % of the amount of the Bonds issue
- 4.60 % of the Outstanding Balance of the Principal of the Bonds.

The minimum level of the Reserve Fund can never fall below 1.15 % of the initial amount of the bonds issued. The amounts held in the Reserve Fund will be deposited in the Collections Account.

Flows reinvestment

The income flows in the Fund (principal and interest from the loans portfolio) will be reinvested at an rate equal to the current reference interest rate for the Bonds plus a margin of the 0.15% in accordance to the definition in section V.3.6 of this Prospectus.

Fees. Payments to the Management Company.

On each payment date, a fix annual 6,000 euro payment will be made plus a variable annual payment equal to a 0.03% of the Outstanding Balance on the Loans al the beginning of the Collection Period, always proportional to the days in the quarterly period.

V.1.2. Numeric charts of the cash flows of the Fund

IMPORTANT NOTE FOR THE INVESTOR

Information presented in the following tables appear only with illustrative purposes, the amounts not representing any specific payment obligation to third parties by the Fund on the corresponding dates or periods to which they refer. Data have been elaborated under hypothesis of default rates and amortisation of the Loans and of interest rates, subject to continuous changes, and as a consequence, all investors interested in knowing the intended payment calendar of the Fund in each specific Date must request the relevant information from those institutions authorised to distribute it, Management Company, AIAF Market and Comisión Nacional of the Mercado de Valores. Notwithstanding, the said information can also be requested through the Underwriting Entities and others active in the secondary market. As indicated in section V.2 of this Prospectus, the Management Company undertakes to publish the respective information. Also, for the calculation of the charts of the financial service of the shown an assumed interest rate that may not coincide with the final one set for the issue.

CASH FLOWS OF THE FUND								
COLLECTIONS- AAR: 0%								
Outs. Bal. Ppal.	Date	Ppal. Am.	Loans Int.	Reserve F.	R. F. Red.	C.A. Int.	Total	Liq.Line
220,884,019	15/01/04	4,115,981	1,552,878	5,175,000	0	41,885	10,885,744	1,500,000
214,656,384	15/04/04	6,227,635	2,275,654	5,175,000	0	57,909	13,736,198	1,500,000
208,363,757	15/07/04	6,292,627	2,210,662	5,175,000	0	57,506	13,735,795	1,500,000
202,005,460	15/10/04	6,358,297	2,144,992	5,175,000	0	57,789	13,736,078	1,500,000
195,580,807	15/01/05	6,424,653	2,078,636	5,175,000	0	57,439	13,735,728	1,500,000
189,089,105	15/04/05	6,491,701	2,011,588	5,175,000	0	55,906	13,734,195	1,500,000
182,529,656	15/07/05	6,559,449	1,943,840	5,175,000	0	56,239	13,734,528	1,500,000
175,901,752	15/10/05	6,627,904	1,875,385	5,175,000	0	56,624	13,734,913	1,500,000
169,204,678	15/01/06	6,697,074	1,806,215	5,175,000	0	56,391	13,734,680	1,500,000
162,437,713	15/04/06	6,766,965	1,736,324	5,175,000	0	54,995	13,733,284	1,500,000
155,600,127	15/07/06	6,837,586	1,665,703	5,175,000	0	55,433	13,733,722	1,500,000
148,691,183	15/10/06	6,908,944	1,594,346	5,175,000	0	55,926	13,734,215	1,500,000
141,710,137	15/01/07	6,981,046	1,522,243	5,175,000	0	55,809	13,734,098	1,500,000
134,656,237	15/04/07	7,053,901	1,449,388	5,175,000	0	54,482	13,732,771	1,500,000
127,528,721	15/07/07	7,127,516	1,375,773	5,175,000	0	54,972	13,733,261	1,500,000
120,326,821	15/10/07	7,201,899	1,301,390	5,175,000	0	55,460	13,733,749	1,500,000
113,049,762	15/01/08	7,277,059	1,226,230	5,175,000	0	55,343	13,733,633	1,500,000
105,696,759	15/04/08	7,353,003	1,150,286	5,175,000	0	54,627	13,732,916	1,500,000
98,267,019	15/07/08	7,429,740	1,073,549	5,175,000	0	54,512	13,732,801	1,500,000
90,759,742	15/10/08	7,507,277	996,012	4,862,051	312,949	53,201	13,731,491	1,500,000
83,174,118	15/01/09	7,585,624	917,665	4,520,283	341,768	51,154	13,416,494	1,500,000
75,509,330	15/04/09	7,664,788	838,501	4,174,948	345,335	48,075	13,071,647	1,500,000
67,764,551	15/07/09	7,744,779	758,510	3,826,009	348,939	46,600	12,724,837	1,500,000
59,938,947	15/10/09	7,825,604	677,685	3,473,429	352,580	45,059	12,374,358	1,500,000
52,031,674	15/01/10	7,907,273	596,016	3,117,169	356,260	42,985	12,019,704	1,500,000
44,041,881	15/04/10	7,989,794	513,495	2,757,192	359,978	40,001	11,660,459	1,500,000
35,968,705	15/07/10	8,073,176	430,113	2,587,500	169,692	39,468	11,299,949	1,500,000
27,811,276	15/10/10	8,157,428	345,861	2,587,500	0	39,902	11,130,691	1,500,000
19,568,716	15/01/11	8,242,560	260,729	2,587,500	0	39,902	11,130,691	1,500,000
0	15/04/11	19,568,716	174,709	0	3,000,000	24,299	22,767,723	1,500,000
		225,000,000	38,504,379			1,519,891	403,430,351	

CASH FLOWS OF THE FUND								
PAYMENTS – AAR: 0%								
Client. Exp.	SWAP Int.	Int. A	Int. B	Int. C	Am. A	Am. B	Am. C	R. F. Cont.
19.195	374.439	998.917	39.880	89.329	4.115.981	0	0	5.175.000
22.196	755.986	1.172.288	47.751	106.959	6.227.635	0	0	5.175.000
21.676	733.663	1.136.304	47.751	106.959	6.292.627	0	0	5.175.000
21.359	695.583	1.112.032	48.275	108.135	6.358.297	0	0	5.175.000
20.823	673.249	1.074.889	48.275	108.135	6.424.653	0	0	5.175.000
19.889	679.894	1.014.808	47.226	105.784	6.491.701	0	0	5.175.000
19.544	642.020	988.574	47.751	106.959	6.559.449	0	0	5.175.000
19.180	604.843	961.119	48.275	108.135	6.627.904	0	0	5.175.000
18.622	581.565	922.402	48.275	108.135	6.697.074	0	0	5.175.000
17.713	583.467	864.078	47.226	105.784	6.766.965	0	0	5.175.000
17.320	546.506	834.579	47.751	106.959	6.837.586	0	0	5.175.000
16.909	510.271	803.807	48.275	108.135	6.908.944	0	0	5.175.000
16.327	486.011	763.448	48.275	108.135	6.981.046	0	0	5.175.000
15.445	482.973	706.957	47.226	105.784	7.053.901	0	0	5.175.000
15.003	446.966	674.054	47.751	106.959	7.127.516	0	0	5.175.000
14.542	411.717	639.825	48.275	108.135	7.201.899	0	0	5.175.000
13.935	386.439	597.754	48.275	108.135	7.277.059	0	0	5.175.000
13.201	369.580	549.209	47.751	106.959	7.353.003	0	0	5.175.000
12.587	343.253	506.723	47.751	106.959	7.429.740	0	0	5.175.000
12.074	309.042	468.889	48.275	108.135	7.507.277	0	0	4.862.051
11.441	282.717	425.035	48.275	108.135	7.585.624	0	0	4.520.283
10.616	269.191	372.446	47.226	105.784	7.664.788	0	0	4.174.948
10.069	235.257	332.296	47.751	106.959	7.744.779	0	0	3.826.009
9.502	202.165	290.705	48.275	108.135	7.825.604	0	0	3.473.429
8.842	174.799	244.991	48.275	108.135	7.907.273	0	0	3.117.169
8.046	155.782	194.478	47.226	105.784	7.989.794	0	0	2.757.192
7.444	123.093	150.473	47.751	106.959	8.073.176	0	0	2.587.500
6.821	91.391	104.966	48.275	108.135	8.157.428	0	0	2.587.500
6.133	63.389	57.314	48.275	108.135	8.242.560	0	0	2.587.500
5.368	12.034	8.965	47.226	105.784	1.568.716	6.800.000	11.200.000	0
431.824	12.227.284	18.972.325	1.428.849	3.200.554	207.000.000	6.800.000	11.200.000	

CASH FLOWS OF THE FUND										
PAYMENTS – AAR: 0%										
R. F. Cont.	Int.PS A	Int.PS B	Int.PP	Am.PS A	Am.PS B	Dot.F.R.	Am.PP	C.Adm.	Ac. Int. P.P.	Total
5.175.000	3.517	1.531	26.002	0	12.866	5.175.000	0	4.750	24.338	10.885.744
5.175.000	4.211	1.756	31.133	70.000	15.405	5.175.000	0	5.583	100.294	13.736.198
5.175.000	3.790	1.663	31.133	70.000	15.405	5.175.000	0	5.426	94.397	13.735.795
5.175.000	3.406	1.588	31.476	60.000	15.574	5.175.000	0	5.325	100.028	13.736.078
5.175.000	3.041	1.493	31.476	60.000	15.574	5.175.000	0	5.162	93.958	13.735.728
5.175.000	2.618	1.368	30.791	50.000	15.236	5.175.000	0	4.890	94.991	13.734.195
5.175.000	2.346	1.291	31.133	50.000	15.405	5.175.000	0	4.780	90.275	13.734.528
5.175.000	2.068	1.212	31.476	40.000	15.574	5.175.000	0	4.665	95.462	13.734.913
5.175.000	1.825	1.117	31.476	40.000	15.574	5.175.000	0	4.495	89.122	13.734.680
5.175.000	1.547	1.000	30.791	30.000	15.236	5.175.000	0	4.230	90.246	13.733.284
5.175.000	1.384	920	31.133	30.000	15.405	5.175.000	0	4.106	85.073	13.733.722
5.175.000	1.216	836	31.476	20.000	15.574	5.175.000	0	3.976	89.795	13.734.215
5.175.000	1.095	741	31.476	20.000	15.574	5.175.000	0	3.800	83.171	13.734.098
5.175.000	952	633	30.791	20.000	15.236	5.175.000	0	3.543	74.331	13.732.771
5.175.000	842	548	31.133	20.000	15.405	5.175.000	0	3.404	68.680	13.733.261
5.175.000	730	460	31.476	20.000	15.574	5.175.000	0	3.259	62.857	13.733.749
5.175.000	608	366	31.476	20.000	15.574	5.175.000	0	3.075	55.937	13.733.633
5.175.000	481	268	31.133	20.000	15.405	5.175.000	0	2.858	48.068	13.732.916
5.175.000	361	175	29.251	20.000	15.405	5.175.000	0	2.672	42.925	13.732.801
4.862.051	243	83	27.493	15.000	13.712	4.862.051	312.949	2.511	43.754	13.731.491
4.520.283	152	0	25.393	10.000	0	4.520.283	341.768	2.319	55.351	13.416.494
4.174.948	89	0	22.765	0	0	4.174.948	345.335	2.079	56.380	13.071.647
3.826.009	90	0	20.897	0	0	3.826.009	348.939	1.909	49.882	12.724.837
3.473.429	91	0	18.959	0	0	3.473.429	352.580	1.732	43.180	12.374.358
3.117.169	91	0	16.770	0	0	3.117.169	356.260	1.532	35.566	12.019.704
2.757.192	89	0	15.396	0	0	2.757.192	359.978	1.301	25.393	11.660.459
2.587.500	90	0	15.567	0	0	2.587.500	169.692	1.113	17.091	11.299.949
2.587.500	91	0	15.738	0	0	2.587.500	0	919	9.426	11.130.691
2.587.500	91	0	15.738	0	0	2.587.500	0	711	845	11.130.691
0	89	0	15.396	0	0	0	2.587.500	489	416.156	22.767.723
	37.248	19.049	796.340	685.000	304.712		5.175.000	96.614	2.236.971	403.430.351

CASH FLOWS OF THE FUND							
Collections –AAR: 5%							
Outs. Bal. Ppal.	Ppal. Am.	Loans Int.	Reserve F.	R.F. Red.	C.A. Int.	Total	Liq. Line
218.986.497	6.013.503	1.549.551	5.175.000	0	46.439	12.784.494	1.500.000
210.075.165	8.911.332	2.246.467	5.175.000	0	65.552	16.398.350	1.500.000
201.293.049	8.782.116	2.154.238	5.175.000	0	64.511	16.175.865	1.500.000
192.638.495	8.654.554	2.063.348	5.175.000	0	64.235	15.957.137	1.500.000
184.109.870	8.528.625	1.973.778	5.175.000	0	63.258	15.740.662	1.500.000
175.705.564	8.404.305	1.885.513	5.175.000	0	60.993	15.525.811	1.500.000
167.423.993	8.281.571	1.798.534	5.175.000	0	60.779	15.315.884	1.500.000
159.263.594	8.160.399	1.712.827	5.175.000	0	60.612	15.108.838	1.500.000
151.222.828	8.040.767	1.628.375	5.175.000	0	59.785	14.903.927	1.500.000
143.300.178	7.922.650	1.545.162	5.175.000	0	57.741	14.700.553	1.500.000
135.494.152	7.806.026	1.463.172	5.175.000	0	57.638	14.501.835	1.500.000
127.803.283	7.690.869	1.382.389	5.175.000	0	57.585	14.305.843	1.500.000
120.226.125	7.577.157	1.302.800	5.175.000	0	56.906	14.111.862	1.500.000
112.761.262	7.464.864	1.224.388	5.175.000	0	55.012	13.919.263	1.500.000
105.407.299	7.353.963	1.147.138	5.175.000	0	54.966	13.731.067	1.500.000
98.162.871	7.244.428	1.071.038	5.175.000	0	54.913	13.545.379	1.500.000
91.026.640	7.136.231	996.072	4.848.736	326.264	52.364	13.359.667	1.500.000
83.997.299	7.029.341	922.227	4.515.492	333.244	49.241	12.849.544	1.500.000
77.073.575	6.923.725	849.489	4.187.225	328.267	46.722	12.335.427	1.500.000
70.254.229	6.819.346	777.845	3.863.876	323.350	44.753	11.829.169	1.500.000
63.538.065	6.716.164	707.282	3.545.384	318.491	42.335	11.329.657	1.500.000
56.923.937	6.614.129	637.789	3.231.695	313.690	39.140	10.836.441	1.500.000
50.410.754	6.513.182	569.353	2.922.751	308.944	37.308	10.351.538	1.500.000
43.997.503	6.413.251	501.963	2.618.501	304.250	35.460	9.873.425	1.500.000
37.683.265	6.314.238	435.609	2.587.500	31.001	34.798	9.403.145	1.500.000
31.467.261	6.216.004	370.282	2.587.500	0	33.576	9.207.362	1.500.000
25.348.918	6.118.343	305.974	2.587.500	0	33.482	9.045.300	1.500.000
19.328.007	6.020.910	242.681	2.587.500	0	33.383	8.884.474	1.500.000
0	19.328.007	180.402	0	2.587.500	17.853	22.113.762	1.500.000
	225.000.000	33.645.685			1.441.337	388.145.682	

CASH FLOWS OF THE FUND							
PAYMENTS – AAR: 5%							
Gtos.Ctes.	Int.SWAP	Int.A	Int.B	Int.C	Am.A	Am.B	Am.C
19.195	377.682	998.917	39.880	89.329	6.013.503	0	0
22.038	753.697	1.161.324	47.751	106.959	8.911.332	0	0
21.294	721.372	1.109.834	47.751	106.959	8.782.116	0	0
20.763	674.499	1.070.728	48.275	108.135	8.654.554	0	0
20.033	643.727	1.020.171	48.275	108.135	8.528.625	0	0
18.943	640.966	949.256	47.226	105.784	8.404.305	0	0
18.427	596.699	911.242	47.751	106.959	8.281.571	0	0
17.907	554.076	872.878	48.275	108.135	8.160.399	0	0
17.218	525.062	825.208	48.275	108.135	8.040.767	0	0
16.230	519.313	761.319	47.226	105.784	7.922.650	0	0
15.724	479.157	724.000	47.751	106.959	7.806.026	0	0
15.214	440.555	686.356	48.275	108.135	7.690.869	0	0
14.565	413.213	641.429	48.275	108.135	7.577.157	0	0
13.672	404.663	584.184	47.226	105.784	7.464.864	0	0
13.177	368.398	547.542	47.751	106.959	7.353.963	0	0
12.677	333.602	510.600	48.275	108.135	7.244.428	0	0
12.066	307.854	468.281	48.275	108.135	7.136.231	0	0
11.364	289.588	421.957	47.751	106.959	7.029.341	0	0
10.777	264.106	381.340	47.751	106.959	6.923.725	0	0
10.287	232.917	345.085	48.275	108.135	6.819.346	0	0
9.712	208.696	305.249	48.275	108.135	6.716.164	0	0
8.996	195.091	260.233	47.226	105.784	6.614.129	0	0
8.519	166.019	224.907	47.751	106.959	6.513.182	0	0
8.038	138.270	189.331	48.275	108.135	6.413.251	0	0
7.498	115.542	151.867	48.275	108.135	6.314.238	0	0
6.863	99.723	112.482	47.226	105.784	6.216.004	0	0
6.395	74.062	77.815	47.751	106.959	6.118.343	0	0
5.925	49.728	42.930	48.275	108.135	6.020.910	0	0
5.417	1.416	7.758	48.275	108.135	1.328.007	6.800.000	11.200.000
388.933	10.589.690	16.364.222	1.381.623	3.094.770	207.000.000	6.800.000	11.200.000

CASH FLOWS OF THE FUND										
PAYMENTS – AAR: 5%										
Cont. R.F.	Int.PS A	Int.PS B	Int.PP	Am.PS A	Am.PS B	Cont. R.F.	Am.PP	C.Adm.	Mat. Int.P.P.	Total
5.175.000	3.517	1.531	26.002	0	12.866	5.175.000	0	4.750	22.323	12.784.494
5.175.000	4.211	1.756	31.133	70.000	15.405	5.175.000	0	5.535	92.208	16.398.350
5.175.000	3.790	1.663	31.133	70.000	15.405	5.175.000	0	5.310	84.238	16.175.865
5.175.000	3.406	1.588	31.476	60.000	15.574	5.175.000	0	5.144	87.995	15.957.137
5.175.000	3.041	1.493	31.476	60.000	15.574	5.175.000	0	4.923	80.188	15.740.662
5.175.000	2.618	1.368	30.791	50.000	15.236	5.175.000	0	4.603	79.715	15.525.811
5.175.000	2.346	1.291	31.133	50.000	15.405	5.175.000	0	4.441	73.618	15.315.884
5.175.000	2.068	1.212	31.476	40.000	15.574	5.175.000	0	4.279	77.561	15.108.838
5.175.000	1.825	1.117	31.476	40.000	15.574	5.175.000	0	4.070	70.200	14.903.927
5.175.000	1.547	1.000	30.791	30.000	15.236	5.175.000	0	3.781	70.677	14.700.553
5.175.000	1.384	920	31.133	30.000	15.405	5.175.000	0	3.622	64.755	14.501.835
5.175.000	1.216	836	31.476	20.000	15.574	5.175.000	0	3.463	68.875	14.305.843
5.175.000	1.095	741	31.476	20.000	15.574	5.175.000	0	3.266	61.936	14.111.862
5.175.000	952	633	30.791	20.000	15.236	5.175.000	0	3.006	53.253	13.919.263
5.175.000	842	548	31.133	20.000	15.405	5.175.000	0	2.850	47.499	13.731.067
5.175.000	730	460	29.491	20.000	15.574	5.175.000	0	2.694	43.714	13.545.379
4.848.736	608	366	27.464	20.000	15.574	4.848.736	326.264	2.509	37.305	13.359.667
4.515.492	481	268	25.191	20.000	15.405	4.515.492	333.244	2.301	30.203	12.849.544
4.187.225	361	175	23.246	20.000	15.405	4.187.225	328.267	2.123	23.967	12.335.427
3.863.876	243	83	21.564	15.000	13.712	3.863.876	323.350	1.970	25.326	11.829.169
3.545.384	152	0	19.656	10.000	0	3.545.384	318.491	1.795	37.947	11.329.657
3.231.695	89	0	17.390	0	0	3.231.695	313.690	1.588	40.531	10.836.441
2.922.751	90	0	15.753	0	0	2.922.751	308.944	1.439	35.223	10.351.538
2.618.501	91	0	15.738	0	0	2.618.501	304.250	1.288	28.255	9.873.425
2.587.500	91	0	15.738	0	0	2.587.500	31.001	1.124	22.136	9.403.145
2.587.500	89	0	15.396	0	0	2.587.500	0	942	15.353	9.207.362
2.587.500	90	0	15.567	0	0	2.587.500	0	795	10.021	9.045.300
2.587.500	91	0	15.738	0	0	2.587.500	0	648	4.595	8.884.474
0	91	0	15.738	0	0	0	2.587.500	494	10.931	22.113.762
37.158	19.049	736.563	685.000	304.712		5.175.000	84.754	1.400.547	388.145.682	

CASH FLOWS OF THE FUND								
Collections – AAR: 10%								
Outs. Bal. Ppal.	Date	Ppal. Am.	Loans Int.	Reserve F.	R.F. Red.	C.A. Int.	Total	Liq. Line
217.003.904	15/01/04	7.996.096	1.546.060	5.175.000	0	51.198	14.768.355	1.500.000
205.351.764	15/04/04	11.652.140	2.216.134	5.175.000	0	73.355	19.116.629	1.500.000
194.099.190	15/07/04	11.252.574	2.096.346	5.175.000	0	71.457	18.595.377	1.500.000
183.234.302	15/10/04	10.864.888	1.980.672	5.175.000	0	70.370	18.090.930	1.500.000
172.745.554	15/01/05	10.488.747	1.868.990	5.175.000	0	68.542	17.601.280	1.500.000
162.621.730	15/04/05	10.123.824	1.761.181	5.175.000	0	65.364	17.125.370	1.500.000
152.851.928	15/07/05	9.769.802	1.657.129	5.175.000	0	64.426	16.666.357	1.500.000
143.425.558	15/10/05	9.426.370	1.556.721	5.175.000	0	63.551	16.221.643	1.500.000
134.332.331	15/01/06	9.093.227	1.459.850	5.175.000	0	62.009	15.790.085	1.500.000
125.562.253	15/04/06	8.770.078	1.366.408	5.175.000	0	59.303	15.370.790	1.500.000
117.105.615	15/07/06	8.456.638	1.276.293	5.175.000	0	58.628	14.966.559	1.500.000
108.952.990	15/10/06	8.152.626	1.189.405	5.175.000	0	58.018	14.575.049	1.500.000
101.095.221	15/01/07	7.857.769	1.105.647	5.175.000	0	56.799	14.195.215	1.500.000
93.523.421	15/04/07	7.571.800	1.024.924	5.011.838	163.162	53.477	13.825.202	1.500.000
86.228.962	15/07/07	7.294.459	947.146	4.650.380	361.457	50.852	13.304.295	1.500.000
79.203.473	15/10/07	7.025.490	872.222	4.302.077	348.303	48.266	12.596.358	1.500.000
72.438.831	15/01/08	6.764.642	800.067	3.966.532	335.545	45.227	11.912.014	1.500.000
65.927.163	15/04/08	6.511.668	730.598	3.643.360	323.173	41.889	11.250.687	1.500.000
59.660.838	15/07/08	6.266.325	663.733	3.332.186	311.174	39.140	10.612.558	1.500.000
53.632.469	15/10/08	6.028.369	599.394	3.032.649	299.537	36.947	9.996.896	1.500.000
47.834.911	15/01/09	5.797.559	537.504	2.744.399	288.251	34.417	9.402.129	1.500.000
42.261.263	15/04/09	5.573.648	477.991	2.587.500	156.899	31.968	8.828.006	1.500.000
36.904.878	15/07/09	5.356.385	420.783	2.587.500	0	31.533	8.396.201	1.500.000
31.759.376	15/10/09	5.145.502	365.813	2.587.500	0	31.105	8.129.921	1.500.000
26.818.666	15/01/10	4.940.710	313.014	2.587.500	0	30.356	7.871.580	1.500.000
22.076.993	15/04/10	4.741.673	262.325	2.587.500	0	28.985	7.620.482	1.500.000
	15/07/10	22.076.993	213.687	0	2.587.500	13.709	24.891.890	1.500.000
		225.000.000	29.310.041			1.340.892	371.721.855	

CASH FLOWS OF THE FUND							
PAYMENTS – AAR: 10%							
Cit. Exp.	SWAP Int.	Int.A	Int.B	Int.C	Am.A	Am.B	Am.C
19.195	381.085	998.917	39.880	89.329	7.996.096	0	0
21.872	751.202	1.149.869	47.751	106.959	11.652.140	0	0
20.900	708.539	1.082.541	47.751	106.959	11.252.574	0	0
20.156	652.837	1.028.704	48.275	108.135	10.864.888	0	0
19.240	613.832	965.236	48.275	108.135	10.488.747	0	0
18.005	602.105	884.313	47.226	105.784	10.123.824	0	0
17.336	552.063	835.642	47.751	106.959	9.769.802	0	0
16.678	504.744	787.753	48.275	108.135	9.426.370	0	0
15.883	470.893	732.688	48.275	108.135	9.093.227	0	0
14.836	458.649	664.796	47.226	105.784	8.770.078	0	0
14.244	416.315	621.508	47.751	106.959	8.456.638	0	0
13.663	376.365	578.937	48.275	108.135	8.152.626	0	0
12.976	347.080	531.313	48.275	108.135	7.857.769	0	0
12.094	334.490	474.858	47.226	105.784	7.571.800	0	0
11.572	298.926	436.383	47.751	106.959	7.294.459	0	0
11.059	265.445	398.567	48.275	108.135	7.025.490	0	0
10.467	240.204	357.527	48.275	108.135	6.764.642	0	0
9.813	221.659	314.554	47.751	106.959	6.511.668	0	0
9.270	197.796	276.929	47.751	106.959	6.266.325	0	0
8.819	169.989	243.367	48.275	108.135	6.028.369	0	0
8.310	148.331	208.151	48.275	108.135	5.797.559	0	0
7.700	135.491	170.495	47.226	105.784	5.573.648	0	0
7.296	111.080	140.185	47.751	106.959	5.356.385	0	0
6.899	88.256	110.435	48.275	108.135	5.145.502	0	0
6.466	69.794	80.377	48.275	108.135	4.940.710	0	0
5.966	57.051	50.395	47.226	105.784	4.741.673	0	0
5.612	18.678	23.557	47.751	106.959	4.076.993	6.800.000	11.200.000
346.328	9.192.899	14.147.998	1.285.072	2.878.500	207.000.000	6.800.000	11.200.000

CASH FLOWS OF THE FUND										
PAYMENTS – AAR: 10%										
R. F. Cont.	Int.PS A	Int.PS B	Int.PP	Am.PS A	Am.PS B	R. F. Cont.	Am.PP	C.Adm.	Mat. Int. P.P.	Total
5.175.000	3.517	1.531	26.002	0	12.866	5.175.000	0	4.750	20.188	14.768.355
5.175.000	4.211	1.756	31.133	70.000	15.405	5.175.000	0	5.485	83.846	19.116.629
5.175.000	3.790	1.663	31.133	70.000	15.405	5.175.000	0	5.191	73.930	18.595.377
5.175.000	3.406	1.588	31.476	70.000	15.574	5.175.000	0	4.960	65.931	18.090.930
5.175.000	2.980	1.493	31.476	70.000	15.574	5.175.000	0	4.683	56.609	17.601.280
5.175.000	2.499	1.368	30.791	60.000	15.236	5.175.000	0	4.319	54.899	17.125.370
5.175.000	2.166	1.291	31.133	60.000	15.405	5.175.000	0	4.111	47.698	16.666.357
5.175.000	1.825	1.212	31.476	50.000	15.574	5.175.000	0	3.906	50.695	16.221.643
5.175.000	1.521	1.117	31.476	50.000	15.574	5.175.000	0	3.665	42.631	15.790.085
5.175.000	1.190	1.000	30.791	30.000	15.236	5.175.000	0	3.358	52.845	15.370.790
5.175.000	1.023	920	31.133	30.000	15.405	5.175.000	0	3.174	46.489	14.966.559
5.175.000	852	836	31.476	20.000	15.574	5.175.000	0	2.993	50.318	14.575.049
5.175.000	730	741	30.483	20.000	15.574	5.175.000	0	2.784	44.355	14.195.215
5.011.838	595	633	27.670	20.000	15.236	5.011.838	163.162	2.527	37.289	13.825.202
4.650.380	481	548	25.882	20.000	15.405	4.650.380	361.457	2.364	31.726	13.304.295
4.302.077	365	460	24.125	20.000	15.574	4.302.077	348.303	2.204	26.278	12.596.358
3.966.532	243	366	22.160	20.000	15.574	3.966.532	335.545	2.024	20.320	11.912.014
3.643.360	120	268	20.047	10.000	15.405	3.643.360	323.173	1.831	24.079	11.250.687
3.332.186	60	175	18.245	10.000	15.405	3.332.186	311.174	1.666	18.617	10.612.558
3.032.649	0	83	16.692	0	13.702	3.032.649	299.537	1.525	25.754	9.996.896
2.744.399	0	0	15.738	0	0	2.744.399	288.251	1.371	33.610	9.402.129
2.587.500	0	0	15.396	0	0	2.587.500	156.899	1.196	26.671	8.828.006
2.587.500	0	0	15.567	0	0	2.587.500	0	1.068	22.411	8.396.201
2.587.500	0	0	15.738	0	0	2.587.500	0	943	18.237	8.129.921
2.587.500	0	0	15.738	0	0	2.587.500	0	812	13.774	7.871.580
2.587.500	0	0	15.396	0	0	2.587.500	0	670	8.821	7.620.482
0	0	0	15.567	0	0	0	2.587.500	558	8.714	24.891.890
31.574	19.049	663.936	700.000	304.702	5.175.000	74.139	1.006.737	371.721.855		

V.1.3. Calendar of the Fund

- Date of Formation: October 28, 2003. Formation of the Fund and issue of the Securitisation Bonds.
- Disbursement Date: October 31, 2003. Disbursement of the Bonds and payment of the Loans. Start of the maturity of Loans and Bonds.
- Collection Periods of the Assignor, as administrator of its loans: calendar months. Over these months, the amounts collected from the debtors will be liquidated to the Fund.
- Collection Date of the Fund: prior to day 7 of each calendar month. Transfers to the Assignor, as administrator of its Loans to the Collections Account. In the event the date were not a Business Day, it will be the Business Day immediately before.
- Payment Date of the Fund: January 15, April 15, July 15 and October 15 of each year. Payment to the holders of the Bonds, payment of the interest accrued corresponding to the Subordinated Loans and to the Participative Loan, commission to the Management Company, and amortisation of the principal of the Subordinated Loans. In the event the date were not a Business Day, it will be the Business Day immediately after.
- Fixing Date: the interest rate applicable to each accrual period for all Classes of de Bonds will be determined on the second Business Day prior to the Payment Date starting the correspondent accrual period. The first Fixing Date will be the second Business Day prior to the Disbursement Date.
- Determination Date: four business days prior to the Payment Date. Notification of the amounts to be paid as principal and interest to the holders of the Bonds.

V.2. Accounting Criteria of the Fund

The Management Company, for the account of the Fund, will make the temporary input of income and expenses in accordance with the accounting principles generally accepted in Spain established in the General Accountancy Plan, in particular, in Royal Decree 1643/1990, of December de 20.

V.3. Description of the financial and services operations arranged by the Management Company for the account of the Fund

The Management Company will be able to prorogue or modify the contracts that will sign in the name of the Fund, and to substitute each of the providers of services to the Fund under the said contracts, and even, should that be necessary, will be entitled to sign additional contracts, including new credit line contracts, provided that in accordance with the applicable legal regulations at that time no circumstances concur that will prevent it. In any event, such acts will require prior communication by the Managing Management Company to the CNMV, or its prior authorisation should that be necessary, or to the competent administrative body and to the Rating Agency, and that with those acts the qualification rating granted to the Bonds by the Rating Agency is not prejudiced.

V.3.1. Subordinated Loan A

Banco Pastor, S.A., will grant a Subordinated Loan to the Fund for a total amount of 700,000 euro (hereafter, the "Subordinated Loan A").

The transfer of the amount of the Subordinated Loan A will be made on the Disbursement Date by means of its payment into Treasury Account open at the Paying Agent.

The amount of the Subordinated Loan A will be destined by the Management Company to the covering of the gap corresponding on the first Payment Date of the Fund between the maturity and collection of the interest of the Loans on the first Payment Date.

The remuneration of the Subordinated Loan A will be made based on a floating interest rate equal to the Reference Interest Rate of the Bonds current from time to time plus a margin of 0.25%. Payment of the said interest will be subject to the payment priority order described in section V.4.

The maturity of the Subordinated Loan A will happen of the date of liquidation of the Fund. Notwithstanding, the amortisation of the Subordinated Loan A will be free, on each Payment Date, deciding the Management Company the amount that will be destined to the payment of the said amortisation depending on the need for additional resources estimated to cover the gap between the maturity and collection of the Loans by the Fund. In the first Payment Date, the Subordinated Loan A will be amortised on the amount necessary so that the Outstanding Balance of the Principal of the Subordinated Loan A equals the effective amount of the gap between the accrual and collection of the interest of the Loans at that Payment Date, all of which subject to the payment priority order described in section V.4. of this Prospectus.

All amounts that must be paid to the creditor, both as interest accrued and for the amortisation of the principal, accrued by Subordinated Loan A, will be subject to the payment priority order described in section V.4., and as a consequence will only be paid to the Assignor on a specific Payment Date, in the event that the Available Resources of the Fund on said Payment Date are sufficient to meet the obligations of the Fund enumerated in paragraphs (i) to (xii) of the said del section for the case of interest and (i) to (xv) for that of the principal.

All the amounts that, by virtue of the dispositions of the preceding paragraphs, had not been transferred to the Assignor will be paid on the following Payment Dated on which the Available Resources permit such payment in accordance with the priority order established.

The amounts due to the Assignor and not transferred by virtue of the dispositions of the preceding paragraphs will not accrue default interest in its favour.

V.3.2. Subordinated Loan B

Banco Pastor, S.A., will grant a Subordinated Loan to the Fund for a maximum amount of 1,00,000 euro (hereafter, the "Subordinated Loan A").

The transfer of the amount of the Subordinated Loan B will be made on the Disbursement Date by means of its payment into Treasury Account open at the Paying Agent.

The amount of the Subordinated Loan B will be destined by the Management Company to payment of the initial expenses of the Fund and to cover the gap between the value of the assets and the total face value of the issue of Bonds at the time of subscription.

The remuneration of the Subordinated Loan B will be made based on a floating interest rate equal to the Reference Interest Rate of the Bonds current from time to time plus a margin of 0.25%. Payment of the said interest will be subject to the payment priority order described in section V.4.

The amortisation will be made on each of the Payment dates. The part of the Subordinated Loan B destined to finance the formation expenses of the Fund and issue of the Bonds will be amortised quarterly on each Payment Date, for the amount by which the said formation expenses has been amortised, in accordance with the official accounting of the Fund, and in any event over the maximum period of five (5) years from the formation of the Fund, and according to the accounting and fiscal legislation current from time to time.

The part of the Subordinated Loan B destined to finance the gap between the face value of the issue of Bonds and the total value of the Assets at the time of subscription of the Bonds will be amortised, integrally, on the first Payment Date after the Disbursement Date, that is, on January 15, 2004, or, should the Fund not have enough liquidity, its amortisation will continue over the three following Payment Dates, until its final refund.

All amounts that must be paid to the creditor, both as interest accrued and for the amortisation of the principal, accrued by Subordinated Loan B, will be subject to the payment priority order described in section V.4., and as a consequence will only be paid to the Assignor on a specific Payment Date, in the event that the Available Resources of the Fund on said Payment Date are sufficient to meet the obligations of the Fund enumerated in paragraphs (i) to (xiii) of the said del section for the case of interest and (i) to (xvi) for that of the principal.

All the amounts that, by virtue of the dispositions of the preceding paragraphs, had not been transferred to the Assignor will be paid on the following Payment Dated on which the Available Resources permit such payment in accordance with the priority order established.

The amounts due to the Assignor and not transferred by virtue of the dispositions of the preceding paragraphs will not accrue default interest in its favour.

V.3.3. Participative Loan

Banco Pastor, S.A., as Assignor will grant, according with the provisions of the Participative Loan Contract, a loan to the Fund (Participative Loan) destined by the Management Company to the contribution towards the Initial Reserve Fund of the Fund.

The total amount of the Participative Loan ("Total Amount of the Participative Loan") will be 5,175,000 euro.

The transfer of the amount of the Participative Loan will be made on the Disbursement Date. The Assignor will credit the said amount into the Collections Account.

The amortisation of the Participative Loan will be made at the Statutory Maturity Date of the Fund, con subject to the payment priority provided for in section V.4 of this Prospectus.

Due to the subordinate character of the Participative Loan, in relation with the rest of obligations of the Fund and that its repayment depends on the behaviour of the Loans assigned to the Fund and on the evolution of the interest rate paid to the Bonds issued by the Fund, the remuneration of the Participative Loan will have two components, one of a determined character and another of variable character related to the evolution of the de risks of the Fund.

- (i) "Fixed Remuneration": the Outstanding Balance of the Participative Loan will accrue an interest calculated on the basis of a floating interest rate equal to the reference interest for the Bonds current from time to time as described in section II.10. of this Prospectus plus a margin of 0.25%.
- (ii) "Variable remuneration": will be equal to the positive difference between the interest and other amounts received from the Credit Rights pooled into the Fund and the expenses (including taxes) of the Fund, net of the income generated by the investments attributable to the Credit Rights, which will be calculated in accordance with that established in the Deed of Formation of the Fund.

V.3.4. Reserve Fund

As a guarantee mechanism against possible losses due to Default Loans and with the aim of permitting the payments to be made by the Fund in accordance with the regime for payment priority described in section V.4 of this Prospectus, a deposit denominated "Reserve Fund" will be constituted.

The Initial Reserve Fund will be constituted on the Disbursement Date, at the charge of the entire Participative Loan, for an amount equal to 2.30% of the Initial Face Value of the Bonds at the said Disbursement Date.

The Reserve Fund will only be used to face the payments of the Fund enumerated in sections (i) to (x), in accordance with the priority order established in section V.4 of this Prospectus.

The Minimum Level of the Reserve Fund will be the smaller of the following amounts:

- 2.30% of the amount of the issue of Bonds
- 4.60% of the Outstanding Balance of the Principal of the Bonds

The Minimum Level of the Reserve Fund cannot be reduce in case any of the following circumstances concurs:

1. If the Available Funds for Amortisation at the current Payment is lower than the Amount Accrued for Amortisation.
2. El if the Outstanding Balance of the Loans wit an delay rate equal or higher than 90 days is more than 2.5% Outstanding Balance of the Loans.

The Minimum Level of the Reserve Fund cannot be lower than 1.15% of the initial face value of the

Bonds.

The amounts that will form the Reserve Fund will be deposited in the Collections Account.

V.3.5 Interest Rate Swap Contract

The Management Company will sign, in representation and for the account of the Fund, with BANCO PASTOR, an interest rate swap contract (the "Interest Rate Swap" or the "Interest Rate Swap Contract") in accordance with the form of Master Financial Operations Contract (Contract Marco de Operaciones Financieras) (MFOC) of the Spanish Banking Association, the most relevant characteristics of which are described below.

By virtue of the Interest Rate Swap Contract, the Fund will make payments to BANCO PASTOR calculated over the Loans interest rate, and as a counterpart BANCO PASTOR will make payments to the al Fund calculated over the average nominal pondered interest rate of the Series of the Bonds, all of which as described below.

A party: The Fund, represented by the Management Company.
B party: BANCO PASTOR.

- a) Liquidation Dates: The liquidation dates will coincide with the Payment dates of the Bonds, that is, days January 15, April 15, July 15 and October 15 of each year, or, should any of these dates not be a Business Day, on the Business Day immediately after.
- b) Liquidation Periods:

Part A: The liquidation periods for Part A will be the days effectively elapsed between two consecutive liquidation dates, including the first and excluding the last. As an exception, the first liquidation period for Part A will have a duration equivalent to the days effectively elapsed between the Disbursement Date, included, and January 19, 2004, excluded.

Part B: The liquidation periods for Part B will be the days effectively elapsed between two consecutive liquidation dates, including the first and excluding the last. As an exception, the first liquidation period for Part B will have a duration equivalent to the days effectively elapsed between the Disbursement Date, included, and January 19, 2004, excluded.
- c) Swap Notional: Amount resulting from the addition of the Outstanding Balance of the Principal of the Bonds of each of the Series on the current Determination date.
- d) Amounts to be paid for Part A: Will be the resulting from applying the Interest Rate of Part A to the Swap Notional with regard to the number of days of the liquidation period.
- e) Interest Rate of Part A: The Average Pondered Interest Rate Accrued over the Loans. This rate will be calculated by dividing the amount of Interest Accrued of the Loans during the Determination Period immediately previous to the current Payment Date (numerator) by the daily average of the Average Outstanding Balance of the Loans Pending Amortisation in the Determination Period immediately previous to the current Payment Date (denominator).

The reference date for the various calculations will be the Determination date corresponding to each Payment Date, and when the necessary calculations would refer to periods, they will do to the Determination Period immediately previous to each Payment Date.

- f) Amounts to be paid for Part B: Will be the resulting from applying the Interest Rate of Part B to the Swap Notional with regard to the number of days of the liquidation period.
- g) Interest rate of Part B: Average Pondered Interest Rate of the Bonds plus a margin of 0.30%.

The reference date for the various calculations will be the Determination date corresponding to each Payment Date, and when the necessary calculations would refer to periods, they will do to the Determination Period immediately previous to each Payment Date.

If on a liquidation date any of the Parties did not have enough liquidity to make the payment of the total amount which corresponded to pay to the other Party the part of such amount not paid will be liquidated on the following Payment Date and in the case where it was Party A provide always that the Fund has enough liquidity in accordance with the Payment Priority Order. If such non-payment event occurred on a Payment Date, the Interest Rate Swap Contract will be terminated. In the even of termination the defaulting party will assume the payment obligation of the liquidation amount, and in the case where the defaulting party were the Fund will do so in conformity with the Payment Priority Order.

Without prejudice to the foregoing, save in a permanent situation of alteration of the financial balance of the Fund, the Management Company, in representation and for the account of the Fund, will try to arrange a new swap contract.

The events referred to in the paragraphs above relating to the termination of the Interest Rate Swap Contract, will not imply the anticipated termination of the Bonds issue, except if jointly with other events or circumstances relating to the patrimonial situation of the Fund, a substantial or permanent alteration in the financial balance of the Fund occurred according with the criteria of the Management Company.

In the event that at any time during the life of the, the debt of the Assignor had a credit rating assigned lower than A-1 according with the scale of credit ratings granted by S & P for short term risks, the Assignor, in a maximum term of thirty (30) Business Days counting from the moment where such downgrading takes place, shall opt for one of the following alternatives:

1. Find an entity to secure its obligations under the Interest Rate Swap Contract, with a minimum credit rating of A-1 according with the scale of credit ratings granted by S & P for short term risks, or
2. Substitute the Assignor as counterparty under the Interest Rate Swap Contract by paying the market price of the same, by other entity possessing at minimum a credit rating of A-1 according with the scale of credit ratings granted by S & P for short term risks, or
3. Constitute a deposit, pledged in favour of the Fund, in a Financing Entity with a minimum credit rating of A-1 according with the scale of credit ratings granted by S & P for short term risks, designated by the Management Company, previously agreed upon by Banco Pastor, for the amount resulting from the application of the calculation method detailed in the following

paragraph, provided always that the result of such calculation were positive (bigger than zero)

The amount of the deposit will be the equivalent to the sum of:

- a) The market value of the Interest Rate Swap calculated by two Entities:
 - (i) Banco Pastor with a weekly frequency, and
 - (ii) a Financial Entity with a minimum credit rating of A-1 according with the scale of credit ratings granted by S & P for short term risks, which would do it with a monthly frequency.
- b) The amount equivalent to 0.11% of the Interest Rate Swap Notional.

In the event that the mentioned valuation would result positive the deposit shall be constituted in the maximum time period of three business days alter the valuation has been made.

Should Banco Pastor elect the option of constituting the deposit, described above, it shall be permitted to continue as counterpart in the Swap provided that its rating does not descend under A-3, according with the scale of credit ratings granted by S & P for short term risks. In other cases Banco Pastor shall immediately find a substitute for the counterpart in the Swap. Should it not find it, Banco Pastor: would continue as counterpart in the Swap until finding a substitute or until the Management Company cancels the Swap. In this last case it there was liquidation payment on the part of the Fund, this would be subordinated to the payment of the Principal and Interests of the Bonds, according to the payment priority order provided for in section V.4 of this Prospectus.

Should Banco Pastor have its rating reduced to a level lower than A-2, according with the scale of credit ratings granted by S & P for short term risks, the percentage to be applied to the Interest Rate Swap Notional de in factor b) above shall be agreed upon with the Rating Agency.

In the event that the rating, for short term risks, of the Financial Entity holder of the pledged deposit, was reduced to a level lower than A-1, according with the scale of credit ratings granted by S & P, or other equivalent expressly recognised by the Rating Agency, the Management Company shall perform, prior consultation with the rating agency, one of the following options within the 30 business days following the reduction:

- (i) Obtain guarantees or similar compromises from a financial entity or financial entities with a credit rating, for their short term risk, equal or higher than A-1, or other equivalent expressly recognised by the Rating Agency, that secure the compromises assumed by Banco Pastor in the Interest Rate Swap Contract.
- (ii) Substitute the Financial Entity by other entity that has a rating at least equal to A-1 or other equivalent expressly recognised by the Rating Agency, so that it assumes, under the same conditions, the functions of Banco Pastor in relation with the Swap.

Any of the three alternatives, paragraphs 1) to 3) above, shall be carried out in the terms and conditions previously approved by S & P, to the end that the Bonds issued maintain their ratings assigned by S & P. All costs, expenses and taxes incurred in the fulfilment of the above obligations will be borne by BANCO PASTOR.

The occurrence, if applicable, of the anticipated termination of the Interest Rate Swap Contract will not constitute in itself an event of Anticipated Amortisation of the the Bonds Issue and Anticipated Liquidation of the Fund to which section III.9 of the present Prospectus refers, except if jointly with other events or circumstances relating to the patrimonial situation of the Fund, a substantial or permanent alteration in the financial balance of the Fund occurred.

The Interest Rate Swap Contract will be terminated for all legal purposes in the event that the rating agency did not confirm, prior to the start of the Subscription Period, as final, the ratings assigned on a provisional basis to each of the Series, or in case of concurrence of the termination conditions of the Underwriting and Brokerage of the Bonds Issue Contract.

V.3.6. Deposit of the resources of the Fund

V.3.6.1. Collections Account

The Fund will have at its disposal in the Assignor, in accordance with the provisions of the Guaranteed Interest Rate Deposit Contract, a bank account in the name of the Fund (hereafter the "Collections Account"), through which, on each Collection Date, all payments that the Fund is due to receive from the Assignor will be made.

The Assignor will provide to the Fund the typical maintenance and administration services for that account, in accordance with the customary banking practices. The maintenance expenses that may derive from the said Collections Account will be at the charge of the entity providing the Account, all of which save those expenses caused by the negligence of Management Company.

The Management Company shall give the timely instructions for the making of the necessary payments from the Collections Account in order to meet the obligations of the Fund, through the Treasury Account maintained in the Paying Agent.

The positive balances that may, from time to time, in the Collections Accounts in favour of the Fund, will accrue an annual floating rate interest payable monthly to its credit, that will be equal to the Reference Interest Rate applicable to the Bonds, plus a Margin of 0.15%, all of it in the terms established in the Guaranteed Interest Rate Deposit Contracts.

El balance of the Collections Account shall be maintained in cash at all times.

Along the life of the Fund the balance of the Collections Account may not exceed at any time 12% of the Outstanding Balance of the Principal of the. Should that limit be exceeded the Manager shall transfer immediately the excess to the Treasury Account.

In the event that the rating assigned by the Rating Agency to the Assignor were downgraded to a rating lower than A-2 or another equivalent expressly recognised by the Rating Agency, the Management Company, in the name of the Fund, shall take, prior consultation with the Rating Agency, the following immediate as from the moment in which such downgrading comes to its knowledge:

- (i) Permanently transfer the amount of the Reserve Fund to the Treasury Account.

- (ii) Daily transfer before 11:00 hours in the morning (CET) the available balance in the Collections Account to the cited Treasury Account.

V.3.6.2. Treasury Account

The Fund will have at its disposal in the Paying Agent, in accordance with the provisions of the Guaranteed Interest Rate Deposit Contract, a bank account in the name of the Fund (hereafter the "Collections Account").

The Management Company will order the transference to the Treasury Account, two business days immediately before each Determination Date, those amounts that were deposited in the Collections Account.

All payments of the Fund will be made through the Treasury Account, under the instructions of the Management Company.

The Treasury Account may not have a negative balance against the Fund. The balances of the Treasury Account will be maintained in cash.

The amounts deposited in the Treasury Account will accrue interest in favour of the Fund based on a floating interest rate equal to the result of diminishing by a margin of 0.15% the Reference Interest Rate applicable to the Bonds.

At all times when the rating for short term, according with the scale of credit ratings granted by S & P, of the Paying Agent were lower than A-1+ the balance of the Treasury Account may never exceed 20% of the Outstanding Balance of the Principal of the Bonds. Should that limit be exceeded the Management Company shall notify it in writing to S & P the day before receiving the transfer into the Treasury Account. S & P, in turn, will have a period of five business days to notify to the Management Company if the rating of the Securitisation Bonds would be affected by this circumstance and should that be the case the Management Company shall (i) open a new Treasury Account in a Financial Entity with a rating for its short term risk according with the scale of credit ratings S & P, at least equal to A-1+ and (ii) transfer the excess balance to the new Treasury Account.

In the event that the rating, for short term risks of the Paying Agent was reduced to a level lower than A-1, according with the scale of credit ratings granted by S & P, or other equivalent expressly recognised by the Rating Agency, the Management Company shall perform, prior consultation with the Rating Agency, one of the following options within the 30 business days following the reduction:

- (i) Obtain guarantees or similar compromises from a financial entity or financial entities with a credit rating, for their short term risk, equal or higher than A-1, or other equivalent expressly recognised by the Rating Agency, that secure the compromises assumed by the Paying Agent in the Paying Agency Agreement in relation with the treasury Account.
- (ii) Substitute the Paying Agent by other credit entity that has a rating at least equal to A-1 or other equivalent expressly recognised by the Rating Agency, so that it assumes, under the same conditions, the functions of the Paying Agent in relation with the treasury Account.

V.3.7. State Warranty

The Ministry of Economy has granted by means of an Order, a Warranty to the Fund by virtue of which the Spanish State will secure with a waiver to the benefit of discussion (beneficio de excusión) established in article 1830 of the Civil Code, the payment of the economic obligations actionable against the Fund derived from the Series AG Bonds, under the concept of reimbursement of the principal and payment of the ordinary interest.

The amount of the Warranty is (i) seventy-six-million-three-hundred-three-thousand (76,300,000) euro, equivalent to the sum of the amount of the issued face value of the Series AG Bonds, plus (ii) the ordinary interest corresponding to the said face value of this Series.

The terms and conditions of the Warranty are described in detail in section II.15.2.

V.3.8 State Warranty Liquidity Line Contract

The Management Company, in representation and for the account of the Fund, will sign a credit contract (the "Liquidity Line of the State Warranty") with "la Caixa" for a maximum amount of 1,500,000 euro for each Interest Accrual Period.

The aim of the Liquidity Line of the State Warranty is to allow the Fund to meet the payment of the Series AG Bonds, when the Available Funds are not enough in order to make such payments on each Payment Date.

The Liquidity Line of the State Warranty will accrue an interest equal to the reference interest rate of the Bonds of the relevant Interest Accrual Period, Euribor for three (3) months, plus a margin of 0.05% over the daily average of the amounts disposed of under the same, payable provided there is enough cash, and a disposability fee of 0.02% per year calculated over the daily average of the amounts not disposed of and payable quarterly on the Payment Dates .

The refund of the principal disposed of the Liquidity Line of the State Warranty will be done in the moment where the Fund receives the equivalent amount upon execution of the State Warranty.

In the event that, at any time during the duration of the Liquidity Line of the State Warranty contract, the credit rating of the non-subordinated unsecured debt of the Paying Agent was reduced from de A-1, for short term risks:

- (a) the Paying Agent shall obtain from a credit entity with a rating equal or higher than A-1, within the period of thirty (30) Business Days since the occurrence of such reduction a joint and several Warranty at first demand to secure its obligations under Liquidity Line of the State Warranty contract , or else
- (b) In case the above was not possible, the Management Company will substitute the Paying Agent by other entity whose non-subordinated unsecured debt for short term has a rating of at least A-1 arranging with the same a Liquidity Line of the State Warranty in the most favourable conditions for the Fund possible.
- (c) dispose of the Liquidity Line of the State Warranty and maintain it in an account open in the name of the Fund in a credit entity with a rating by S&P for short term of at least de A-1.

The Liquidity Line of the State Warranty will remain in force during the period of effectiveness of the obligations derived from the issue of the Series AG Bonds; in any event, the Liquidity Line of the State Warranty will expire on the Statutory Maturity Date (April 15, 2027, or the following Business Day).

V.3.9 Paying Agency Contract

The Management Company, in representation and for the account of the Fund, will sign with “la Caixa” as Paying Agent the Paying Agency Contract, to carry out the financial service of the issue of Bonds issued against the assets of the Fund.

The obligations contained in the Paying Agency Contract as regards the Paying the Agency are, briefly, the following:

- (i) submit to the Management the information forms, duly completed by each of the Underwriting Entities, about the circulation reached in the placement of the issue of Bonds, using for that purpose the model established for that purpose by the CNMV;
- (ii) in each of the Payment dates of the Bonds, pay the interest and, if applicable, the corresponding part of the principal of the Bonds to the holders of the same, once the total amount of the withholding tax retention on account of the income from the movable assets that, if applicable, may have to be made in accordance with the applicable tax legislation, and make payment of the rest of amounts payable at the charge of the Fund in accordance with the Prospectus and with the deed of Formation; y
- (iii) provide to the Management Company all necessary information or convenient so that this last may fulfil the tax obligations of the Fund, in representation and for the account of the same.

In the event that at any time of the issue of the Bonds the short term debt of the Paying Agent had a credit rating assigned for short term granted by the Rating Agency lower than A-1, the Management Company, within the en un maximum term of thirty (30) Business Days from the moment of occurrence of such reduction will proceed in accordance with the provisions of section V.3.6.2 above.

In consideration for the services to be provided by the Paying Agent, the Fund will pay to the same a Paying Agency Commission which will accrue quarterly on each Payment Date, according to the following rules:

- (i) Fix periodical remuneration equal to 3,000 euro per year which will be received in proportion to the number of days elapsed between Payment Dates.
- (ii) In addition, variable periodical remuneration of 0.00312% per year over the Outstanding Balance of the Principal of the Bonds over the preceding Determination Date, payable on each Payment Date and which will be received in proportion to the number of days elapsed between Payment Dates..

V.3.10 Direction, Underwriting and Brokerage of the Bonds Issue Contract

The Management Company, in representation and for the account of the Fund, will sign a Direction, Underwriting and Brokerage of the issue of Bonds Contract with BANCO PASTOR, S.A. and Société Générale, Sucursal en España as Direction Entities and Underwriting and Brokerage Entities.

The terms of the Direction, Underwriting and Brokerage of the issue of Bonds Contract are described in section II.19.3 of the present Prospectus.

The underwriting commitments of each Underwriting and Brokerage Entity and the underwriting and brokerage commissions are specified in section II.19.1 of this Prospectus.

BANCO PASTOR, S.A. AND Société Générale, Sucursal en España will participate in the Bonds Issue as Direction Entities. These shall not receive any remuneration for the direction of the Bonds issue.

Direction, Underwriting and Brokerage of the Contract will be terminated for all legal purposes in the event that the Rating Agency did not confirm before the start of the Subscription Period, as final, the ratings assigned on a provisional basis to each of the Series, or in case of force majeure in the terms established by article 1,105 of the Civil Code.

V.4. Ordinary rules of priority and application of funds

V.4.1. Ordinary rules of priority and application of funds

a) At the date of formation of the Fund and Issue of the Bonds

1. **Origin:** On the date of formation of the Fund, this will dispose of Funds on the following concepts:

- a) Funds received as a consequence of the issue and placement of the Bonds.
- b) Funds received in concept of Subordinated Loans (Loan A and Loan B).
- c) Amount of the Participative Loan.

2. **Application:** On the date of formation of the same, the el Fund will apply the above described Funds to the following payments:

- a) Payments for the purchase of the Loans that are grouped into the Fund.
- b) Payment of the initial expenses of the Fund according to the description in section III.4.3. of this Prospectus.

b) After the date of formation of the Fund and until the total redemption of the Bonds

1. **Origin of the Funds:** the Funds held by the Fund on each Payment Date for the distribution of the amounts corresponding to the holders of the Bonds and for the payment of the corresponding commissions have their origin in:

- a) Income obtained from the Loans under the concept of principal and ordinary interest and of

recoveries.

- b) Returns of the balances of the Treasury Account and the Collections Account.
- c) Amount of the Reserve Fund.
- d) If applicable, other income derived from the debtors for concepts other than principal and ordinary interest of the Loans grouped in the Fund.
- e) The product of the liquidación, when applicable, and when corresponding, of the assets of the Fund.
- f) If applicable, the amounts disposed of at the charge of the State Warranty or of the Liquidity Line.

- 2. Application of Funds:** The part of the Available Resources corresponding to the Available Funds for Amortisation, according to the definition in section II.11.2. of this Prospectus, may only be used for the payment of the amortisation of the Bonds, except as provided for in the "Other rules" within this same section, and save in the case of occurrence of total maturity of the Bonds

The foregoing is understood without prejudice to that established in section II.15.2, for the amounts received in the concept of recovery of the Loans in default situation, in relation with the refunds to the State as a consequence of the contribution by it of resources to the Fund by virtue of the e Warranty granted to the AG Bonds.

On general grounds, the Available Resources of the Fund, with the limitation established in the preceding paragraphs , will be applied on each Payment Date to the following corresponding concepts, being established as priority order in case of insufficiency of Funds, the order in which the different payments are enumerated here below:

- (i) Expenses and taxes: expenses that are at the charge of the Fund, including the fee of the Management Company, the Commission of the Liquidity Line and the extraordinary expenses, among others, and without it being an exhaustive enumeration, those originated as a consequence of the defense of the interests of the Fund and of the holders of the Bonds as well as the taxes to which the Fund may be subject.
- (ii) Payment of the amount accrued vi virtue of the Interest Rate Swap Contract, if applicable, included the event of termination of the said contract for reasons imputable to the Fund.
- (iii) Payment of the interest of the Series AG and AS Bonds due and not paid on previous Payment dates and reimbursement to the State of the amounts that this may have paid to the Fund upon execution of the Warranty for the payment of interest on the AG Bonds not returned in previous Payment Dates (pro rata).
- (iv) Payment of the Interest of the AG and AS Bonds and, if applicable, interest of the Liquidity Line (pro rata).
- (v) Payment of the Interest of the B Bonds (save down ranking described in the en the

Exceptional Rules).

- (vi) Payment of the Interest of the C Bonds (save down ranking described in the Exceptional Rules).
- (vii) Payment of the Amount Accrued for Amortisation of the Series AG and AS Bonds due and not paid on previous Payment Dates and reimbursement to the State of the amounts paid by this last to the Fund upon execution of the Warranty for the payment of the principal of the AG Bonds not returned on previous Payment dates (pro rata of the proportion that they represent at the Date of Formation of the Fund the AG Bonds AG over the Class A Bonds A).
- (viii) Amortisation of the principal of the AG and AS Bonds (pro rata).
- (ix) Amortisation of the principal of the B Bonds.
- (x) Amortisation of the principal of the C Bonds.
- (xi) Contribution, in its case, to the Reserve Fund, until this reaches the Minimum Level.
- (xii) Payment, in, in case of termination of the Swap Contract, of the amount to be paid, in its case, by the Fund for the liquidation of the contract if the counterpart was held responsible of the termination of the said contract.
- (xiii) Payment of the interest accrued by Subordinated Loan A.
- (xiv) Payment of the interest accrued by Subordinated Loan B.
- (xv) Payment of the fixed remuneration of the Participative Loan.
- (xvi) Amortisation of the Capital of Subordinated Loan A.
- (xvii) Amortisation of the Capital of Subordinated Loan B.
- (xviii) Amortisation of the Capital of the Participative Loan.
- (xix) Payment to the Assignor of the Administration Fee established in the Administration Contract.
- (xx) Payment of the variable remuneration of the Participative Loan.

V.4.1.1. Exceptional Rules to the Payment Priority Order

- a) The amounts received at the charge of the State Warranty will be used only to cover the insufficiencies in the payments of principal and interests of the AG Bonds. In no case will they be subject to the priority order established in the preceding section.
- b) In the event that the Available Resources were not sufficient on a Payment Date to cover any of

the amounts mentioned in the preceding paragraphs, the following rules will apply:

- (i) The Available Resources of the Fund will be applied to the different concepts mentioned in the previous section, in accordance with the priority order established pro rata of the amount due among those entitled to receive the payment .
 - (ii) The amounts that remain unpaid will be placed, on the following Payment Date, in a priority position immediately before that of the concerned concept itself. e
 - (iii) The amounts due by the Fund not paid on their respective Payment dates will not accrue any additional interest, except for the principal amortisation of the Bonds, which will accrue the interest accrued by the Bonds according to that established in section II.10.
- c) In the event that Banco Pastor needed to be substituted as Administrator of the portfolio, the remuneration of the new Administrator will be joined to the ordinary expenses of the Fund, included in the first epigraph of the Payment Priority Orders.
- d) In the case that on a Payment Date the sum of the Outstanding Balance of the Assets with an delay in payments rate over 90 days and the Default Amounts is equal to 15% of the sum of the Outstanding Balance of the Assets plus the Default Amounts, payment of the interest of the C Bonds C will be down ranked to the epigraph immediately after to that of the payment of the amortisation of the A Bonds. This down-ranking will be maintained until the total amortisation of the AG, AS and B Bonds.
- e) In the case that on a Payment Date the sum of the Outstanding Balance of the Assets with an delay in payments rate over 90 days and the Default Amounts Overdue is equal to 20% of the sum of the Outstanding Balance of the Assets plus the Default Amounts, payment of the interest of the B Bonds will be down-ranked to the epigraph immediately after to that of the payment of the amortisation of the A Bonds. This down-ranking will be maintained until the total amortisation of the AG and AS Bonds.

CHAPTER VI

GENERAL CHARACTER INFORMATION ABOUT THE MANAGEMENT COMPANY OF THE FUND

VI.1. Relating to the Company, except its equity

VI.1.1. Name and Registered Office

GestiCaixa, Management Company de Fondos de Titulización, S.A., has its registered office at Avenida Diagonal, 621 in Barcelona.

VI.1.2. Incorporation and registration in the Mercantile Registry, as well as data relating to the administrative authorisations and the registration with the Comisión Nacional of the Mercado de Valores

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., is a limited liability company (sociedad anónima) of Spanish nationality, with CIF A-58481227, incorporated by public deed before the Notary of Barcelona Mr. Wladimiro Gutiérrez Álvarez, on November 6, 1987 under the name "Caixa 92, S.A.", having changed its initial name by that of GestiCaixa, Compañía Gestora de Fondos de Titulización Hipotecaria, S. A. and having been transformed into mortgage securitisation funds management company on September 6, 1993, by means of deed authorized by the Notary of Barcelona Mr. Roberto Follia Camps, under number 2,129 of his protocol, and in conformity with the dispositions of article sixth of Law 19/1992 de, of July 7, on the regime of Real State Investment and Mortgage Securitisation Funds, by virtue of the authorisation granted by the Ministerial Order of August 24, 1994. It is registered in the Mercantile Registry of Barcelona, sheet 110.165, folio 141, tome 9.173, book 8.385, section 2^a, inscription 1st and was adapted to the Limited Liability Companies Act (Ley de Sociedades Anonimas) by public deed before the Notary of Barcelona Mr. Wladimiro Gutiérrez Álvarez, registered as inscription 3rd of sheet nbr. B-50.432, folio 143, tome 9.173. On date June 10, 2002, was transformed into Securitisation Funds Management Company by means of a deed authorized by the Notary of Barcelona Mr. Joaquín Viola Tarragona, under number 424 of his protocol, in accordance with the Only Transitional Provision (Disposición Transitoria Unica) of Royal Decree 926/1998, of May 11, by which the assets securitisation funds and the management companies of securitisation funds are regulated, and by virtue of the authorisation of te Ministry of Economy by Ministerial Order dated May 9, 2002, having adopted as new company name that of "GestiCaixa, Compañía Gestora de Fondos de Titulización, S.A.". The said deed has been registered in the Mercantile Registry of Barcelona, Tome 34187, Folio 192, sheet B-50432, Inscription 14th.

GestiCaixa, Compañía Gestora de Fondos de Titulización, S.A. is registered in the Special Registry of Securitisation Funds management Companies of the Comisión Nacional of the Mercado de Valores with number 7.

The duration of the Management Company in indefinite, save the concurrence of any of the dissolution causes that the legal or regulatory dispositions may establish.

VI.1.3. Company Object

The exclusive object of the Management Company is the formation, administration and legal representation both of assets securitisation funds and mortgage securitisation funds, as established by Royal Decree 926/1998, of May 11, by which the assets securitisation funds and the management companies of securitisation funds are regulated.

VI.1.4. Place where the documents mentioned by the Prospectus or whose existence derives from its contents can be consulted.

The Management Company will have available for the public all the documents and information necessary in accordance with the deed of Formation.

The present Informative Prospectus has been registered in the Official Registries of the Comisión Nacional of the Mercado de Valores on October 28, 2003. It is freely available for the public at the registered offices of the Management Company and of the Direction Entity. Also, it can be consulted at the Comisión Nacional of the Mercado de Valores, in Madrid, Paseo de la Castellana 19 or alternatively, in Barcelona, Paseo de Gracia 19, 3rd floor.

Likewise, all information of a public character detailed in this Prospectus may be found at the registered office of the Management Company and in the Official Registry of the Comisión Nacional of the Mercado de Valores.

VI.2. Relating to the company equity

VI.2.1. Subscribed and paid for face value.

The share capital of the Management Company at the moment of formation of the Fund is one-million-five-hundred-two-thousand-five-hundred euro (euro 1,502,500) represented by two-hundred-fifty-thousand (250.000) nominative shares of six euro one cent (euro 6.01) of face value each. On date June 29, 2001, the Board of Directors of the Management Company, agreed the re-denomination in euro of the amount of the share capital, with the corresponding reduction of the same by euro 30.26, to adjust the unitary face value of the shares.

VI.2.2. Classes of shares

All shares issued by the Company up to the date of publication of this Prospectus are ordinary nominative of an only class and series, and confer identical political (voting) and economical rights.

VI.2.3. Evolution of the equity during the last three years

No increase of the share capital of the Management Company has been made in the last three years.

VI.3. Data relating to participations

VI.3.1. Existence or not of participations in other companies

There are no participations of the Company in any other companies.

VI.3.2. Group of companies of which the company forms part

To the effects of article 42 of the Commercial Code, the Management Company forms part of the Companies Group of Caixa d'Estalvis i Pensions de Barcelona.

VI.3.3. Holders of significant participations

At the date of registration of the present Prospectus, holding of the shares of the Management Company is distributed among the below listed companies, with an indication of the participation quota corresponding to each of them:

Name of the shareholding company	%
CaixaHolding, S.A.	80%
VidaCaixa, S.A. de Seguros y Reaseguros	9%
Caixa Barcelona Seguros Vida, S.A., Seguros y Reaseguros	6%
HipoteCaixa, E.F.C., S.A.	5%

VI.4. Company organs

The government and administration of the Management Company are reserved by the by-laws to the general shareholders meeting and to the board of directors. Their competences and faculties are those corresponding to such organs in accordance with the Limited Liability Companies Act (Ley de Sociedades Anonimas) and in Law 19/1992, of July 7, in relation with the company's object.

VI.4.1. Board of Directors

At the date of registration of the present Prospectus, the Board of Directors is formed by the following persons:

Position	Holder	Date of Appointment
Presidente:	Pedro Huguet Vicens	30-06-1993
Consejeros:	Joaquín Vilar Barrabeig	13-07-1998
	Hernán Cortés Lobato	13-07-1998
	Xavier Jaumandreu Patxot	31-10-2001
	José R. Montserrat Miró	24-11-1994
	Asunción Ortega Enciso	30-06-1993
Secretario (non director):	Juan Ignacio Sanz Caballero	13-07-1998

VI.4.2. General Manager.

The General Manager of the Management Company is Xavier Jaumandreu Patxot.

VI.5. Grouped Interests in the Management Company of the individual forming the organs of the company

The persons that form the board of directors of the Management Company are not holders or representatives, directly or indirectly of any share or convertible bond.

VI.6. Identification of the persons or entities that may be creditors of the Management Company and participate in the liabilities of the same by more than 10% quantifying the said interests in each case

Not applicable.

VI.7. Mention to whether the Management Company, is immerse in any situation of bankruptcy and to the possible existence of claims or significant controversies that may affect the economic-situation or, in the future its capacity to carry out the functions of management and administration of the Fund provided for in this informative prospectus

At the date of registration of the present Prospectus, there are no claims or controversies that may significantly affect the economic- situation of the Management Company or, in the future its capacity to carry out the functions of management and administration of the Fund provided for in this informative Prospectus

CHAPTER VII

FINANCING TO SMALL AND MEDIUM ENTERPRISES

VII.1. Financing to small and medium enterprises.

All loans being assigned to the Fund are credit operations granted by Banco Pastor, S.A., documented in public deed or private document for the formalising of the operation, to small and medium enterprises domiciled in Spain, and which have requested the funds for financing projects associated to their activity. At least 80% of these operations and of the total volume with which the Fund is formed have been granted to companies meeting the following requirements: workforce smaller than 250 workers, annual business volume lower than 40 million de euro or a general annual accounting balance lower than 27 million euro, and not being participated in more than 25% by a company that cannot be defined as a small or medium enterprise.

The characteristics of these Loans are described in Chapter IV of this Prospectus.

VII.2. GC FTPYME PASTOR 1 and the State Warranty of the Order of December 28, 2001.

The Ministerial Order of December 28, 2001, establishes the requirements to be entitled to the benefits of the State Warranty to secure fixed rate securities issued against Assets Securitisation Funds, to the end of promoting the formation of Assets Securitisation Funds to favour the entrepreneurial financing, according to the dispositions of article 52 of Law 52/2002, of December 30, of the Annual State Budget for the year 2003.

Once verified the requirements mentioned in the paragraph above, the Ministry of Economy has granted a Warranty to the Series AG Bonds that will cover both the principal and the interest corresponding to the Bonds of the said Series.

VII.3. Implications that may derive from the tendencies mentioned in section VII.1 above.

The Loans assigned to GC FTPYME PASTOR 1, are at floating interest rate, distributed as stated in Chapter IV above in this Prospectus.

Both the geographical and the economic sector dispersion of the assigned portfolio can be checked in the tables and charts included in Chapter IV of this Prospectus.

Given the nature of the Loans, that their debtors are enterprises, the circumstance that a high proportion of them are at a floating interest rate, and their period of time, leads to the thought that the Prepayment Rates of the assets of the Fund will remain relatively reduced and without variations by reason of the changes in the level of interest rates. This opinion, however, is merely subjective for lacking of any empiric basis, and without any statistic backing. In the opinion of this Management Company there is currently not enough public information about anticipated amortisation that may allow the formulation of consistent medium and long term predictions about the behaviour of the Advanced amortisation rates of this kind of securitisable assets.

As a consequence of the change in the anticipated amortisation of the Loans, the average term and the duration of the Bonds issue of the Bonds issued by the Fund may be significantly modified with regard to the initial estimations according to section II.11.

Sig. Mr. Xavier Jaumandreu Patxot
General Manager
GESTICAIXA, S.G.F.T., S.A.

Appendix 1
Certificate of the Minutes of the Board of Directors of Banco Pastor

Appendix 2
Certificate of the Minutes of the Board of Directors of the Management Company

Appendix 3
Provisional rating letter S & P

Appendix 4
Audit report Deloitte & Touche

Appendix 5
Direction Entities Letters

Appendix 6
**Declaration by the Management Company about relationships among the
participating entities**

Appendix 7
Declaration of the Assignor

Appendix 8
List of definitions

“Acquisition Right”, means the acquisition right over the remaining Non-Mortgage Loan and the Mortgage Transfer Certificates as a whole that the Fund has, which will be exercisable at any time from the moment in which the amount of the Outstanding Balance of the Loans becomes lower than 10 per cent of the initial principal of the Loans at the date of formation of the Fund, and provided that the payment obligation derived from each series of the Bonds can be met and fully cancelled in accordance with the Payment Priority Order.

“Amount of the Assets” means a minimum amount of 225,000,000 euros.

“Amount Matured for Amortisation” means the positive difference between the Outstanding Balance of the Principal of the Bonds and the Outstanding Balance of the Assets.

“Anticipated Liquidation Events”, means the anticipated liquidation events contained in section III.9.1. of the Informative Prospectus.

“Anticipated Liquidation of the Fund”, means the anticipated liquidation of the Fund on a Payment Date to which the Management Company is entitled in the event of occurrence of any of the events contemplated in section III.9.1. of the Informative Prospectus.

“Assigned Debtors”, means the non-financial small and medium enterprises, defined according to the Recommendation of the European Commission 96/280/CE, of April 3, 1996, on the definition of small and medium enterprises (SMEs), domiciled in Spain, that are the debtors under the Loans.

“Assignor”, means Banco Pastor.

“Assets”, means the Non-Mortgage Loans and the Mortgage Transfer Certificates.

“Available Resources of the Fund”, means the available resources of the Fund that, on each Payment Date, equal the sum of: (i) the amounts deposited in the Collections Account and the revenues produced by the said amounts; (ii) the balance of the Treasury Account open at the Paying Agent, including the revenues produced by it, including if applicable in that amount that corresponding to the amount of the Reserve Fund; (iii) the Available Amount of the Liquidity Line.

“Bonds Issue”, means the Issue of Securitisation Bonds issued against the assets of the Fund.

“Business Day”, means each day that is not a: (i) Saturday; (ii) Sunday; (iii) non-working day in Barcelona, Madrid and La Coruña; (iv) non-working day in the TARGET calendar.

“Civil Procedure Law”, means Law 1/2000, of January 7, on Civil Procedure.

“Class A Bonds”, means the Class A Bonds issued against the Fund

“Class B Bonds”, means the Class B Bonds issued against the Fund

“Class C Bonds”, means the Class C Bonds issued against the Fund

“Collections Account”, means the account open in Banco Pastor in the name of the Fund, through which all payments that the Fund is due to receive from the Assignor on each Collection Date, will be channelled.

“Collection Date”, means day 7 of each calendar month, or, should this not be a Business Day, the Business Day immediately before.

“CNMV”, means the Comisión Nacional del Mercado de Valores (National Commission for the Stocks Markets).

“Contract for the Opening of an Account at Guaranteed Interest Rate (Amortisation Account)”, means the contract for the opening of an account at guaranteed interest rate (Amortisation Account) signed by the Management Company, in representation and for the account of the Fund, and Banco Pastor.

“Deed of Formation of the Fund”, means the public deed of formation of GC FTPYME PASTOR 1, FONDO DE TITULIZACION DE ACTIVOS, of issue and subscription of the Mortgage Transfer Certificates and assignment of the Non-Mortgage Loans and issue of the Securitisation Bonds, in the terms provided for in Royal Decree 926/1998.

“Default Amounts” means the unpaid amount, that is due and not paid at their respective maturity, including the outstanding principal, of those assets that meet any of the following conditions: (i) the corresponding Assigned Debtor has been declared bankrupt or, if applicable, insolvent; (ii) the Management Company considers, according to the information received from the Administrator, that there are no reasonable expectations of recovering the same; or, in any event when; (iii) the amounts remain unpaid during a period of eighteen (18) months.

“Default Asset”, means the Loan that has Default Amounts.

“Determination Date”, means four business days before Payment Date.

“Direction Entity ”, means Banco Pastor and Société Générale Sucursal en España (jointly, **“Direction Entities”**).

“Direction Underwriting and Brokerage of the Issue of the Bonds Contract”, means the contract for the direction underwriting and brokerage of the Issue of the Bonds signed by the Management Company, in representation and for the account of the Fund, with Banco Pastor and Société Générale Sucursal en España as Direction Underwriting and Brokerage Entities.

“Disbursement Date”, means October 31, 2003.

“Euribor”, means the *Euro Interbank Offered Rate* which is the offered rate for interbank euro-denominated term deposits calculated as the daily average of the quoting provided for thirteen maturity terms by a panel of 57 Banks, among the most active of the Euro zone. The rate is quoted on the basis of the effective days until maturity and a 360-day-year, and is fixed at 11:00 hours in the morning (CET), expressed to three decimal positions.

“Final Maturity Date”, means October 15, 2023 , or, should this not be a Business Day, the following Business Day.

“Financial Law”, means Law 44/2002, of November 22, on Reformation Provisions for the Financial System.

“Fund”, means GC FTPYME PASTOR 1, FONDO DE TITULIZACION DE ACTIVOS.

"Funds Available for Amortisation", means on each Payment Date the amount that will be destined to the amortisation of the Bonds.

"Iberclear", means the entity Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

"Interest Accrual Period", means the days elapsed Payment Dates, including the initial Payment Date, and excluding the final Payment Date. The first Interest Accrual Period will have a duration equivalent to the days elapsed between the Disbursement la Date, included, and the first Payment Date, excluded.

"Interest Rate Fixing Date", means the date corresponding to the second Business Day according to the TARGET calendar prior to each Payment Date, except those days that, being business days in accordance with the TARGET calendar, were not Business Days, in which case it will be the following Business Day.

"Interest Rate Swap Contract" or "Swap Contract" or "Interest Swap", means the interest rate swap contract signed by the Management Company, in representation and for the account of the Fund, and Banco Pastor.

"IRR", means the internal rate of return

"Issue Date", means October 28, 2003.

"La Caixa", means CAIXA D'ESTALVIS I PENSIONS DE BARCELONA.

"Law 19/1992", means Law 19/1992, of July 7, on the Regime of Real State Companies and Investment Funds, an on Mortgage Securitisation Funds.

"Liquidity Line Contract", means the liquidity line contract signed by the Management Company, in representation and for the account of the Fund, and "la Caixa" for a maximum amount of 1.500.000 euro for each Interest Accrual Period.

"Loans", means the Mortgage Loans to which the Mortgage Transfer Certificates issued by Banco Pastor correspond and the Mortgage Transfer Certificates, and that, in any event, must comply with the disposition of the Order of December 28, 2001.

"Management Company", means GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A.

"Master Agreement", means the master collaboration agreement signed by Banco Pastor with the Ministry for Economy in accordance with annex II of the Orden of December 28, 2001 ("Convenio Marco de colaboración entre el Ministerio de Economía y las Entidades de Crédito para determinar los créditos susceptibles de cesión a los fondos de titulización de activos que se creen para favorecer la financiación empresarial").

"Minimum Level of the Reserve Fund", means the lower of the following amounts: (i) 2.30 % of the amount of the issue of Bonds; (ii) 4.60 % of the Outstanding Balance of the Principal of the Bonds.

"Mortgage Loans", means the real-state-mortgage-guarantee-Loans assigned by Banco Pastor to the Fund by means of the issue of the Mortgage Transfer Certificates.

"Mortgages Market Law", means Law 2/1981, of March 25, regulating the Mortgages Market.

"Mortgages Market Regulation", means the partial regulation for the development of the Mortgages Market Law approved by Royal Decree 685/1982, of March 17, and modified by Royal Decree 1289/1991, of August 2.

"Mortgage Transfer Certificates" or **"MTC"**, means Mortgage Transfer Certificates issued by the Assignor and grouped into the assets of the Fund, and by which the assignment of the Mortgage Loans is instrumented.

"Nominal Interest Rate", means the nominal interest rate resulting from adding: (i) the reference interest rate Euribor for 3 months or, if necessary, its substitute, plus a margin for each of the Series.

"Non-Mortgage Loans", means the non-mortgage Loans with or without personal guarantees -security deposit - formalised in a public deed, assigned to the Fund by Banco Pastor.

"Order of December 28, 2001", means the Order of December 28, 2001, about the Agreements for the Promotion of Assets Securitisation Funds to favour entrepreneurial funding, as amended by ECO Order /1064/2003, of April 29.

"Outstanding Balance of the Principal of the Bonds", means the principal amount of the Bonds pending amortisation at each moment.

"Outstanding Balance Pending Amortisation of the Assets", means the sum of the Amount of the Assets pending maturity and the Amount of the assets matured and not collected, not including the Default Amounts.

"Participative Loan Contract", means the contract for the Loan granted by Banco Pastor to the Fund, for an initial amount of 5,175,000 euros.

"Payment Date", means the days January 15, April 15, July 15 and October 15 of each year or, if applicable the following Business Day. The first Payment date will be January 15, 2004.

"Payment Priority Order", means the order in the priority for the coverage of the payments or withholding tax retention obligations of the Fund by means of the application of the Available Resources and the Available Resources for Amortisation.

"Paying Agency Contract", means the paying agency contract for the Bonds signed by the Management Company, for the account of the Fund, and Caixa d'Estalvis i Pensions de Barcelona.

"Prospectus" or **"Informative Prospectus"**, means the Informative Prospectus for the Fund Formation and the Issue of the Bonds.

"Reference Entities", means Bankinter, S.A, Caja de Ahorros de Madrid and Deutsche Bank, S.A.E.

"Reference Interest Rate", means the reference interest rate Euribor for 3 months, or its substitute rate.

"Reserve Fund", means the reserve Fund formed at the Disbursement, at the charge of the entire Participative Loan, for an amount equal to 2.30% of the face value of the Bonds at said Disbursement Date.

"Royal Decree 116/1992", means Royal Decree 116/1992, of February 14, on representation of securities by book entries and compensation and liquidation of stock market operations.

"Royal Decree 291/1992", means Royal Decree 291/1992, of March 27, on Issues and Public Offers for the Sale of Securities, as amended by Royal Decree 2590/1998, of December 7, and the Order of July 12, 1993 that develops it.

"Royal Decree 926/1998", means Royal Decree 926/1998, of March 14, regulating assets securitisation funds and assets securitisation funds management companies.

"Securities Market Law", means Law 24/1988, of July 28, on the Securities Market, as amended by Law 37/1998, of November 16, and by the Financial Law.

"Series AG Bonds", means the Series AG Bonds issued against the Fund with a total face value of 76,300,000 euros, integrated by 763 Bonds with an individual face value of (100,000) euros.

"Series AG Bonds", means the Series AG Bonds issued against the Fund with a total face value of 130,700,000 euros, integrated by 1.307 Bonds with an individual face value of (100,000) euros.

"Series B Bonds", means the Series B Bonds issued against the Fund with a total face value of 6,800,000 euros, integrated by 68 Bonds with an individual face value of (100,000) euros.

"Series C Bonds", means the Series C Bonds issued against the Fund with a total face value of 11,200,000 euros, integrated by 112 Bonds with an individual face value of (100,000) euros.

"SMEs", means the small and medium enterprises in accordance with the recommendation by the European Commission (Recomendación de 3 de abril de 1996) or any other disposition that may substitute it.

"S&P", means Standard & Poors España, S.L.

"State Warranty" o "Warranty", means the Warranty granted to the Fund by the Spanish Ministry for Economy by means of a Ministerial Order, for a maximum amount of 76,300,000 euro, equivalent to the total sum of the face value of the Series AG Bonds.

"State Warranty Liquidity Line", means the credit contract signed by the Management Company, in representation and for the account of the Fund, and "la Caixa" for a maximum amount of 1,500,000 euro for each Interest Accrual Period, to the end of allowing the Fund to cover the payment of the interest of the Series AG Bonds, when the Available Funds are not sufficient for such payment on each Payment Date.

"Statutory Maturity Date", means the date falling forty-two (42) months from the Final maturity Date, and in any event on April 15, 2027 or the following Business Day.

"Subordinated Loan A" or "Subordinated Loan for Interest Gaps", means the subordinated Loan contract granted to the Fund by Banco Pastor for interest gaps destined to cover the gap corresponding to the first Payment Date of the Fund between accrual and collection of the interest of the Loans.

"Subordinated Loan B" or "Subordinated Loan for Formation Expenses and Principal Gaps", means the subordinated Loan contract granted to the Fund by Banco Pastor destined to the payment of the

initial formation expenses of the Fund and by the Issue of the Bonds.

“Subordinated Loans”, means Subordinated Loan A and Subordinated Loan B.

“Subscription and Underwriting of the Bonds Contract”, means the el contract for the subscription and underwriting of the Bonds signed by the Management Company, in representation and for the account of the Fund and the Underwriting Entities.

“Subscription Period”, means that comprised between 12:00 hours and 14:00 hors of the second (2nd) Business Day prior to the Disbursement Date.

“Total Amount of the Participative Loan”, means 5,175,000 euros.

“Treasury Account”, means the account open in the name of the Fund initially in La Caixa that will secure a variable yield to the amounts deposited by the Fund through its Management Company by virtue of the Contract for the Opening of an Account at Guaranteed Interest Rate (Treasury Account).

“Underwriting and/or Brokerage Entities”, means the entities Banco Pastor and Société Générale, Sucursal en España for the underwriting and/or brokerage of the Issue of Bonds.

“Variable Remuneration”, means the positive difference between interest and other amounts received of the Credit Rights grouped into the Fund and the expenses (including taxes) of the Fund, net of the revenues generated by the investments attributable to the credit rights.

“Warranted Series” or **“Secured Series”**, means Series AG or the Series AG Bonds.



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