

**GC FTPYME SABADELL 5
ASSET SECURITISATION FUND**

**SECURITISATION BOND ISSUE
1.250.000.000 EUROS**

Series A1	220.000.000 euros	Aaa/AAA
Series A2	880.300.000 euros	Aaa/AAA
Series A3(G) *	82.800.000 euros	Aaa/AAA
Series B	40.000.000 euros	A2/A+
Series C	26.900.000 euros	Baa3/BBB

** Series A3(G) Bonds guaranteed by the Kingdom of Spain Guarantee*

BACKED BY LOANS ASSIGNED AND ADMINISTERED BY



LEAD MANAGERS



LEHMAN BROTHERS

MANAGING AND UNDERWRITING ENTITIES

Banco de Sabadell, S.A. BNP Paribas, Sucursal en Lehman Brothers
España International (Europe)

PAYING AGENT

Banco de Sabadell, S.A.

FUND FORMED AND ADMINISTERED BY



GestiCaixa, S.G.F.T., S.A.

Prospectus registered in the Registers of the National Securities Market Commission
on November 21, 2006

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THIS DOCUMENT CONSTITUTES THE PROSPECTUS OF THE GC FTPYME SABADELL 5, FTA ASSET SECURITISATION FUND, APPROVED AND REGISTERED WITH THE NATIONAL SECURITIES MARKET COMMISSION (CNMV), IN ACCORDANCE WITH THE PROVISIONS SET FORTH IN REGULATION 809/2004, COMPRISING:

1. A description of the main risk factors linked to the issue, to the securities and to the assets that endorse the issue;
2. A registration document of securitisation securities, prepared in accordance with the scheme provided for in Annex VII of Regulation 809/2004;
3. A prospectus schedule, prepared in accordance with the scheme provided for in Annex XIII of Regulation 809/2004; and
4. A supplemental addendum to the Prospectus Schedule prepared in accordance with the addendum provided for in Appendix VIII of Regulation 809/2004.
5. A glossary of definitions

RISK FACTORS

I. RISKS DERIVED FROM THE LEGAL NATURE AND ACTIVITY OF THE ISSUER

a) Nature of the Fund and obligations of the Fund Manager.

The Fund constitutes a separate pool of property lacking legal personality which, pursuant to Royal Decree 926/1998, is managed by a Fund Manager. The Fund will only respond to its obligations to its creditors with its pool of property.

The Fund Manager will perform those functions for the Fund assigned to it in Royal Decree 926/1998, as well as defend the interests of the Bondholders as the manager of the businesses of third parties, and there is no bondholder syndicate. Thus, the capacity to defend the interest of the Bondholders depends on the means of the Fund Manager.

b) Compulsory Substitution of the Fund Manager

Pursuant to Article 19 of Royal Decree 926/1998, when a Fund Manager has been declared in bankruptcy, it shall proceed to find a fund manager to replace it. In this case, whenever four months have passed since the determining event of the substitution and a new Fund Manager has not been found that is willing to undertake the management, then the Fund will be settled early and the securities issued against the Fund will be amortised, in accordance with the provisions in the Deed of Formation and this Prospectus.

c) Limitation of actions against the Fund Manager

The Bondholders and all other ordinary creditors of the Fund will not be entitled to any action against the Fund Manager, except for the breach of its duties or the failure to observe the provisions set forth in the Deed of Formation and in this Informative Prospectus.

d) Applicability of Bankruptcy Act

In the event of the bankruptcy of Banco de Sabadell, S.A. as the Assignor of the Non-Mortgage Loans and Issuer of the Mortgage Transfer Certificates, the assets belonging to the Fund (including the Mortgage Loans and the Non-Mortgage Loans), except for money due to its nature as a consumable good, which existed in the pool of property of Banco de Sabadell, S.A. at the time of bankruptcy would be the domain of the Fund and would become available to it under the terms of Articles 80 and 81 of the Bankruptcy Act.

The aforementioned notwithstanding, both the Informative Prospectus and the Deed of Formation provide certain mechanisms for alleviating the aforementioned effects related to money, due to its nature as consumable good.

In order to mitigate the consequences that, for these purposes, a bankruptcy declaration by the Assignor could have on the rights of the Fund, in particular for the purpose of Article 1527 of the Civil Code, section 3.7.2.1 of the Supplemental Addendum provides that *“in the event of bankruptcy or indications of the same, of intervention by the Bank of Spain, of liquidation or replacement of the Administrator or because the Fund Manager deems it to be reasonably justified, the latter may require that the Administrator notify the Debtors of the transmission to the Fund of the Loans pending amortisation, and notify that the payments derived from the same shall only be fully discharged if they are made in the Treasury Account opened on behalf of the Fund”*.

Likewise, and for the purpose of alleviating the stated risk, certain mechanisms have been provided, which are described in sections 3.4.4.1 (Treasury Account), 3.4.4.2. (Amortisation Account), 3.4.5 (Collection by the Fund of payments pertaining to the assets) and 3.7.2.1 (Collections management) of the Supplemental Addendum.

In the event of the bankruptcy of the Fund Manager, the latter shall be replaced by another fund manager pursuant to the provisions in Article 19 of Royal Decree 926/1998.

The structure of the asset securitisation operation in question does not allow, except for a breach by the parties, that there be amounts in cash that could be integrated into the total assets of the Fund Manager, given that the amounts corresponding to income of the Fund must be deposited, under the terms provided for in this Prospectus, into the accounts opened on behalf of the Fund by the Fund Manager (which takes part in opening said accounts, not as the simple appointed agent, but as the legal representative of the same), wherefore the Fund shall be entitled to the right of separation in this regard, under the terms provided for in Articles 80 and 81 of the Bankruptcy Act.

The aforementioned notwithstanding, the bankruptcy of any of the subjects taking part (whether Banco de Sabadell, S.A., the Fund Manager or any other counterpart entity) could affect their contractual relationships with the Fund.

II. RISKS DERIVED FROM THE SECURITIES

a) Liquidity

There is no guarantee that the bonds shall produce trading of a minimum volume or frequency on the market.

There is no obligation by any entity to participate in secondary trading, providing liquidity to the Bonds by offering a consideration.

Moreover, in no event will the Fund be permitted to repurchase the bonds from their holders, although they can be amortised in advance in their totality in the case of the Early Liquidation of the Fund, under the terms set forth in section 4.4.3 of the Registration Document.

b) Return

The calculation of the return (Internal Rate of Return or IRR) of the Bonds of each Class or Series, which is included in section 4.10 of the Prospectus Schedule, is subject to the future interest rates of the market, given the variable nature of the Nominal Interest Rate of each Class.

c) Duration

The calculation of the average life and the duration of the Bonds of each Class or Series which is included in section 4.10 of the Prospectus Schedule, is subject, among other things, to the hypothesis of early amortisation rates and Loan arrears that may not prove true. Satisfaction of the early amortisation fee of the Loans is influenced by a variety of economic and social factors. These include market interest rates, the financial situation of the Debtors, and the general level of economic activity, all of which make predictions difficult.

d) Default interest

In no event shall the existence of arrears in the payment of interest or the redemption of the principal to the Bondholders give rise to the accrual of default interest in their favour.

e) Non-confirmation of the ratings.

The lack of confirmation of the provisional ratings granted to the Bonds by the Ratings Agency before the start of the Subscription Period shall constitute an event of termination of the formation of the Fund, of the assignment of the Loans, the Mortgage Transfer Certificates and of the Bond Issue.

III. RISKS DERIVED FROM THE ASSETS THAT ENDORSE THE ISSUE

a) Risk of non-payment of the Loans

The holders of the Bonds issued against the Fund run the risk of non-payment of the Loans pooled into the Fund. However, credit improvement measures have been established in part 3.4.2.1 of the Supplemental Addendum.

Banco de Sabadell, S.A., as the Assignor, does not accept any liability for default by the Debtors, whether of the principal, interest or any other amount that they may owe by virtue of the Loans. Banco de Sabadell, S.A., in accordance with article 348 of the Commercial Code, will answer to the Fund exclusively for the existence and legitimacy of the Loans, as well as for the status whereby it makes the assignment.

Banco de Sabadell, S.A. will in no other way assume the liability of directly or indirectly guaranteeing the success of the operation, or provide guaranties or endorsements, or enter into repurchase agreements for the Loans, except for the commitments included in section 2.2.9. and 3.7.2. of the Supplemental Addendum pertaining to the substitution of the Loans that may not comply with the declarations contained in section 2.2.8. of the Supplemental Addendum.

The Bonds issued by the Fund do not represent or constitute any obligation of Banco de Sabadell, S.A. or of the Fund Manager. Except for the State Warrantee, whose terms are described in section 3.4.7.2. of the Supplemental Addendum, there are no other guarantees given by any public or private entity, hereby including Banco de Sabadell, S.A., the Fund Manager and any other company affiliated with or partially owned by any of the aforementioned.

b) Limited protection.

Investment in the Bonds may be affected by, inter alia, a deterioration in the global economic conditions that has a negative effect on the Loans that support the issue of the Bonds.

In the event that defaults of the Loans reach high levels, the limited protection against losses in the portfolio of Loans could be reduced or even depleted entirely, protection that the Bonds of each Class have separately as a result of the existence of the improved credit operations described in section 3.4.2 of the Supplemental Addendum.

The degree of subordination in the payment of interest and redemption of the principal between the Bonds of different Series, which is derived from the Payment Priority Order and the Settlement Payment Priority Order of the Fund, constitutes a differentiated measure of protection between the different Classes, respectively.

c) Risk of early amortisation of the Loans.

The Loans pooled into the Fund shall be amortised early when the Debtors repay the pending part of the capital of the Loans in advance, or in the event that Banco de Sabadell, S.A. is subrogated in the corresponding Loans by another financial entity empowered to do so, or by virtue of any other cause that may produce the same effect.

The risk of early amortisation shall be transferred quarterly, on each Payment Date, to the Bondholders by means of the partial amortisation of the same in accordance with the provisions in the distribution rules of the Available Funds for Amortisation included in section 4.9.4. of the Prospectus Schedule.

SECURITISATION BOND REGISTRATION DOCUMENT

(Appendix VII of EC Regulation number 809/2004 of the Commission)

1. PERSONS RESPONSIBLE

1.1 PERSONS RESPONSIBLE FOR THE INFORMATION INCLUDED IN THE REGISTRATION DOCUMENT

Mr Xavier Jaumandreu Patxot, acting on behalf of and representing GESTICAIXA, SGFT, S.A., assumes the responsibility for the content of this Registration Document.

Mr Xavier Jaumandreu Patxot acts in his capacity as Director General of the Fund Manager by virtue of the faculties conferred by the Board of Directors at its meeting on 29 June 2001 and expressly for the formation of the Fund by virtue of the powers awarded to him by the Board at its meeting on 19 September 2006.

1.2 DECLARATION OF THE PERSONS RESPONSIBLE FOR THE CONTENT OF THE REGISTRATION DOCUMENT.

Mr Xavier Jaumandreu Patxot hereby declares that the information contained in this Registration Document is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not suffer from any omission that could affect the content.

2. ACCOUNT AUDITORS

2.1 FUND AUDITORS

In accordance with the provisions in section 4.4 of this Registration Document, the Fund has no historical financial information.

During the length of the operation, the annual accounts of the Fund will be the object of annual verification and revisions by account auditors. The annual accounts of the Fund and the audit report of the same shall be deposited in the Companies Registry and in the CNMV.

The Board of Directors of the Fund Manager, in its meeting dated 19 September 2006, appointed Ernst&Young, which has its registered office in Plaza Pablo Ruiz Picasso, num. 2, 28020 Madrid, Spain and is holder of Corporate Tax Code: B-78970506,

registered in the Companies Register of Madrid, Volume 19073, Sheet 156, Section 8, Page M- 23123, as well as in the R.O.A.C. [*Official Register of Auditors*] with number S0530, as Fund auditors for a period of 3 years, that is to say, 2006, 2007 and 2008. The Board of Directors of the Fund Manager shall inform the CNMV, rating agencies and holders of the Bonds of any change that may occur with regard to the designation of the auditors.

2.2 ACCOUNTING CRITERIA USED BY THE FUND

The collections and payments will be recognised by the Fund according to the maturity criteria, that is, based on the actual flow that the said collections and payments represent, regardless of the moment on which collection or payment take place.

The formation expenses of the Fund and the expenses from issuing the bonds shall be financed through a loan for initial expenses, which shall be amortised quarterly by the amount that said formation expenses would be amortised in accordance with the official Fund accounting, and in any event over a maximum term of five (5) years from the formation of the Fund and according to accounting and tax legislation in force at any time, as long as the Fund has sufficient liquidity in accordance with the Payment Priority Order established in section 3.4.6 of the Supplemental Addendum.

The financial year of the Fund will coincide with the calendar year. However, and as an exception, the first financial year will start on the Fund Formation Date, and the last financial year will end on the Fund extinction date.

3. RISK FACTORS

The risk factors linked to the issuer are described in part 1 of the previous section (“Risk Factors”) of this Prospectus.

4. INFORMATION ABOUT THE ISSUER

4.1 DECLARATION THAT THE ISSUER HAS BEEN FORMED AS A SECURITISATION FUND

The Issuer is an asset securitisation fund that shall be constituted in accordance with Spanish legislation, for the purpose of issuing the securities referred to in the Prospectus Schedule and the acquisition of the loans.

4.2 LEGAL AND PROFESSIONAL NAME OF THE ISSUER

The name of the Fund is "GC FTPYME SABADELL 5, Fondo de Titulización de Activos". The Fund shall be entitled to use the abbreviated name of GC FTPYME SABADELL 5, FTA.

4.3 PLACE OF REGISTRATION OF THE ISSUER AND REGISTRATION NUMBER

The place of registration of the Fund is in Spain at the CNMV. The Fund has been recorded in the Official Registers of the CNMV on 21 November 2006.

Mercantile Registry

It is hereby made known that neither the formation of the Fund nor the Bonds that are issued against its assets shall be the object of registration in the Companies Registry, in accordance with the discretionary power contained in Article 5.4 of Royal Decree 926/1998.

4.4 FORMATION DATE AND PERIOD OF ACTIVITY OF THE ISSUER

4.4.1 Fund Formation Date

The Fund Manager, together with BANCO DE SABADELL, S.A. as assignor of the bilateral loans included within the assets of Banco de Sabadell, S.A., which derive from the Mortgage Loans and the Non-mortgage Loans that Banco de Sabadell, S.A., has extended to non-financial small and medium enterprises with registered offices in Spain, of which 90% are SMEs in accordance with the definition of the European Commission dated 6 May 2003 (2003/361/EC) shall, on 23 November 2006, proceed to grant the Deed of Formation of GC FTPYME SABADELL 5, FONDO DE TITULIZACIÓN DE ACTIVOS, assignment by BANCO DE SABADELL, S.A. to the Fund of Non-mortgage Loans and Mortgage Loans through the issue of securitisation bonds by the Fund, under the terms set forth in article 6 of Royal Decree 926/1998.

The Fund Manager hereby states that the content of the Deed of Formation shall coincide with the preliminary draft of the Deed of Formation that it delivered to the CNMV, and in no case do the terms of the Deed of Formation contradict, modify, alter or invalidate the regulations contained in this Informative Prospectus.

The Deed of Formation may not be altered, barring exceptional circumstances, as long as it may be allowed in accordance with legislation in force and in accordance with the conditions that may be set forth by rules and regulations. Any such actions shall be notified in advance by the Fund Manager to the CNMV or another competent administrative body or the Rating Agencies, and authorisation shall be obtained in advance where necessary, and such actions shall not jeopardise the rights of the bondholders or Bonds ratings issued by the Rating Agencies. A modification of the Deed of Formation shall be communicated by the Fund Manager to the CNMV and to the Ratings Agencies. The Deed of Incorporation will also be the possible object of rectification at the request of the CNMV.

4.4.2 Activity period of the Fund

The activity of the Fund shall start on the day that the Deed of Formation is executed and shall end on the Statutory Maturity Date of the Fund.

The duration of the Fund shall be until 31 March 2039 or, if this date were not to be a Business Day, the following Business Day, unless early liquidation were to have occurred previously, as considered in section 4.4.3 of this Registration Document, or any of the events considered in section 4.4.4 of this Registration Document were to have taken place.

4.4.3 Early liquidation of the Fund

The Fund Manager, following prior communication with the CNMV, will be authorised to proceed with the Early Liquidation of the Fund and with it, to the Early Amortisation and extinction of the Fund on a Payment Date for the entirety of the Bonds Issue in any of the following circumstances:

Events of Early Liquidation

- (i) Whenever the amount of the Outstanding Balance of the non-Defaulted Loans is less than 10 percent of the Initial Outstanding Balance of the Loans on the Formation Date of the Fund, pursuant to the authorisation set forth in Article 5.3 of Law 19/1992, and provided that the sale of the Loans pending amortisation, together with the balance that may exist at that time in the treasury account and, if applicable, the Amortisation Account allow the full cancellation of the pending obligations with the Bondholders while respecting the prior payments to the latter whose priority order may be preferential, and

the necessary authorisations to do so have been obtained from the competent authorities.

- (ii) Whenever a substantial alteration may occur or the financial balance of the Fund required by article 5.6 of Law 19/1992 may be permanently distorted due to any event or circumstance unrelated to or not due to the development of the Fund itself. This includes circumstances such as changes to regulations or supplementary legislative developments, the establishment of withholding obligations, or other situations that could permanently affect the financial equilibrium of the Fund. In this event and after informing the CNMV, the Fund Manager may proceed with the orderly liquidation of the Fund pursuant to the rules set forth in the Deed of Formation and in this Registration Document.
- (iii) Necessarily, in the event that the Fund Manager is declared in suspension of payments or bankruptcy, and once the statutory period established for that purpose has elapsed or, in default thereof after four months, without having designated a new Fund Manager, in accordance with the provisions in section 3.7.1.3 of the Supplemental Addendum.
- (iv) Whenever non-payment may occur and which may be indicative of a serious and permanent lack of equilibrium regarding any of the Bonds issued or regarding any unsubordinated credit, or it may be foreseeable that it is going to occur.
- (v) When thirty (30) months have transpired from the last maturity date of the Loans, even though there may still be amounts due and pending collection. Nevertheless, the Statutory Maturity Date of the Fund shall be when thirty-six (36) months have passed since the date of the last due date of the Loans.

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

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

- a) The necessary authorisations to do so had been obtained, if applicable, from the competent administrative authorities or organisations.
- b) The Bondholders are notified in the manner provided for in the following paragraph and with advance notice of fifteen (15) Business Days, of the resolution

by the Fund Manager to proceed with the early Settlement of the Fund. The said notification, which must have been previously reported to the CNMV by publication of the prescribed relevant event pursuant to the provisions in Article 82 of the Securities Market Act and reported to the Ratings Agencies, shall likewise be published in the Official Daily Gazette of the AIAF Market or through any other means of publication that is generally accepted by the market and that guarantees adequate diffusion of the information in time and content. This communication shall contain the description (i) of the circumstance or circumstances for proceeding with the Early Settlement of the Fund, (ii) of the procedures for carrying it out, and (iii) of the manner to proceed in order to attend to and cancel the payment obligations derived from the Bonds in accordance with the Payment Priority Order included in stipulation 3.4.6 of the Supplemental Addendum.

In order for the Fund, through the Fund Manager, to carry out the Early Settlement of the Fund and the early maturity of the Bond Issue, the Fund Manager, on behalf of and representing the Fund, will proceed to:

- (i) Sell the Non-Mortgage Loans and the Mortgage Transfer Certificates for a price no lower than the sum of the amount of the principal plus the unpaid accrued interest of the Loans pending amortisation.
- (ii) Cancel those contracts that are not necessary for the liquidation process of the Fund.

In the event that the preceding actions were insufficient or Loans or other assets were to remain in the Fund, the Fund Manager shall proceed to sell them, wherefore it shall request an offer from at least five (5) of the entities that are the most active in purchasing and selling these assets and who, in its opinion, may give market value. The Fund Manager shall be bound to accept the best offer received for the assets up for sale which, in its opinion, covers the market value of the asset in question. For the determination of the market value, the Fund Manager will be able to obtain the valuation reports that it deems necessary.

The Assignor shall be entitled to the right to first refusal, wherefore it may preferentially acquire from third parties the Loans or other assets coming from them that may remain in the assets of the Fund. To this end, the Fund Manager shall send the Assignor a list of the assets and of the offers received from third parties. The Assignor may make use of the aforementioned right with respect to all the assets offered by the Fund Manager within ten (10) Business Days following the receipt of the aforementioned notification and as long as its offer is at least equal to the best one made by third parties.

The preceding right to first refusal does not, in any event, involve a pact or declaration of repurchase of the Loans granted by the Assignor. In order to exercise the said right to first refusal, the Assignor shall have a term of five (5) Business Days as from the date when the Fund Manager notifies him of the conditions for disposing of the Loans.

The Fund Manager, having made the reserve for the initial extinction expenses, shall immediately apply all the amounts obtained from the disposal of the Loans of the Fund to payment of the various items in the manner, amount and Settlement Payment Priority Order described in section 3.4.6 of the Supplemental Addendum.

4.4.4 Extinction of the Fund.

The Fund shall be extinguished in any event as a consequence of the following circumstances:

- (i) Due to the complete amortisation of the Non-Mortgage Loans and the Mortgage Transfer Certificates pooled together.
- (ii) When all of the Bonds issued are fully amortised.
- (iii) Due to finalisation of the Early Liquidation procedure provided for in the preceding Section 4.4.3.
- (iv) In any event, on the Payment Date following the date when 36 months have elapsed as from the final maturity date of the Loans, even though there may still be amounts due and pending collection, that is to say, on the Statutory Maturity Date of the Fund.
- (v) The Fund shall likewise be cancelled if, before the start of the Subscription Period, the Ratings Agencies were not to definitively confirm the ratings provisionally assigned or circumstances of force majeure were to occur prior to the commencement of the Subscription Period and in accordance with article 1105 of the Civil Code as outlined in the management, underwriting and brokerage contract for the bond issue. In these cases, the Fund Manager shall terminate the Formation of the Fund, the assignment of the Loans to the Fund and the ensuing issue and subscription of the Mortgage Transfer Certificates that facilitate their assignment and the Bond issue.

The extinction of the Fund shall be reported to the CNMV as soon as it is confirmed and shall be made public through the procedure described in this section. Within one month

of the occurrence of the cause of termination, the Fund Manager shall execute a Notarised Certificate, thereby declaring that the obligations of the Fund are settled and terminated and that the Fund is extinguished. The aforementioned notwithstanding, the Fund Manager shall pay the initial expenses of the Fund Formation, which are estimated in section 6 of the Prospectus Schedule, using the Loan for Initial Expenses, the contract for which will not be terminated but will be cancelled once the aforementioned obligations are satisfied, and reimbursement of the principal is subordinated to the fulfilment of all other obligations contracted by the Fund Manager in representation and on behalf of the Fund.

If there is anything remaining following the liquidation of the Fund and, as set forth in foregoing section 4.4.3, once all payments due to the different creditors have been made out of the Funds Available for Liquidation in conformity with the Liquidation Payment Priority Order established in part 3.4.6 of the Supplemental Addendum, it shall go to the Assignor in accordance with the conditions established by the Fund Manager.

In any event, the Fund Manager, acting on behalf of and representing the Fund, will not proceed with the extinction of the Fund and the cancellation of its recording in the corresponding administrative registries until the Settlement of the remaining assets of the Fund and the distribution of the Funds Available for Settlement according to the Settlement Payment Priority Order established in section 3.4.6 of the Supplemental Addendum have taken place, except for the appropriate reserve to cover the final expenses of extinction and Settlement of a tax, administrative, or publication nature.

Once six (6) months have elapsed as from the Settlement of the remaining assets of the Fund and the distribution of the Funds Available for Settlement, the Fund Manager shall execute a Notarised Certificate declaring (i) the extinction of the Fund, as well as the causes that motivated its extinction; (ii) the procedure followed for notifying the Bondholders and the CNMV; and (iii) the distribution of the Funds Available for Settlement following the Settlement Payment Priority Order; which shall be announced in a national newspaper and shall comply with all other administrative procedures that may be applicable. Said notary document will be submitted by the Fund Manager to the CNMV.

4.5 REGISTERED ADDRESS, LEGAL PERSONALITY AND LEGISLATION APPLICABLE TO THE ISSUER.

The Fund, pursuant to Article 1 of Royal Decree 926/1998, shall constitute a separate pool of assets lacking legal personality, and it shall be closed pursuant to Article 3 of

Royal Decree 926/1998. The Fund shall be managed and represented by “GestiCaixa, S.G.F.T., S.A.”, formed as a Fund Manager authorised for such purpose, and as a result thereof, for exercising the management and legal representation of the Fund by virtue of the provisions in Royal Decree 926/1998.

The registered address of the Fund shall be the same as the registered address of the Fund Manager, GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., incorporated in Spain, with its registered office at Avenida Diagonal, 621, in Barcelona. The contact telephone number is 93 404 77 94.

“GC FTPYME SABADELL 5, Fondo de Titulización de Activos” is formed by virtue of the provisions in the Ministerial Order of 28 December 2001, amended by the Order, ECO/1064/2003, of 29 April 2003, on Agreements for the Promotion of Asset Securitisation Funds in order to favour business financing. The GC FTPYME SABADELL 5 Fund is regulated in accordance with (i) this Prospectus, (ii) the Fund Formation Deed, (iii) Royal Decree 926/1998 and the provisions thereby implemented, (iv) Law 19/1992, for anything not included in Royal Decree 926/1998 and insofar as applicable, (v) Royal Decree 1310/2005, (vi) Order dated 28 December 2001, (vii) Order EHA /3537/2005, dated 10 November, which implements article 27.4 of Law 24/1988, dated 28 July, governing the Securities Market, (viii) Law 24/1988, dated 28 July, governing the Securities Market, in its current wording, with regard to its supervision, inspection and sanction (ix) Law 44/2002, and (x) in the remaining legal and regulatory provisions in force at any given time that apply.

The Prospectus has been prepared pursuant to the models shown in Regulation 809/2004.

4.5.1 Tax regime of the Fund

In accordance with the provisions of section 2, article 1 of Royal Decree 926/1998, article 5.10 of Law 19/1992; article 7.1.h) of the Revised Text of the Corporate Income Tax Act approved by Legislative Royal Decree 4/2004 of 5 March; article 20.One.18 of the Value Added Tax Law 37/1992 of 28 December and article 59.k of Royal Decree 1777/2004 of 30 July which approved the Corporate Income Tax Regulation, the characteristics of the fiscal regime of the Fund are as follows:

- a) The Fund formation will be exempt from the concept of “corporate operations” referred to in the Tax on Patrimonial Transfers and Documented Legal Acts.

- b) The Bond issue will be exempt from Value Added Tax (article 20.one.18 of the Law on VAT) and from the Tax on Patrimonial Transfers and Documented Legal Acts (article 45-I.B number 15 of the Revised Text concerning the Tax on Patrimonial Transfers and Documented Legal Acts).
- c) The fund is subject to Corporate Income Tax at the rate in force at any given time, which is current set at 35%.
- d) The administration of the Fund by the Fund Manager is exempt from Value Added Tax.

As regards the earnings of the Mortgage Transfer Certificates, Loans and other credit rights that could constitute income of the Fund, there shall be no obligation to withhold or make interim deposits.

4.6 CAPITAL AUTHORISED AND ISSUED BY THE ISSUER

Not applicable.

5. DESCRIPTION OF THE COMPANY

5.1 BRIEF DESCRIPTION OF THE MAIN ACTIVITIES OF THE ISSUER

The activity of the Fund consists of the acquisition of a set of Loans owned by BANCO DE SABADELL, S.A. and granted to small and medium sized, non-financial enterprises that have their registered address in Spain (at least 90% of which are small and medium size enterprises that comply with the Recommendation of the European Commission, 2003/361/EC) and consists of the issue of Securitisation bonds targeted at financing the acquisition of the Loans, the underwritten placement of which is directed at qualified investors.

All income from interest and from redemption of the principal of the acquired Loans that is received by the Fund will be assigned quarterly, on each Payment Date, to the payment of interest and redemption of the principal of the Securitisation Bonds issued pursuant to the specific conditions of each one of the series into which the Bond issue is divided and in the Priority Order established for payments of the Fund.

Likewise, the Fund, represented by the Fund Manager, arranges a series of financial operations and services in order to consolidate the financial structure of the Fund, to

increase the security or regularity of the payment of the Bonds, to cover time lags between the schedule of flows of principal and interest of the Loan amounts and the Bond amounts and, in general, to make the financial transformation possible, which is being conducted within the assets of the Fund, between the financial characteristics of the Loans and the financial characteristics of each bond Series.

5.2 GENERAL DESCRIPTION OF THE PARTIES OF THE SECURITISATION PROGRAMME.

GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A.

GESTICAIXA is a securitisation Fund Manager incorporated in Spain, and it is recorded in the special register of the CNMV with number 7.

Tax ID number A-58481227 C.N.A.E. [*Classification of Economic Activity*] 67100

Corporate address: Avenida Diagonal, 621, 08028 Barcelona

GESTICAIXA is registered with the Mercantile Registry of Barcelona, Tome 34187, Folio 192, sheet B-50432, Inscription 14th.

No credit rating has been issued to the Fund Manager.

BANCO DE SABADELL, S.A.

BANCO DE SABADELL, S.A. is a bank incorporated in Spain, and it is recorded in the Special Register of Banks and Bankers of the Bank of Spain with number 0081.

Tax ID number A-08000143 C.N.A.E. [*Classification of Economic Activity*] 65121

Corporate address: Plaça de Catalunya, 1 08021 Sabadell (Barcelona)

Central operating headquarters:

- Plaça de Catalunya, 1 08021 Sabadell (Barcelona)
- Polígono Can Sant Joan, Sena 12, 080190 Sant Cugat del Vallés (Barcelona)

Banco de Sabadell, S.A. is registered in the Companies Registry of Barcelona, volume 20093, sheet 1, page B-1561.

Ratings of the unsubordinated and unsecured short-term and long-term debt of Banco de Sabadell, S.A. assigned by Ratings Agencies on 18 May 2006 by Fitch, on 13 October 2006 by Moody's and on 24 January 2006 by S&P.

Ratings	Fitch	Moody's	S&P
Short term	F1	P-1	A1
Long term	A+	A1	A

BNP PARIBAS, BRANCH IN SPAIN

Tax ID Number: A-0011117-I
 Corporate address: Ribera del Loira, 28, Madrid

BNP Paribas, branch in Spain, is filed with the Business Register of Madrid, in volume 5,121 general, 4,271 of section 3 of the companies ledger, folio 120, sheet 40,598, entry 1.

BNP Paribas, branch in Spain, has acted in this operation in its capacity as Managing Agent, Underwriter and Broker in regard to potential investors, and with the other brokerage and underwriting entities.

The ratings for the unsubordinated and unsecured short-term and long-term debt of BNP Paribas, branch in Spain, assigned by the ratings agencies in May 2006 by Fitch, February 2006 by Moody's and May 2006 by S&P are the following:

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

LEHMAN BROTHERS INTERNATIONAL (EUROPE)

Registration number in the United Kingdom: 2538254
 Corporate address: 25 Bank Street, London, E14 5LE (United Kingdom)
 VAT No. 268 73510 12434

Lehman Brothers International (Europe) is an investment company incorporated and registered in the UK and also filed with the National Securities Market Commission (CNMV) as an investment services company of the European Economic Space under the system of the free rendering of services.

Lehman Brothers International (Europe), has acted in this operation in its capacity as Managing Agent, Underwriter and Broker in regard to potential investors, and with the other brokerage and underwriting entities.

The ratings for the unsubordinated and unsecured short-term and long-term debt of Lehman Brothers International (Europe), assigned by the ratings agencies in June 2006 by Fitch, June 2006 by Moody's and October 2006 by S&P are the following:

Ratings	Fitch	Moody's	S&P
Long term	A+	A1	A+
Short term	F1+	P-1	A-1

ERNST & YOUNG, S.L.

Tax ID Number: B-78970506 and registered in the R.O.A.C. [*Official Register of Auditors*] with number S0530.

Corporate address: plaza Pablo Ruiz Picasso - Ed Torre Picasso, 1, 28020 Madrid.

Ernst & Young, S.L. is registered in the Companies Registry of Madrid, volume 19073, sheet 156, section 8, page 23123.

MOODY'S INVESTORS SERVICE ESPAÑA, S.A.

Tax ID Number: A-80448475

Corporate address: calle Bárbara de Braganza 2 28004 Madrid

Moody's Investors Service España, S.A. is registered with the Mercantile Registry of Madrid under Volume 4384, Folio 216, Section 8, Sheet M72712.

FITCH RATINGS ESPAÑA, S.A.

Tax ID Number: A-58090655

Corporate address: Paseo de Gracia, 85 -91 planta 7, 08008 Barcelona

Fitch Ratings España, S.A. is registered with the Mercantile Registry of Barcelona under Volume 30413, Folio 125, Section 8, Sheet M72712.

CUATRECASAS ABOGADOS, S.R.L.

Tax ID Number: B-59942110

Corporate address: Paseo de Gracia, 101, 08008 Barcelona

Cuatrecasas Abogados, S.R.L. is registered with the Mercantile Registry of Barcelona under Volume 37673, Folio 30, Section 8, Sheet 23850.

The functions of each of the aforementioned entities are included in section 3.1 of the Securities Note.

Caixa d'Estalvis i Pensions de Barcelona, through Caixa Holding, S.A. holds an indirect share (from which control is held) of 96.4% of the share capital of GestiCaixa, S.G.F.T, S.A. Likewise, Caixa d'Estalvis i Pensions de Barcelona, through Caixa Holding, S.A., has an indirect share of 13.83% of the share capital of Banco de Sabadell, S.A

The existence of any other type of direct or indirect ownership or control between the said legal personalities that participate in the securitisation operation is not known.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The administration and legal representation of the Fund corresponds to the Fund Manager, GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION S.A., under the terms provided for in Royal Decree 926/1998, in Law 19/1992, to the extent that Royal Decree 926/1998 may be silent and for which it may be applicable; and all other applicable legislation, as well as the terms of the Deed of Formation.

6.1 FORMATION AND RECORDING IN THE COMPANIES REGISTRY.

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., is a public limited company of Spanish nationality, with CIF A-58481227, incorporated by public deed before the notary public of Barcelona, Mr Wladimiro Gutiérrez Álvarez, on November 6, 1987 under the name "Caixa 92, S.A.", having changed its initial name for that of GestiCaixa, Compañía Gestora de Fondos de Titulización Hipotecaria, S. A. and having been transformed into a 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 6 of Law 19/1992 de, of July 7, 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, volume 9,173, book 8,385, section 2, inscription 1 and was adapted to the Public Limited Companies Act by public deed before the Notary of Barcelona, Mr Wladimiro Gutiérrez Álvarez, registered as inscription 3rd of sheet nbr. B-50,432, folio 143, volume 9,173. On date June 10, 2002, it 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 Sole Transitional Provision of Royal Decree 926/1998, and by virtue of the authorisation of the Ministry of Economy through Ministerial Order dated 9 May 2002, having adopted “GestiCaixa, Compañía Gestora de Fondos de Titulización, S.A.” as the new company name. The said deed has been registered in the Mercantile Registry of Barcelona, Tome 34187, Folio 192, sheet B-50432, Inscription 14th.

The duration of the Fund Manager is indefinite, save the concurrence of any of the dissolution causes that the legal or regulatory dispositions may establish.

6.2 ACCOUNT AUDITING

The annual accounts of GESTICAIXA corresponding to the financial years ending on 31 December 2005, 2004 and 2003 have been audited by the firm Deloitte S.L., which is registered in the ROAC (Official Registry of Accounts Auditors) with number S0692.

There are no reservations recorded in the audit reports of the annual accounts corresponding to the 2005, 2003 and 2003 financial years.

6.3 MAIN ACTIVITIES.

In accordance with legal regulations, the exclusive purpose of the Fund Manager is the formation, administration and legal representation of the assets of both the asset securitisation funds and the mortgage securitisation funds, as established by Royal Decree 926/1998, of 11 May, which regulates the securitisation fund assets and the managers of securitisation funds.

As of 21 November 2006, GESTICAIXA administers 21 securitisation funds, 9 of which are mortgage securitisation funds and 12 are asset securitisation funds.

The following table lists the 21 securitisation funds that are administered, indicating their formation dates and the nominal amounts of the bonds issued against them and their outstanding balances of principal, in thousands of euros:

Securitisation Fund In thousands of euros	Date Founded	Initial Bond Issue	Balance on 31/10/2006	Balance on 31/12/2005	Balance on 31/12/2004
<i>FONCAIXA HIPOTECARIO 1, FTH*</i>	<i>14/07/1999</i>	<i>600.000</i>	<i>108.029</i>	<i>135.411</i>	<i>180.285</i>
<i>FONCAIXA HIPOTECARIO 2, FTH*</i>	<i>22/02/2001</i>	<i>600.000</i>	<i>201.787</i>	<i>248.454</i>	<i>303.594</i>
<i>FONCAIXA HIPOTECARIO 3, FTH*</i>	<i>06/07/2001</i>	<i>1.500.000</i>	<i>727.605</i>	<i>840.381</i>	<i>970.689</i>
<i>FONCAIXA HIPOTECARIO 4, FTH*</i>	<i>13/12/2001</i>	<i>600.000</i>	<i>298.047</i>	<i>334.908</i>	<i>386.486</i>
<i>FONCAIXA HIPOTECARIO 5, FTH*</i>	<i>15/10/2002</i>	<i>600.000</i>	<i>358.746</i>	<i>410.906</i>	<i>470.311</i>
<i>FONCAIXA HIPOTECARIO 6, FTH*</i>	<i>17/12/2002</i>	<i>600.000</i>	<i>365.788</i>	<i>417.062</i>	<i>474.498</i>
<i>FONCAIXA HIPOTECARIO 7, FTH*</i>	<i>26/09/2003</i>	<i>1.250.000</i>	<i>874.161</i>	<i>984.100</i>	<i>1.106.912</i>
<i>FONCAIXA HIPOTECARIO 8, FTH*</i>	<i>15/03/2005</i>	<i>1.000.000</i>	<i>841.989</i>	<i>918.299</i>	<i>N/A</i>
<i>GC SABADELL 1, FTH</i>	<i>12 /07/2004</i>	<i>1.200.000</i>	<i>852.188</i>	<i>1.050.000</i>	<i>1.200.000</i>
<i>GC FTGENCAT II, FTA*</i>	<i>28 /03/2003</i>	<i>950.000</i>	<i>338.914</i>	<i>467.414</i>	<i>634.270</i>
<i>GC FTPYME PASTOR 1, FTA</i>	<i>28/10/2003</i>	<i>225.000</i>	<i>81.846</i>	<i>121.472</i>	<i>172.005</i>
<i>GC FTPYME PASTOR 2, FTA</i>	<i>28/10/2004</i>	<i>800.000</i>	<i>388.917</i>	<i>559.940</i>	<i>800.000</i>
<i>FONCAIXA FTPYME 1, FTA*</i>	<i>27/11/2003</i>	<i>600.000</i>	<i>415.000</i>	<i>415.000</i>	<i>600.000</i>
<i>GS COMPASS SPAIN 1, FTA</i>	<i>10/12/2004</i>	<i>150.000</i>	<i>44.943</i>	<i>110.024</i>	<i>147.462</i>
<i>GC FTPYME SABADELL 4, FTA</i>	<i>21/10/2005</i>	<i>750.000</i>	<i>750.000</i>	<i>750.000</i>	<i>N/A</i>
<i>FONCAIXA FTGENCAT 3, FTA *</i>	<i>15/11/2005</i>	<i>656.500</i>	<i>656.500</i>	<i>656.500</i>	<i>N/A</i>
<i>GC FTGENCAT SABADELL 1, FTA</i>	<i>2/12/2005</i>	<i>500.000</i>	<i>500.000</i>	<i>500.000</i>	<i>N/A</i>
<i>FONCAIXA FTGENCAT 4, FTA *</i>	<i>14/07/2006</i>	<i>606.000</i>	<i>606.000</i>	<i>N/A</i>	<i>N/A</i>
<i>FONCAIXA HIPOTECARIO 9, FTA*</i>	<i>29/03/2006</i>	<i>1.500.000</i>	<i>1.398.306</i>	<i>N/A</i>	<i>N/A</i>
<i>GC FTGENCAT CAIXA SABADELL 1, FTA</i> <i>*</i>	<i>19/10/2006</i>	<i>304.500</i>	<i>304.500</i>	<i>N/A</i>	<i>N/A</i>
<i>GC FPTYME PASTOR 4, FTA</i>	<i>7/11/2006</i>	<i>630.000**</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

** Importe a 7 de noviembre de 2006

6.4 SHARE CAPITAL AND OWNERS' EQUITY

The share capital of the Fund Manager at the moment of formation of the Fund is one million five hundred two thousand five hundred euros (€1,502,500), represented by two hundred fifty thousand (250,000) registered shares with a face value of six euros and one cent (€6.01) each.

The treasury stock of the Fund Manager is listed hereunder:

	31/12/2005	31/12/2004	31/12/2003
Capital	1.502.500,00	1.502.500,00	1.502.500,00
Reserves	300.500,00	262.033,12	1.492.721,27
Profits	1.400.992,26	1.326.338,61	1.127.640,27
Interim dividend	-1.239.103,29	-1.177.215,29	0,00
Shareholders' Equity	1.964.888,97	1.913.656,44	4.122.861,54

Classes of shares

All shares issued by the Company up to the publication date of this Registration Document are ordinary registered shares of a single class and series, and they confer identical voting and economic rights.

6.5 EXISTENCE OR NOT OF PARTICIPATIONS IN OTHER COMPANIES

The Fund Manager has one share with a face value of €6.01 in the company, Caixa Corp, S.A.

6.6 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The government and administration of the Fund Manager are entrusted by the by-laws to the General Shareholders Meeting and to the Board of Directors. Their competencies and faculties are those corresponding to such bodies in accordance with the Limited Liability Companies Act and Law 19/1992 of 7 July in relation to the company's object.

The Board of Directors is comprised of the following persons, all of whom have their registered professional address at Avenida Diagonal 621, 08028 Barcelona:

Chairman:	Mr Juan San Miguel Chápuli
Directors:	Mr. Fernando Cánovas Atienza
	Mr. Hernán Cortés Lobato
	Mr. Ernest Gil Sánchez
	Mr Santiago Armada Martínez-Campos
	Mr Xavier Jaumandreu Patxot
	Mr Josep Ramón Montserrat Miró
Secretary (non Director):	Mr Félix López Antón
Deputy-secretary (non-member):	Mr Roser Vilaró Viles
Director General:	Mr Xavier Jaumandreu Patxot

6.7 MAIN ACTIVITIES OF THE PERSONS CITED IN THE PRECEDING SECTION 6.6 PERFORMED OUTSIDE OF THE FUND MANAGER, IF THEY ARE IMPORTANT WITH RESPECT TO THE FUND.

None of the persons cited in the preceding section perform activities outside the Fund Manager that are important with respect to the Fund.

6.8 LENDERS OF THE FUND MANAGER BY MORE THAN 10 PERCENT.

There are no persons or entities who are lenders of the Fund Manager and who hold debts of the same of more than 10%.

6.9 LITIGATION INVOLVING THE FUND MANAGER.

On the registration date of this Registration Document, there are no lawsuits or controversies that may significantly affect the economic-financial situation of the Fund Manager or its future capacity to perform the management and administration functions of the Fund provided for in this Registration Document.

6.10 MAIN OPERATIONS WITH BOUND PARTIES AND CONFLICTS OF INTEREST

The linked operations carried out by the Fund Manager are those securitisation operations in which the Caja de Ahorros y Pensiones de Barcelona “la Caixa” has taken part as an Underwriting and Bond Placement Entity or Assignor of the assets in the Fund managed by the Fund Manager. Specifically, this circumstance occurs with regard to 14 of the 21 funds specified in the table shown in foregoing section 6.3 and which are marked with an asterisk (*) therein.

7. MAIN SHAREHOLDERS

7.1 DECLARATION ABOUT THE DIRECT OR INDIRECT OWNERSHIP OF THE FUND MANAGER OR IF IT IS UNDER CONTROL

a) On the registration date of this Registration Document, the title to the shares of the Fund Manager is distributed among the companies listed below, indicating the shareholding that corresponds to each one:

Name of the shareholding company	%
CaixaHolding, S.A.	85%
VidaCaixa, S.A. de Seguros y Reaseguros	9%
Caixa Barcelona Seguros Vida, S.A., Seguros y Reaseguros	6%

The above-mentioned companies are under the control of Caixa d'Estalvis i Pensions de Barcelona.

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

b) Description of the nature of this control and the measures adopted to ensure that this control is not abused.

For the purposes of article 4 of the Securities Market Act, GestiCaixa, S.G.F.T, S.A., forms part of de Caixa d'Estalvis i Pensions de Barcelona.

To ensure the absence of abuse of control by "la Caixa" with regard to the Managing Agent, the Managing Agent approved an internal conduct regulation in application of the provisions set forth in Chapter II of Royal Decree 629/1993, dated 3 May, concerning operating rules of the securities markets and obligatory records, which was notified to the CNMV.

8. FINANCIAL INFORMATION PERTAINING TO THE ASSETS AND RESPONSIBILITIES OF THE ISSUER, THE FINANCIAL POSITION AND PROFITS AND LOSSES

8.1 DECLARATION ABOUT THE START OF OPERATIONS AND FINANCIAL STATEMENTS OF THE ISSUER PRIOR TO THE DATE OF THE REGISTRATION DOCUMENT.

Pursuant to the provisions of section 4.4.2 of this Registration Document, the activity of the Fund will start on the execution date of the Deed of Formation, wherefore no financial statement has been made on the date of this Registration Document.

8.2 HISTORICAL FINANCIAL INFORMATION WHEN AN ISSUER MAY HAVE INITIATED OPERATIONS AND FINANCIAL STATEMENTS HAVE BEEN MADE

Not applicable.

8.2. bis HISTORICAL FINANCIAL INFORMATION FOR ISSUES OF SECURITIES WITH AN INDIVIDUAL DENOMINATION THAT IS EQUAL TO OR GREATER THAN 50,000 EUROS

Not applicable.

8.3 COURT AND ARBITRATION PROCEEDINGS

Not applicable.

8.4 CONSIDERABLE ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER

Not applicable.

9. INFORMATION FROM THIRD PARTIES, DECLARATIONS BY EXPERTS AND DECLARATIONS OF INTEREST

9.1 DECLARATION OR REPORT ATTRIBUTED TO A PERSON IN THE CAPACITY OF AN EXPERT.

Not applicable.

9.2 INFORMATION COMING FROM THIRD PARTIES.

Not applicable.

10. DOCUMENTS FOR CONSULTATION

10.1 DOCUMENTS FOR CONSULTATION

If necessary, the following documents or copies of them can be inspected during the validity period of this Registration Document.

- a) The Deed of Formation of the Fund;
- b) The certifications of corporate resolutions of the Fund Manager and of the Assignor;
- c) This Prospectus;
- d) The contracts to be signed by the Fund Manager on behalf of and representing the Fund;
- e) The audit report on certain characteristics and attributes of a sample of the set of Loans selected for their assignment to the Fund;

- f) The letters from the Ratings Agencies (provisional and definitive) notifying the ratings assigned to each one of the Series of the Bond Issue;
- g) The letters of declaration of the Management Entities of the Bond Issue;
- h) The letter of declaration of the Assignor of the Loans;
- i) Standard collaboration agreement between the Ministry of Industry, Tourism and Trade and the Fund Manager and the Framework Collaboration Agreement between the Ministry of Industry, Tourism and Trade and Banco de Sabadell, S.A.
- j) The annual accounts of the Fund Manager and the corresponding audit reports; and
- k) The by-laws and deed of incorporation of the Fund Manager.

The said documents can be physically consulted at the registered address of GESTICAIXA, SGFT, S.A. in Barcelona at Avenida Diagonal 621.

Likewise, the Prospectus can also be consulted at the web page of GESTICAIXA, SGFT, S.A. at www.gesticaixa.com and the web page of AIAF www.aiaf.es, at the registered office of Iberclear, calle Tramontana, 2, bis, Las Rozas (Madrid). It is also available to investors interested in the offer through the Underwriting and Brokerage Entities.

Moreover, the documents stated in letters a) to k) can be consulted at the CNMV.

Once the Deed of Formation has been granted, the Fund Manager shall provide the CNMV with an authorised copy of this.

The Deed of Formation of the Fund can be physically consulted at the registered address of Iberclear in Madrid, Plaza de la Lealtad, 1.

PROSPECTUS SCHEDULE

(Appendix VIII of EC Regulation number 809/2004 of the Commission)

1. PERSONS RESPONSIBLE

1.1 PERSONS RESPONSIBLE FOR THE INFORMATION INCLUDED IN THE PROSPECTUS SCHEDULE.

- 1.1.1 Mr Xavier Jaumandreu Patxot, acting in name and representation of the Fund Manager, hereby assumes responsibility for the content of this Prospectus Schedule, including its Supplemental Addendum.

Mr Xavier Jaumandreu Patxot acts in his capacity as Director General of the Fund Manager by virtue of the faculties conferred by the Board of Directors at its meeting on 29 June 2001 and expressly for the formation of the Fund by virtue of the powers awarded to him by the Board at its meeting on 19 September 2006.

1.2 DECLARATION OF THE PERSONS RESPONSIBLE FOR THE CONTENT OF THE PROSPECTUS SCHEDULE.

- 1.2.1 Mr Xavier Jaumandreu Patxot hereby declares that the information contained in this Prospectus Schedule and the Supplemental Addendum is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not suffer from any omission that could affect the content.

2. RISK FACTORS

The risk factors linked both to the securities and the assets that back the Bond Issue are described in section II and III, respectively, of the previous section “Risk Factors” of this Prospectus.

3. BASIC INFORMATION

3.1 INTEREST OF THE NATURAL PERSONS AND LEGAL BODIES PARTICIPATING IN THE OFFER.

The identity of the companies participating in the offer and their direct or indirect participation or control among them, is detailed in part 5.2 of the Registration Document. The interest of the stated entities to the extent that they are participants in the Bond Issue is the following:

- (a) GESTICAIXA is the Fund Manager.

- (b) BANCO SABADELL, S.A., and GESTICAIXA SGFT, S.A., have designed and structured the operation.
- (c) BANCO SABADELL, S.A., is the Assignor of the Loans that are pooled into the Fund.
- (d) BANCO DE SABADELL, S.A., BNP PARIBAS, BRANCH IN SPAIN and LEHMAN BROTHERS INTERNATIONAL (EUROPE), take part as Management Entities of the placement of the Bond Issue.
- (e) BANCO DE SABADELL, S.A., BNP PARIBAS, BRANCH IN SPAIN and LEHMAN BROTHERS INTERNATIONAL (EUROPE), take part as Underwriting Entities of the Bond Issue.
- (f) BANCO DE SABADELL S.A. intervenes as Payment Agent, Depository of the Bond Issue and provider of the swap counter entry.
- (g) CUATRECASAS ABOGADOS, participate as legal adviser of the Bond Issue.
- (h) MOODY'S and FITCH take part as the ratings agencies.
- (i) ERNST & YOUNG participate as auditor.
- (j) BANCO SABADELL, S.A., takes part as Administrator of the Loans that are pooled into the Fund.

Caixa d'Estalvis i Pensions de Barcelona, through Caixa Holding, S.A. holds an indirect share (from which control is held) of 96.4% of the share capital of the Fund Manager.

Likewise, Caixa d'Estalvis i Pensions de Barcelona, through Caixa Holding, S.A., has an indirect share of 12.45% of the share capital of Banco de Sabadell, S.A.

The Fund Manager is unaware of the existence of any other link or significant financial interest between the said entities that are participating in the Bond Issue, except for the strictly professional link derived from their participation as detailed in this section and in section 5.2 of the Registration Document.

Mr Xavier Jaumandreu Patxot, on behalf of and representing the Fund Manager, hereby declares that he is unaware of the existence of any other type of link or

economic interest of the experts who have participated in the design and advising of the formation of the Fund and of all other participating entities.

Purpose of the operation

The amount of the bond issue is wholly assigned to the subscription of the assets pooled into the fund.

4. INFORMATION PERTAINING TO THE SECURITIES THAT ARE GOING TO BE OFFERED AND ADMITTED TO TRADING

4.1 TOTAL AMOUNT OF THE SECURITIES.

The total amount of the securitisation bond issue will amount one billion two hundred and fifty million (1,250,000,000) euros represented by 12,500 bonds each with a face value of one hundred thousand (100,000) euros. The bonds shall be issued in three (3) series.

- **Class A**, made up of three (3) Series of Bonds:
 - Series A1: Two thousand two hundred (2,200) Bonds, for a total amount of two hundred and twenty million (220,000,000) euros.
 - Series A2: Eight thousand eight hundred and three (8,803) Bonds, for a total amount of eight hundred and eighty million three hundred thousand (880,300,000) euros.
 - Series A3(G): Eight hundred and twenty eight (828) Bonds, for a total amount of eighty two million eight hundred thousand (82,800,000) euros.
- **Class B**: made up of a single Series of four hundred (400) bonds, for a total amount of forty million (40,000,000) euros.
- **Class C**: made up of a single series of two hundred and sixty nine (269) bonds, for a total amount of twenty six million nine hundred thousand (26,900,000) euros.

Any mention in this Prospectus to Classes B and C is equivalent to Series B and C.

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

The Bonds will be issued by virtue of Royal Decree 926/1998, wherefore they are legally considered uniform, standardised and fixed-income securities. They can therefore be traded on organised securities markets.

Underwriting of the placement of the Issue

The underwriting of the placement of the Bond Issue and the Management of the same will be performed by Banco de Sabadell, S.A., BNP Paribas, Branch in Spain and Lehman Brothers International (Europe), in their capacity as Underwriting Entities and Managing Entities, pursuant to the Management, Underwriting and Placement Contract of the Bond Issue that the Fund Manager will enter into on behalf of the Fund, whereby the underwriting entities will agree to subscribe to or obtain, under their responsibility, subscribers for the Bonds, for the amounts stated in foregoing section 4.1, and each one is liable for their respective underwritten amount.

	SERIES A1		SERIES A2	
ENTITY	Num.	AMOUNT	Num.	AMOUNT
Banco de Sabadell, S.A.	733	73.300.000	2.934	293.400.000
BNP Paribas, Branch in Spain	734	73.400.000	2.935	293.500.000
Lehman Brothers International (Europe)	733	73.300.000	2.934	293.400.000
TOTAL	2.200	220.000.000	8.803	880.300.000

	SERIES A3(G)	
ENTITY	Num.	AMOUNT
Banco de Sabadell, S.A.	276	27.600.000
BNP Paribas, Branch in Spain	276	27.600.000
Lehman Brothers International (Europe)	276	27.600.000
TOTAL	828	82.800.000

	SERIES B		SERIES C	
ENTITY	Num.	AMOUNT	Num.	AMOUNT
Banco de Sabadell, S.A.	400	40.000.000	269	26.900.000
TOTAL	400	40.000.000	269	26.900.000

The aforementioned notwithstanding, after the Formation Date of the Fund and prior to the start of the Subscription Period, Banco de Sabadell, S.A., BNP Paribas, Branch

in Spain and Lehman Brothers International (Europe), as the Managing Entities, may commonly agree to assign part of their respective and aforementioned underwriting commitment to new underwriting entities. In this event, they shall inform the Fund Manager, which will proceed to modify the amounts of the commitments previously acquired by the Managing Entities and Underwriters and Brokers listed in the previous table. The new underwriting entities shall become Underwriting and Brokerage Entities with the same rights and duties as the previously existing ones by express and full adherence without any reservation or condition to all of the terms and conditions of the Management, Underwriting and Brokerage Contract of the Bond Issue. The incorporation of new underwriting entities may not give rise to any cost increase for the Fund, or modify the rights and duties that are derived for the Fund from this Prospectus and from the Deed of Formation of the same and from the rest of the contracts that affect it, in particular the Management, Underwriting and Brokerage Contract of the Bond Issue. In any event, the inclusion of new underwriting entities, as well as the distribution of the amounts of the respective underwriting commitments shall be communicated to the CNMV in order to make it available to the public, thereby modifying the amounts of the respective underwriting commitments shown in the preceding table. Banco de Sabadell, S.A., BNP Paribas, Branch in Spain and Lehman Brothers International (Europe), shall inform the Fund Manager of the modifications of the distribution in the preceding underwriting table in accordance with the Management, Underwriting and Brokerage Contract of the Bonds.

The underwriting and brokerage entities of the bond issue shall assume the obligations contained in the management, underwriting and brokerage contract and which are basically the following:

- Each Underwriting 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 commitment and that were not subscribed during the Subscription Period.
- - Each of the brokerage and underwriting entities shall pay the payment made by the investors of the nominal value of the subscribed Bonds in the Treasury Account, as well as the nominal value of the Bonds subscribed by it, on 28 November 2006, with the same value date, before 10:15 AM (CET), as established in said Contract.
- The underwriting and brokerage entities are bound to abstain from any activity that could be interpreted as directed at promoting subscription or purchase offers of the bonds in any country or jurisdiction other than Spain or with

respect to nationals or residents in any country where the said promotion, offer, brokerage, mediation or sale activities may be prohibited or limited without complying with the requirements that may be established in applicable local legislation.

The underwriting commitment assumed by each entity shall be assumed jointly. The Bond placement will take place during the Subscription Period. This placement, and the allocation that is underwritten by each underwriter by virtue of the Management, Underwriting and Brokerage Agreement of the Bond Issue, will be unrestricted and made at the discretion of the underwriter, thereby ensuring in every instance that no discriminatory treatment occurs between requests that have similar characteristics. Nevertheless, the Underwriting and Brokerage Entities may give priority to the requests from their clients that they deem appropriate.

The lack of confirmation before the start of the Subscription Period of the provisional ratings given to the Bonds by the Ratings Agencies and the occurrence of any event of force majeure, pursuant to Article 1105 of the Civil Code, prior to the start of the Subscription Period shall constitute events of termination of the Management, Underwriting and Brokerage Contract, of the formation of the Fund and of the Bond Issue.

The disbursement of the subscription commitments assumed by each Underwriter shall be made on 28 November 2006 at a time no later than 10:15 AM, Madrid time, on the Disbursement Date, by means of a payment by each Underwriter of their corresponding amount in the account opened on behalf of the Fund at the Payment Agent, effective on that same day.

In consideration for the commitment assumed by the Underwriters, they shall receive an Underwriting Commission, which is included in the initial expenses of the Fund. Each one of the Underwriting Entities shall receive the commissions that are included for each Bond in the following table, which can be applied to the face value underwritten by the entity, all by virtue of the Management, Underwriting and Brokerage Agreement of the Bond Issue:

Class	Underwriting Commission
A1 Bonds	0,02%
A2 Bonds	0,02%
A3(G) Bonds	0,02%
B Bonds	0,00%
C Bonds	0,00%

Banco de Sabadell, S.A., BNP Paribas, Branch in Spain and Lehman Brothers International (Europe), in their capacity as Managing Entities, shall not receive remuneration for the management of the Bond Issue.

4.2 DESCRIPTION OF THE TYPE AND CLASS OF SECURITIES

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

4.3 LEGISLATION ACCORDING TO WHICH THE SECURITIES ARE CREATED.

“GC FTPYME SABADELL 5, Fondo de Titulización de Activos” is constituted under the protection of the Order dated 28 December 2001. The fund shall be subject to Spanish law and specifically (i) Royal Decree 926/1998 and the provisions thereby implemented, (ii) Royal Decree 1310/2005, (iii) Law 19/1992, for anything not set forth in Royal Decree 926/1998 and in so far as this applies, (iv) the Order dated 28 December 2001, (v) Law 24/1988, governing the securities market, in its current of drafting, where it refers to the supervision, inspection and sanction of the same, (vi) Regulation 809/2004, (vii) Law 44/2002, and (viii) and the other legal and regulatory provisions in force that apply at any given time.

This prospectus scheduled has been prepared in accordance with the models set forth in Regulation 809/2004.

4.4 INDICATION IF THE SECURITIES ARE NOMINAL OR BEARER AND IF THEY ARE IN THE FORM OF CERTIFICATES OR BOOK ENTRIES.

The Bonds shall be represented by book entries, pursuant to the provisions in Royal Decree 926/1998, and they shall be constituted as such by virtue of being recorded in the corresponding accounting registry. The Deed of Formation shall give rise to the effects provided for in Article 6 of Law 24/1998, on the Securities Market.

Bondholders shall be identified as such (on their own behalf or on behalf of third parties) according to the accounting registry kept by IBERCLEAR, which shall be designated as the entity in charge of the accounting registry of the Bonds in the Deed of Formation, in such a way that the compensation and liquidation of the Bonds takes place in accordance with the rules of operation that, as regards the securities allowed for trading on the AIAF Market and represented by book entries, may be established or could be approved in the future by IBERCLEAR.

4.5 CURRENCY OF THE ISSUE

The securities shall be denominated in euros.

4.6 CLASSIFICATION OF THE SECURITIES ACCORDING TO SUBORDINATION

The Bonds of the B series shall be down ranked in the payment of interest and the repayment of principal with regard to Class A Bonds, in accordance with the Payment Priority Order of the Fund set forth in part 3.4.6 of the Supplemental Addendum.

The Bonds of Series C shall be ranked behind the Payment of Interest and Repayment of the Principal with respect to the Bonds of Class A and the Bonds of Class B, pursuant to the Payment Priority Order of the Fund described in section 3.4.6 of the Supplemental Addendum.

4.6.1. Simple statement regarding the order number that the payment of interest of the bonds holds in the payment priority order of the fund

The payment of the interest accrued by the Class A bonds (Series A1, A2 and A3(G)) holds the (iii) third and (iv) fourth place when applying the Available Funds of the Payment Priority Order established in section 3.4.6 of the Supplemental Addendum, and (iv) fourth and (v) fifth place when applying the Available Funds for Settlement of the Liquidation Payment Priority Order established in the same section.

The payment of the interest accrued by the Series B Bonds holds (v) fifth place when applying the Available Funds of the Payment Priority Order established in the said section 3.4.6 of the Supplemental Addendum, except in the event of the situation provided for in the same section for their down-ranking, in which case, it shall hold the (viii) eighth place and the (ix) ninth place when applying the Available Funds for Settlement of the Liquidation Payment Priority Order established in the same section.

The payment of the interest accrued by the Series C Bonds holds (vi) sixth place when applying the Available Funds of the Payment Priority Order established in the said section 3.4.6 of the Supplemental Addendum, except in the event of the situation provided for in the same section for their down-ranking, in which case, it shall hold the (ix) ninth place and the (xi) eleventh place when applying the Available Funds for Settlement of the Payment Priority Order established in the same section.

4.6.2. Simple statement regarding the order number that the payment of the principal of the bonds holds in the payment priority order of the fund

The retention of the Available Amount for Amortising the Bonds of Classes A, B and C, as a whole and without distinguishing between Classes, holds the seventh place (7) when applying the Available Funds of the Payment Priority Order established in the said section 3.4.6 of the Supplemental Addendum.

The amortisation of the principal of the Class A Bonds (Series A1, A2 and A3(G)) holds the (vi) sixth, (vii) seventh and (viii) eighth place in the Liquidation Payment Priority Order established in section 3.4.6 of the Supplemental Addendum.

The amortisation of the principal of the Series B Bonds holds the (x) tenth place in the Liquidation Payment Priority Order established in section 3.4.6 of the Supplemental Addendum.

The amortisation of the principal of the Series C Bonds holds the (xii) twelfth place in the Liquidation Payment Priority Order established in section 3.4.6 of the Supplemental Addendum.

4.7 DESCRIPTION OF THE RIGHTS LINKED TO THE SECURITIES

Pursuant to legislation in force, the Bonds detailed in this Prospectus Schedule shall, for the investor who may acquire them, be without any present and/or future policy right over the fund.

The economic and financial rights of the investor associated with the acquisition and holding of the Bonds shall be derived from the conditions of interest rate, yields and amortisation prices according to which they may be issued and which may be included in the following sections 4.8 and 4.9.

In the event of the default of any amount due to the Bondholders, they may only make a claim before the Fund Manager and only when the latter may have breached the duties that are incumbent upon it and included in the Deed of Formation and in this Prospectus. The Fund Manager is the only authorised representative of the Fund before third parties and in any legal proceeding in accordance with the applicable law.

The duties of the Assignor and of all other entities that in one way or another may participate in the operation are limited to those that are included in the

corresponding contracts pertaining to the FONCAIXA FTGENCAT 3, FTA Fund, the relevant ones of which are described in the Prospectus Schedule and the Deed of Formation.

Any question, discrepancy or disagreement pertaining to the Fund or to the Bonds that are issued against the same and which may arise during its operational lifetime or its Settlement, whether among the Bondholders themselves or between the Bondholders and the Fund Manager, shall be submitted to Spanish courts, and the parties hereby expressly waive any other jurisdiction to which they may be entitled.

4.8 NOMINAL INTEREST RATE AND PROVISIONS PERTAINING TO THE PAYMENT OF INTEREST

4.8.1 Date when interest becomes payable and the interest due dates.

4.8.1.1. Nominal interest

All Bonds issued shall accrue, as from the Disbursement Date until the final maturity of the same, an annual nominal interest rate, variable by quarter, and with the quarterly payment calculated as stated below. This interest shall be paid by completed quarters on each Payment Date on the Outstanding Balance of Principal of the Bonds of each Class on the immediately preceding Determination Date.

The interest on the Bonds shall be paid, in relation to the rest of the Fund payments, in accordance with the Payment Priority Order described in section 3.4.6 of the Supplemental Addendum. For the purpose of the accrual of the interest of all series, the bond issue shall be understood as divided into interest accrual periods, the duration of which shall be the duration existing between two payment dates (including the initial payment date and excluding the final date). The first Interest Accrual Period shall begin on the Disbursement Date, inclusive, and end on the first Payment Date, 19 January 2007, exclusive.

4.8.1.2. Nominal Interest Rate.

The nominal interest rate that each Series of Bonds will accrue during each Interest Accrual Period shall be the annual interest rate resulting from the sum of: (i) the reference interest rate, which is determined as set forth below and which is common to all the series of bonds and rounded to the nearest whole thousandth, thereby taking into account that, in the event that the closeness for rounding up or down is

identical, such rounding will be made upwards, plus (ii) the margin applicable to each series of bonds, as indicated below.

4.8.1.3. Reference Interest Rate.

The Reference Interest Rate for determining the interest rate applicable to the Bonds of all the Series shall be, except for the first Interest Accrual Period, the three-month EURIBOR (3) or, if it must be replaced, determined as set forth below.

Exceptionally, the Nominal Interest Rate of the Bonds of each one of the Series for the first Interest Accrual Period shall be determined by taking the EURIBOR rate at a two-months maturity, established at 11:00 a.m. (CET time) of the second (2) Business Day immediately before the Disbursement Date.

4.8.1.4. Fixing of the Reference Interest Rate of the Bonds.

The EURIBOR shall be fixed in accordance with the rules described in this section.

On each setting date, the Fund Manager shall fix the reference rate of interest, which shall be equal to the Euribor, understood to be:

- (i) The three-month EURIBOR rate (except for the first Interest Accrual Period, when the two-month (2) EURIBOR rate shall be taken) that results from the REUTERS screen, EURIBOR01 page at 11:00 a.m. (CET time) on the Fixing Date. The REUTERS screen, "EURIBOR01 page" is the screen that reflects the content of the "EURIBOR01" page on the REUTERS MONITOR MONEY RATES SERVICE (or any other page that may replace it in this service).
- (ii) In the absence of rates in accordance with the provisions in the preceding section (i), it shall be in accordance with the three-month EURIBOR rate (except for the first Interest Accrual Period, when the two-month (2) EURIBOR shall be used that results from the "TELERATE" screen (TELERATE SPAIN, S.A.), on page 248 (or any other page that may replace it in this service) at 11:00 a.m. (CET time) on the Fixing Date.
- (iii) In the absence of rates in accordance with the provisions of the preceding numbers (i) and (ii), the Replacement Reference Interest Rate shall be the interest rate that results from the simple average of the inter-bank interest rates for non-transferable deposit operations in euros with three-months' maturity using the EURIBOR at 2 months and by the equivalent amount of the Pending Face Value of the Bonds offered on the Fixing Date by the entities indicated

below, after and close to 11:00 a.m., and this interest rate shall be requested simultaneously from these entities:

- (i) Banco Santander Central Hispano;
- (ii) Banco Bilbao Vizcaya Argentaria (BBVA);
- (iii) Deutsche Bank; and
- (iv) Confederación Española de Cajas de Ahorros.

The reference city shall be the city of Madrid.

In the event that any of the said entities did not provide a quotation declaration, it shall be the rate that results from applying the simple arithmetic average of the rates declared by at least two of the remaining entities.

- (iv) In the absence of rates in accordance with the provisions set forth in sections (i), (ii) and (iii), the Reference Interest Rate of the immediately preceding Interest Accrual Period shall be applicable, and thus successively for as long as such a situation may exist.

The Fund Manager shall keep the printouts of the contents of the REUTERS or TELERATE screens or, if applicable, of the quotation declarations of the banking entities stated in the preceding Section (iii) as supporting documents of the determined EURIBOR Interest Rate.

4.8.1.5. Fixing Date of the Reference Interest Rate and of the Interest Rate of the Bonds.

The Fixing Determination Date of the Reference Interest Rate for each Interest Accrual Period shall be the second (2) Business Day prior to the Payment Date that sets the start of the corresponding Interest Accrual Period. For the first interest accrual period, the reference interest rate shall be determined on the second (2) business day prior to the disbursement date.

Once the Reference Interest Rate of the Bonds has been fixed, on the same Fixing Date the Fund Manager shall calculate and fix, for each of the Series of Bonds, the interest rate applicable to the following Interest Accrual Period.

The resulting interest rate shall be announced by the Fund Manager using the channels generally accepted by the market that guarantee adequate publication of the information in time and content.

4.8.1.6. Margin to be applied to the Reference Interest Rate for each Series of Bonds:

The margins that will be applied to the Reference Interest Rate determined as specified above, for calculating the interest rate that the Bonds of each of the Series will acquire in each Interest Accrual Period, shall be determined pursuant to the following ranges:

- Series A1: margin encompassed between 0.00% and 0.10%, both inclusive.
- Series A2: margin encompassed between 0.06% and 0.17%, both inclusive.
- Series A3(G): margin encompassed between 0.05% and 0.05%, both inclusive.
- Class B: margin encompassed between 0.20% and 0.40%, both inclusive.
- Class C: margin encompassed between 0.45% and 0.60%, both inclusive.

The margin applicable to each one of the A1), A2, A3(G), B and C Series, expressed as a percentage, shall be determined by common agreement by all the Management Entities before 9:00 a.m. (CET time) on the Subscription Period commencement date and shall subsequently be communicated to the Fund Manager.

In the absence of an agreement, the Fund Manager shall set the specific margin on those for which there were no agreement, using the following margins:

- Series A1: margin of 0.05%
- Series A2: margin of 0.11%
- Series A3(G): margin of 0%
- Series B: margin of 0.30%
- Series C: margin of 0.52%

The definitive margins applicable to each one of the series that had been set by the Fund Manager, shall be notified to the Management Entities and to the Underwriting and Brokerage Entities prior 10:00 AM on the start date of the Subscription Period so that they can inform investors who may be interested in subscribing to the Bonds.

The Nominal Interest Rate applicable to the Bonds of each Series for the first Interest Accrual Period shall be made public before the Disbursement Date by means of the announcement provided for in section 4 of the Supplemental Addendum and by means of a communiqué to the CNMV by the Fund Manager. The final applicable margin shall be recorded in the Notarised Certificate of Disbursement.

4.8.1.7. Formula for calculating the interest of the Bonds:

The interest accrued by the Bonds of all the Series during each Interest Accrual Period shall be calculated by the Fund Manager according to the following formula:

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

Where:

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

$I =$ The total amount of interest accrued by the Bond in the Interest Accrual Period.

$r =$ The annual interest rate of the Bond expressed as an integer value, calculated as the sum of the EURIBOR Reference Rate of the corresponding Interest Accrual Period plus the established differential.

$n =$ The number of days in the Interest Accrual Period.

In the event that, pursuant to the Payment Priority Order established in section 3.4.6 of the Supplemental Addendum, the Available Funds of the Fund were insufficient for paying the interest to the holders of the A3(G) Bonds that should be received on a Payment Date, pursuant to the provisions in this section, the Fund Manager shall request that the General Directorate for Financial Policy and the Treasury credit the Treasury Account of the Fund with the amount that may be necessary for paying the interest of the A3(G) Bonds, thereby charging the Warrantee referenced in section 3.4.7.2. of the Supplemental Addendum.

4.8.2 Dates, places, entities and procedure for payment of the coupons

The interest of the bonds, regardless of the series to which they may pertain, shall be payable by completed quarters on 19 January, April, July and October of each year until the final maturity date of the bonds. In the event that any of the said days were not a Business Day, the interest corresponding to the quarter shall be payable on the next Business Day. The first Payment Date shall be 19 January 2007.

If on a Payment Date, and in spite of the mechanisms set forth for the protection of the rights of the Bondholders, the Available Funds of the Fund are not sufficient to meet the interest payment obligations of the Fund in accordance with the provisions set forth in section 3.4.6 of the Supplemental Addendum, the amount available for making the interest payment shall be distributed in accordance with the Payment Priority Order set forth in said section. In the event that the Available Funds are only sufficient for partially meeting the obligations that have the same priority order, independently for each one of them, the amount available shall be divided proportionally between the affected Bonds and proportionally to the Outstanding Balance of Principal, and the amounts that the Bondholders had not received shall be considered pending payment and be paid on the next Payment Date that it may be possible, without thereby accruing additional interest. The payments pending to the Bondholders shall be made effective on the next Payment Date, if there are Available Funds to do so, with priority immediately before the payments to the Bondholders of that same Series corresponding to the said period, except for (i) payment of the interest of the Bonds of Series A1, A2 and A3(G), due and unpaid on previous Payment Dates, given that they appear explicitly in the Payment Priority Order established in section 3.4.6 of the Supplemental Addendum and (ii) the provisions in section 3.4.7.2 of the Supplemental Addendum for payment of the interest of the endorsed Series A3(G). The Fund, through the Fund Manager, may not defer the payment of Interest or Principal of the Bonds after the Legal Maturity Date, meaning 31 March 2039, or the next Business Day.

The Payment Priority Order is included in section 3.4.6 of the Supplemental Addendum.

All withholdings, payments and taxes that are established or that may be established in the future on the principal, interest or returns of these Bonds shall be payable exclusively by the Bondholders, and the amount thereof shall be deducted, if applicable, by the corresponding entity in the legally established manner.

Payment shall be made through the Payment Agent, thereby using IBERCLEAR and its participating entities for the distribution of the amounts.

4.8.3. Description of the Underlying and Historical Information

Evolution of the EURIBOR interest rates in recent months:

For merely informative purposes, data are given below on the 3month EURIBOR rates appearing on the Reuters screen, EURIBOR01 page, on the indicated dates, as well as the applicable Nominal Interest Rate that would have resulted for each one of

the Bond Series in the event that the applicable margins were the mean margins of the range established for each Series in accordance with section 4.8.1.6 of this Prospectus Schedule (0.05% for Series A1, 0.11% for Series A2, 0% for Series A3(G), 0.30% for the Series B and 0.52% for Series C):

Date	3-M EURIBOR	A1 Bonds	A2 Bonds	A3(G) Bonds	B Bonds	C Bonds
11/06/2004	2,11%	2,16%	2,22%	2,11%	2,41%	2,63%
13/09/2004	2,12%	2,17%	2,23%	2,12%	2,42%	2,64%
13/12/2004	2,17%	2,22%	2,28%	2,17%	2,47%	2,69%
11/03/2005	2,14%	2,19%	2,25%	2,14%	2,44%	2,66%
13/06/2005	2,11%	2,16%	2,22%	2,11%	2,41%	2,63%
13/09/2005	2,14%	2,19%	2,25%	2,14%	2,44%	2,66%
13/12/2005	2,45%	2,50%	2,56%	2,45%	2,75%	2,97%
13/02/2006	2,52%	2,57%	2,63%	2,52%	2,82%	3,04%
09/03/2006	2,70%	2,75%	2,81%	2,70%	3,00%	3,22%
15/06/2006	2,96%	3,01%	3,07%	2,96%	3,26%	3,48%
29/06/2006	3,06%	3,11%	3,17%	3,06%	3,36%	3,58%
26/09/2006	3,413%	3,46%	3,52%	3,41%	3,71%	3,93%
23/10/2006	3,526%	3,58%	3,64%	3,53%	3,83%	4,05%

In the event that the payment day of a periodic coupon were not a business day for the purposes of the calendar, payment shall be transferred to the next business day. For these purposes and for the lifetime of the Bonds, Business Days shall be deemed to be all those that are not:

- A holiday in Barcelona; and
- A non-business day of the TARGET calendar

4.8.4. Calculation Agent

The Calculation Agent shall be the Fund Manager.

4.9 MATURITY DATE AND AMORTISATION OF THE SECURITIES

4.9.1. Redemption price of the Bonds.

The redemption price for the Bonds of each Series shall be one hundred thousand (100,000) euros per Bond, equivalent to their face value, free of expenses and taxes for

the Bondholder, payable progressively on each principal Payment Date, as set forth in the following sections.

Each and every one of the Bonds of the same Series shall be amortised in equal amounts by means of reducing the face value of each one of them.

4.9.2. Maturity of the issued Bonds.

The final maturity of the Bonds of all the Series shall occur on the Date when they may be fully amortised or on the Legal Maturity Date of the Fund, meaning on 31 March 2039 or the next Business Day, without prejudice to the fact that the Manger, pursuant to section 4.4.3 of the Registration Document, may proceed to amortise the Bond Issue prior to the Legal Maturity Date of the Fund.

The last regular amortisation date of the Loans pooled into the secured portfolio is 31 March 2036.

The bonds shall be amortised on each payment date, meaning on 19 January, April, July and October of each year (or, in the event that they are not business days, on the next business day), in accordance with the provisions herein set forth and subject to the payment priority order included in section 3.4.6 of the additional module.

4.9.3. Characteristics common to the amortisation of the Bonds of all the Classes.

Net Outstanding Balance of Principal

The “Net Outstanding Balance of Principal” of the Bonds of a Class or Series on a Payment Date shall be understood as the Outstanding Balance of Principal of the said Series or Class of Bonds before the amortisation corresponding to said Payment Date, decreased by the amount accrued on the previous Payment Dates and deposited in the Amortisation Account under the concept of amortisation of the Bonds of the Class or Series in question.

Combined, the Net Outstanding Balance of Principal of the Bonds shall be the sum of the Net Outstanding Balance of Principal of each one of the Series that make up the Bond Issue.

Outstanding Balance of the Loans.

The Outstanding Balance of the Loans on a specific date shall be the sum of the capital or principal pending maturity of the loans on that particular date and the capital or principal due but not yet paid to the Fund.

Outstanding balance of the non-defaulted loans.

The Outstanding balance pending of the non-defaulted loans on a specific date shall be the sum of the outstanding capital or principal of each one of the non-defaulted Mortgage Loans due and not paid into the Fund.

Defaulted loans

Defaulted loans shall be considered to be those for which (a) the Debtor may have been declared to be in a situation of insolvency, (b) they are unpaid on a date for a period of greater than twelve (12) months of delay in the payment of the overdue amounts or (c) they may be classified as in default by the Fund Manager because there is reasonable doubt about their full repayment.

Default Amounts

Defaulted amounts shall be those amounts of principal that are due and unpaid plus the outstanding balance pending amortisation of the defaulted loans.

Accumulation of Principal

On any Payment Date prior to 19 January 2008 (not inclusive), the Amounts Available for Amortisation shall be deposited in the Amortisation Account. The Fund Manager shall maintain a record that reflects the amount thus accumulated in relation to each of the A1), A2, A3(G), B and C Series.

On the Payment Date of 19 January 2008, the Fund Manager shall make payment to the Bondholders of Classes A, B, and C (not subject to the Payment Priority Order) of the funds thus accumulated according to the amounts maintained in the registry.

Available Amount for Amortisation and Amortisation Deficit.

On each Payment Date, charged to the Available Funds and in the (vii) seventh place in the Payment Priority Order, the amount allocated to the amortisation between

classes as a whole and without discrimination between Classes by an amount equal to the lesser of the following amounts:

- (a) The positive difference on that Payment Date between (A) the sum of (i) the Net Outstanding Balance of Principal of the Bonds prior to the amortisation made on that Payment Date and (ii) the amounts drawn down and not repaid, charged to the Warrantee for payment of the principal of the A3(G) Bonds on the preceding Payment Dates, and (B) the sum of the Outstanding Balance of the non-Defaulted Loans corresponding to the last day of the month prior to the Payment Date (hereinafter, the “**Theoretical Amortisation Amount**”), and
- (b) The Available Funds on that Payment Date, after having deducted the amounts corresponding to the concepts indicated in sections (i) to (vi) of the Payment Priority Order included in section 3.4.6 of the Supplemental Addendum.

The Amortisation Deficit on a payment date shall be the positive difference, if this exists, between:

- (i) The Theoretical Amortisation Amount, and
- (ii) The available amount for amortising.

Available Funds for Amortisation on each Payment Date.

The Available Funds on each Payment Date will be the following:

- a) The balance of the Amortisation Account exclusively on the Payment Date of 19 January 2008.
- b) The Available Amount for Amortising withheld in the seventh order (7) of the Payment Priority Order on the corresponding Payment Date.

Moreover, the Fund shall have available, allocated solely to amortisation of the principal of the A3(G) Series, the amount drawn down for executing the State Warrantee that was created on the same Payment Date, pursuant to the provisions in section 3.4.7.2 of the Supplemental Addendum. Until the Payment Date of 19 January 2008, exclusive, the amount drawn down by the execution of the State Warrantee shall be paid into the Amortisation Account and reflected in the register corresponding to Series A3(G).

4.9.4. Distribution of the funds available for amortisation

The distribution of the Funds Available for Amortisation shall be carried out in accordance with the following rules (taking into account that the amounts deposited in the amortisation account decrease the amount pending amortisation of each Bond Class):

1. The Funds Available for Amortisation shall be applied sequentially, first for amortisation of Class A (Series A1, A2 and A3(G)) and to redemption of the amounts owed to the State for executing the Warrantee for amortisation of the A3(G) Series until their full amortisation and redemption; second for amortisation of Class B until their full amortisation; and third for amortisation of Class C until their full amortisation, without prejudice to the provisions for pro-rated amortisation of the various Series and Classes.
2. The Funds Available for Amortisation applied to the redemption of the Class A and to reimbursement of the amounts owed to the State through draw downs of the Warrantee for redemption of the Series A3(G), shall be applied in the following way:

2.1 Ordinary application in the following order:

- I. Amortisation of the principal of the series A1 bonds. The Bond of the Series A1 shall be fully redeemed, once fourteen (14) months have elapsed from the Fund Formation Date, on the Payment Date corresponding to 19 January 2008.
- II. Amortisation of the principal of the series A2 bonds. The redemption of the Series A2 Series shall be carried out through partial redemption on each Payment Date from the start of redemption until the total nominal amount has been paid. The redemption of the Series A2 Bonds shall commence once all of the Bonds of the Series A1 have been redeemed, unless the pro rata redemption of the Class A applies in accordance with section 2.2 hereunder.
- III. Amortisation of the principal of the Series A3(G) Bonds. The redemption of the Series A3(G) Bonds and the repayment of the amounts owed to the state for draw downs of the Warrantee for redemption of the Series A3(G) shall start once the total of the Series A1 and A2 Bonds has been redeemed, unless the pro rata redemption of the Class A applies in accordance with section 2.2 hereunder.

The amount of the Available Funds for Amortisation applied on a Payment Date to both concepts (amortisation of the principal of the Series A3(G) Bonds and repayment of the amounts owed to the State as a result of executing the Warrantee for amortisation of the A3(G) Series) shall be applied as follows:

- (i) In the event that there is an Amortisation Deficit on the current Payment Date, first to amortisation of the Series A3(G) and second, for any remaining amount, to repayment of the amounts owed to the State as a result of executing the Warrantee for amortisation of Series A3(G).
- (ii) Conversely, first to repayment of the amounts owed to the State as a result of executing the Warrantee for amortisation of Series A3(G), and second, by any remaining amount, to amortisation of Series A3(G).

2.2. Pro rata redemption of the Class A series:

In exceptional cases, the order of application of the preceding section 2.1 shall be interrupted on any Payment Date if, on the date corresponding to the last day of the month immediately prior to the corresponding Payment Date, the proportion between (i) the Outstanding Balance of the Loans that were up-to-date in payment of the amounts due plus the Outstanding Balance of the Loans that were in default by less than ninety (90) days, thereby having increased the part of the balance corresponding to the amortisation of the bonds of the A1, A2 and A3(G) Series, if they existed, and the amount of the income received for reimbursement of the principal of the loans during the three (3) calendar months prior to the Payment Date (on the first Payment Date, by the amount of the income received for the reimbursement of the principal of the loans as from the Formation Date until the last day of the month immediately prior to the said Payment Date), and (ii) the Outstanding Balance of Principal of Class A, increased by the balance of the amounts owed to the State for executing the Warrantee for amortisation of the A3(G) Series, were less than or equal to 1.

In this event, on the corresponding payment date the Funds Available for Amortisation applied to amortisation of the Class A and to the repayment of the amounts owed to the State for draw downs of the Warrantee for amortisation of the Series A3(G), shall be distributed in accordance with the rules established in the following rules:

- (i) They shall be assigned pro rata in a directly proportional manner (i) to the balance of the net outstanding principal of the Series A1, (ii) to the net outstanding balance of principal of the Series A2, and (iii) to the net outstanding balance of principal of the Series A3(G), increased by the balance of the amounts owed to the State for draw downs of the Warrantee for amortisation of the Series A3(G).
 - (ii) Until the Payment Date corresponding to 19 January 2008, the Available Amount for Amortising allocated to amortisation of the Bonds of Series A1 shall be deposited in the Amortisation Account.
 - (iii) Until the Payment Date corresponding to 19 January 2008, excluded, the Available Amount for Amortising allocated to amortisation of the Bonds of Series A2 shall be deposited in the Amortisation Account. Following the Payment Date corresponding to 19 January 2008, inclusive, this amount shall be applied to the amortisation of the Bonds of the Series A2.
 - (iv) Until the Payment Date corresponding to 19 January 2008, excluded, the Available Amount for Amortising allocated to amortisation of the Bonds of Series A3(G) shall be deposited in the Amortisation Account. From the payment date corresponding to 19 January 2008, this amount shall be applied to the amortisation of the Bonds of the Series A3(G) and to repayment to the State of the amounts owed through draw downs of the Warrantee for amortisation of the Series A3(G).
3. However, even if the Class A (Series A1, A2 and A3(G)) had not been fully redeemed, the funds available for amortisation shall also be applied to the amortisation of the Class B and/or Class C on the payment date that is not the last payment date or the fund settlement date and on which the following circumstances are satisfied:
- (a) To proceed to the amortisation of the Series B and Series C:
 - (i) That the prorated amortisation Class A does not apply.
 - (ii) That on the previous Payment Date, the Reserve Fund had not been allocated with the amount to reach the minimum level of the Reserve Fund.
 - (iii) On the Determination Date prior to the corresponding Payment Date, the amount of the Outstanding Balance of the Non-defaulted Loans were equal to or greater than 10 percent of the Initial Outstanding Balance upon formation of the Fund.

- (b) In order to proceed with amortisation of Series B, on the Determination Date prior to the corresponding Payment Date:
 - (i) The balance of the Outstanding Principal of Series B is equal to or greater than (6.40%) of the balance of the outstanding principal of the Bond Issue.
 - (ii) The sum of the Outstanding Balance of the Non-defaulted loans with more than three (3) months' arrears with regard to the amounts granted pursuant to (i) the amount to which the Outstanding Balance of the Non-defaulted Loans totals on that same date is not greater than 1.25% in order to proceed to amortisation of the Series B.

- (c) In order to proceed with amortisation of Series C, on the Determination Date prior to the corresponding Payment Date:
 - (i) The balance of the Outstanding Principal of Series C is equal to or greater than (4.30%) of the balance of the outstanding principal of the Bond Issue.
 - (ii) The sum of the Outstanding Balance of the Non-defaulted loans with more than three (3) months' arrears with regard to the amounts granted pursuant to (i) the amount to which the Outstanding Balance of the Non-defaulted Loans totals on that same date is not greater than 1% in order to proceed to amortisation of the Series C.

If on a Payment Date the amortisation of the Series B and/or Series C is applicable by virtue of the provisions set forth in foregoing rule 3, the Funds Available for Amortisation shall also be applied to the amortisation of the Series B and/or the Series C in such a way that the Outstanding Balance of Principal of the Series B or the Series C, with regard to the sum of the Outstanding Balance of the Bond Issue remains at 6.40% and 4.30%, respectively, or higher percentages that are as close as possible to these.

On the Liquidation Payment Date of the Fund, the amortisation of the various Bond Classes and the reimbursement to the State of the amounts owed for executing the Warrantee for amortisation of Series A3(G) shall occur by distribution of the Funds Available for Liquidation through the Payment Priority Order of Liquidation provided for in section 3.4.6 of the Supplemental Addendum.

The Fund Manager shall proceed to notify the Bondholders of each Series of the Outstanding Balance of Principal of each Series, as well as the actual prepayment rate of the loans and the estimated average residual maturity of the Bonds of each Series.

4.10 INDICATION OF THE RETURN

The average life, yield, duration and final maturity of the bonds of each series depend on various factors. The most significant are the following:

- i) The calendar and amortisation system of each one of the Loans set forth in their corresponding contracts.
- ii) The capacity that the debtors have for early settlement of the Loans, whether partially or totally, and the speed with which this early settlement is made overall, throughout the life of the fund.
- iii) The variable interest rates of the Loans that cause a variation of the amount of the amortisation in each instalment.
- iv) The arrears of debtors in the payment of the Loan amounts.

In order to calculate the tables included in this section, the following hypotheses have been taken into account with regard to the factors described:

- Interest Rates of the Loans: 3.95% weighted average interest rate on 23 October 2006 of the portfolio of loans that have been used for calculating the amortisation amounts and interest of each one of the loans;
- Arrears of the portfolio of Loans: 0.35% of the Outstanding Balance of the Loans with 100% repayment at 12 months as from the time they enter into arrears;
- Defaults of the portfolio of loans that are considered uncollectible: 0%;
- The prepayment rate of the loans stays constant throughout the life of the Bonds;
- The Disbursement Date of the Bonds is 28 November 2006
- No Amortisation Deficit occurs; and
- There is no extension of the term of any of the loans.

The Internal Rate of Return (hereinafter, “IRR”) for the subscriber must take into account the date and purchase price of the Bond, the quarterly payment of the coupon and all amortisation, both the amortisation according to the planned schedule as well as those of an early nature. The real adjusted duration and the return or profitability of the Bonds will also depend on their variable interest rate.

The nominal interest rates of the Bonds of each Series that are assumed for the first Interest Accrual Period are the following, which are the result of the 2-month Euribor (3.432%) on 23 October 2006 and in the event that the applicable margins were the margins that the Fund Manager would apply, if there were no agreement, according to section 4.8.1.6 (0.05% for Series A1, 0.11% for Series A2, 0.00% for Series A3(G) , 0.30% for Series B and 0.52% for Series C):

	A1 Bonds	A2 Bonds	A3(G) Bonds	B Bonds	C Bonds
Nominal Interest Rate.	3,48%	3,54%	3,43%	3,73%	3,95%

For subsequent Interest Accrual Periods, the nominal variable interest rates of the Bonds of each Series are assumed to be constant according to the following details, which are the result of the 3-month Euribor (3.526%) on 23 October 2006 and in the event that the applicable margins were the margins that the Fund Manager would apply, if there were no agreement, according to section 4.8.1.6 (0.05% for Series A1, 0.11% for Series A2, 0.00% for Series A3(G) , 0.30% for Series B and 0.52% for Series C):

	A1 Bonds	A2 Bonds	A3(G) Bonds	B Bonds	C Bonds
Nominal Interest Rate.	3,58%	3,64%	3,53%	3,83%	4,05%

The Average Life of the Bonds for the various Prepayment Rates, hereby assuming the hypotheses described previously, would be the following:

GC FTPYME SABADELL 5, ASSET SECURITISATION FUND				
SCENARIO		<i>2% CPR</i>	<i>5% CPR</i>	<i>10% CPR</i>
Series A1	Average life (years)	1,16	1,16	1,16
	IRR	3,301%	3,301%	3,301%

GC FTPYME SABADELL 5, ASSET SECURITISATION FUND				
SCENARIO		2% CPR	5% CPR	10% CPR
Series A2	Average life (years)	3,89	3,26	2,63
	IRR	3,57%	3,57%	3,57%
Series A3(G)	Average life (years)	8,66	6,91	5,41
	IRR	3,52%	3,52%	3,52%
Series B	Average life (years)	5,93	4,86	3,82
	IRR	3,80%	3,80%	3,80%
Series C	Average life (years)	5,93	4,86	3,82
	IRR	4,02%	4,02%	4,02%
Anticipated Liquidation Date of the Fund		19/07/2015	19/10/2013	19/04/2012
Maturity (years)		8,74	6,99	5,50

These rates have been considered according to the experience of the Assignor in these types of Loans

The average life of the Bonds has been calculated by the following formula:

$$A = \frac{\sum_{n=1}^n (B_n * m_n)}{C} * \frac{1}{12}$$

where:

A= Average life expressed in years.

Bn= Principal to be amortised on each Payment Date.

mn= Months included between the Disbursement Date of the Issue and each Payment Date.

n = 1,.....,n. Number of quarters (Payment Dates) in which the amounts, Bn, shall be paid.

C = Total amount of the issue in euros.

The formula used for calculating the IRR is the following:

$$N = \sum_{n=1}^T a_n * (1 + I)^{-\left(\frac{d_n}{365}\right)}$$

where:

N = 100,000 euro face value of the Bond.

I = IRR expressed in an annual rate, as an integer value.

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

a_n= a₁,.....,a_n. The total amounts of amortisation and interest that investors will receive quarterly.

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

Duration of the Bonds: The concept of *duration* applied to a fixed-income bond, according to the definition by Macaulay commonly used, is a measure of the sensitivity of the value of the asset in relation to the change of the IRR of the market. In summary, the *duration* is a measure of the risk of a change in the bond's value as a result of the change in the return of its market references. Therefore, this measure of risk has a different interpretation depending on whether the bonds are variable interest rate bonds or fixed-income bonds.

Duration of the bonds (Macaulay's formula adapted):

$$D = \frac{\sum_{n=1}^n (P_n * VA_n)}{PE} * \frac{I}{(1 + I)}$$

where:

D = Duration of each Bond Series, expressed in years.

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

VA_n= Current value of each of the total amounts that, under the concept of principal and interest, investors would receive quarterly, discounted annually at the effective interest rate (IRR).

PE = Issue price of the Bonds, 100,000 euros.

I = Effective annual interest rate (IRR), expressed as an integer value.

n = 1,.....,n. Number of quarters (Payment Dates) in which the amounts, VAN, will be paid.

The Fund Manager expressly states that the financial servicing tables of each one of the series described hereunder are merely theoretical and for illustrative purposes and do not represent any payment obligation whatsoever, remembering that:

- The CPRs are assumed constant at 2.00%, 5.00% and 10.00%, respectively, throughout the life of the Bond Issue and the actual amortisation.
- The Net Outstanding Balance of Principal of the Bonds on each Payment Date, and therefore the interests to be paid on each of them, shall depend on the real early amortisation, the delinquency and the degree of defaults experienced by the Loans.
- The nominal rates of interest of the Bonds are assumed constant for each Series during the life of the Fund, viz., 3.58% for Series A1, 3.64% for Series A2, 3.53% for Series A3(G), 3.83% for Series B and 4.05% for Series C.
- The hypothetical values mentioned at the beginning of this section are assumed in all cases.
- It is assumed that the Fund Manager shall exercise the option of Early Settlement of the Fund and use this for the Early Amortisation of the Bond Issue, when the Outstanding Balance of the Non-defaulted Loans is less than (10%) of the Initial Outstanding Balance when the fund was constituted.
- In this stated scenario, the Pro Rata Amortisation of Class A does not become operable, and the Conditions for Pro Rata Amortisation of Series B and C do.

FLOWS FOR EACH BOND WITHOUT RETENTION FOR THE SUBSCRIBER, IRR = 2% (in euros)															
Payment Date	Series A1			Series A2			Series A3(G)			Series B			Series C		
	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Flow
28/11/2006															
19/01/2007	0,00	507,27	507,27	0,00	515,79	515,79	0,00	500,18	500,18	0,00	542,74	542,74	0,00	573,95	573,95
19/04/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/07/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/10/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/01/2008	100.000,00	894,00	100.894,00	86,66	909,00	995,66	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/04/2008	0,00	0,00	0,00	7.256,29	908,21	8.164,50	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/07/2008	0,00	0,00	0,00	5.983,94	842,25	6.826,19	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/10/2008	0,00	0,00	0,00	6.662,97	787,86	7.450,83	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/01/2009	0,00	0,00	0,00	6.405,47	727,29	7.132,76	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/04/2009	0,00	0,00	0,00	6.510,92	669,07	7.179,98	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/07/2009	0,00	0,00	0,00	5.688,70	609,88	6.298,58	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/10/2009	0,00	0,00	0,00	4.776,91	558,17	5.335,08	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/01/2010	0,00	0,00	0,00	4.494,06	514,75	5.008,81	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50
19/04/2010	0,00	0,00	0,00	4.165,18	473,90	4.639,08	0,00	881,50	881,50	6.768,26	956,50	7.724,76	6.768,26	1.011,50	7.779,76
19/07/2010	0,00	0,00	0,00	3.747,32	436,04	4.183,36	0,00	881,50	881,50	6.089,25	891,76	6.981,01	6.089,25	943,04	7.032,29
19/10/2010	0,00	0,00	0,00	3.592,00	401,97	3.993,98	0,00	881,50	881,50	5.836,86	833,52	6.670,38	5.836,86	881,45	6.718,31
19/01/2011	0,00	0,00	0,00	3.305,03	369,32	3.674,36	0,00	881,50	881,50	5.370,55	777,69	6.148,24	5.370,55	822,41	6.192,95
19/04/2011	0,00	0,00	0,00	3.468,48	339,28	3.807,76	0,00	881,50	881,50	5.636,15	726,32	6.362,47	5.636,15	768,08	6.404,23
19/07/2011	0,00	0,00	0,00	3.802,89	307,75	4.110,65	0,00	881,50	881,50	6.179,55	672,41	6.851,96	6.179,55	711,07	6.890,63
19/10/2011	0,00	0,00	0,00	2.551,54	273,18	2.824,73	0,00	881,50	881,50	4.146,16	613,30	4.759,46	4.146,16	648,57	4.794,72
19/01/2012	0,00	0,00	0,00	2.505,69	249,99	2.755,68	0,00	881,50	881,50	4.071,64	573,64	4.645,29	4.071,64	606,63	4.678,27
19/04/2012	0,00	0,00	0,00	2.385,64	227,21	2.612,86	0,00	881,50	881,50	3.876,58	534,70	4.411,27	3.876,58	565,44	4.442,02
19/07/2012	0,00	0,00	0,00	2.178,22	205,53	2.383,75	0,00	881,50	881,50	3.539,52	497,62	4.037,14	3.539,52	526,23	4.065,76
19/10/2012	0,00	0,00	0,00	2.303,40	185,73	2.489,13	0,00	881,50	881,50	3.742,93	463,76	4.206,70	3.742,93	490,43	4.233,36
19/01/2013	0,00	0,00	0,00	2.299,40	164,79	2.464,19	0,00	881,50	881,50	3.736,44	427,96	4.164,40	3.736,44	452,57	4.189,01
19/04/2013	0,00	0,00	0,00	2.183,36	143,89	2.327,24	0,00	881,50	881,50	3.547,87	392,22	3.940,09	3.547,87	414,78	3.962,64
19/07/2013	0,00	0,00	0,00	1.868,88	124,04	1.992,92	0,00	881,50	881,50	3.036,86	358,29	3.395,14	3.036,86	378,89	3.415,75
19/10/2013	0,00	0,00	0,00	1.841,50	107,05	1.948,56	0,00	881,50	881,50	2.992,37	329,24	3.321,61	2.992,37	348,17	3.340,54

FLOWS FOR EACH BOND WITHOUT RETENTION FOR THE SUBSCRIBER, IRR = 2% (in euros)																
Payment Date	Series A1			Series A2			Series A3(G)			Series B			Series C			
	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Total	Amort. Princ.	Gross Inter.	Total Flow	
19/01/2014	0,00	0,00	0,00	1.761,97	90,31	1.852,29	0,00	881,50	881,50	2.863,14	300,62	3.163,76	2.863,14	317,90	3.181,04	
19/04/2014	0,00	0,00	0,00	1.716,67	74,30	1.790,96	0,00	881,50	881,50	2.789,51	273,23	3.062,75	2.789,51	288,94	3.078,46	
19/07/2014	0,00	0,00	0,00	1.436,52	58,69	1.495,21	0,00	881,50	881,50	2.334,28	246,55	2.580,83	2.334,28	260,73	2.595,01	
19/10/2014	0,00	0,00	0,00	1.513,73	45,64	1.559,36	0,00	881,50	881,50	2.459,74	224,22	2.683,97	2.459,74	237,12	2.696,86	
19/01/2015	0,00	0,00	0,00	1.481,75	31,88	1.513,63	0,00	881,50	881,50	2.407,79	200,70	2.608,48	2.407,79	212,24	2.620,02	
19/04/2015	0,00	0,00	0,00	1.334,73	18,41	1.353,14	0,00	881,50	881,50	2.168,88	177,67	2.346,55	2.168,88	187,88	2.356,77	
19/07/2015	0,00	0,00	0,00	690,16	6,27	696,43	100.000,00	881,50	100.881,50	16.405,66	156,92	16.562,58	16.405,66	165,94	16.571,61	
Total	100.000	4.083	104.083	100.000	14.104	114.104	100.000	30.471	130.471	100.000	22.650	122.650	100.000	23.952	123.952	

FLOWS FOR EACH BOND WITHOUT RETENTION FOR THE SUBSCRIBER, IRR = 5% (in euros)																
Payment Date	Series A1			Series A2			Series A3(G)			Series B			Series C			
	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	
28/11/2006																
19/01/2007	0,00	507,27	507,27	0,00	515,79	515,79	0,00	500,18	500,18	0,00	542,74	542,74	0,00	573,95	573,95	
19/04/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/07/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/10/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/01/2008	100.000,00	894,00	100.894,00	5.070,49	909,00	5.979,49	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/04/2008	0,00	0,00	0,00	8.093,47	862,91	8.956,38	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/07/2008	0,00	0,00	0,00	6.754,56	789,34	7.543,89	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/10/2008	0,00	0,00	0,00	7.377,68	727,94	8.105,62	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/01/2009	0,00	0,00	0,00	7.059,73	660,88	7.720,61	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/04/2009	0,00	0,00	0,00	7.107,50	596,70	7.704,21	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/07/2009	0,00	0,00	0,00	6.227,53	532,10	6.759,62	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/10/2009	0,00	0,00	0,00	4.687,79	475,49	5.163,28	0,00	881,50	881,50	7.595,88	956,50	8.552,38	7.595,88	1.011,50	8.607,38	
19/01/2010	0,00	0,00	0,00	4.397,65	432,88	4.830,53	0,00	881,50	881,50	7.125,75	883,85	8.009,60	7.125,75	934,67	8.060,42	
19/04/2010	0,00	0,00	0,00	4.526,93	392,90	4.919,83	0,00	881,50	881,50	7.335,22	815,69	8.150,91	7.335,22	862,59	8.197,81	
19/07/2010	0,00	0,00	0,00	4.072,25	351,75	4.424,00	0,00	881,50	881,50	6.598,48	745,53	7.344,00	6.598,48	788,39	7.386,87	
19/10/2010	0,00	0,00	0,00	3.883,88	314,74	4.198,61	0,00	881,50	881,50	6.293,26	682,41	6.975,67	6.293,26	721,65	7.014,91	

FLOWS FOR EACH BOND WITHOUT RETENTION FOR THE SUBSCRIBER, IRR = 5% (in euros)																
Payment Date	Series A1			Series A2			Series A3(G)			Series B			Series C			
	Amort.	Gross	Total	Amort.	Gross	Total	Amort.	Gross	Total	Amort.	Gross	Total	Amort.	Gross	Total	
	Princ.	Inter.	Flow	Princ.	Inter.	Flow	Princ.	Inter.	Flow	Princ.	Inter.	Flow	Princ.	Inter.	Flow	
19/01/2011	0,00	0,00	0,00	3.565,43	279,43	3.844,86	0,00	881,50	881,50	5.777,26	622,22	6.399,48	5.777,26	658,00	6.435,26	
19/04/2011	0,00	0,00	0,00	3.700,16	247,02	3.947,18	0,00	881,50	881,50	5.995,57	566,96	6.562,53	5.995,57	599,56	6.595,13	
19/07/2011	0,00	0,00	0,00	4.005,01	213,39	4.218,40	0,00	881,50	881,50	6.489,53	509,61	6.999,14	6.489,53	538,91	7.028,45	
19/10/2011	0,00	0,00	0,00	2.721,40	176,98	2.898,39	0,00	881,50	881,50	4.409,64	447,54	4.857,18	4.409,64	473,27	4.882,91	
19/01/2012	0,00	0,00	0,00	2.653,72	152,24	2.805,96	0,00	881,50	881,50	4.299,96	405,36	4.705,32	4.299,96	428,67	4.728,63	
19/04/2012	0,00	0,00	0,00	2.512,45	128,12	2.640,57	0,00	881,50	881,50	4.071,06	364,23	4.435,29	4.071,06	385,17	4.456,23	
19/07/2012	0,00	0,00	0,00	2.284,98	105,28	2.390,26	0,00	881,50	881,50	3.702,47	325,29	4.027,76	3.702,47	343,99	4.046,46	
19/10/2012	0,00	0,00	0,00	2.392,06	84,51	2.476,57	0,00	881,50	881,50	3.875,98	289,88	4.165,85	3.875,98	306,54	4.182,52	
19/01/2013	0,00	0,00	0,00	2.369,19	62,77	2.431,96	0,00	881,50	881,50	3.838,92	252,80	4.091,73	3.838,92	267,34	4.106,26	
19/04/2013	0,00	0,00	0,00	2.234,51	41,23	2.275,74	0,00	881,50	881,50	3.620,69	216,08	3.836,77	3.620,69	228,51	3.849,20	
19/07/2013	0,00	0,00	0,00	1.902,46	20,92	1.923,39	0,00	881,50	881,50	3.082,66	181,45	3.264,12	3.082,66	191,88	3.274,55	
19/10/2013	0,00	0,00	0,00	399,18	3,63	402,81	100.000,00	881,50	100.881,50	15.887,67	151,97	16.039,64	15.887,67	160,70	16.048,37	
Total	100.000	4.083	104.083	100.000	11.805	111.805	100.000	24.301	124.301	100.000	18.525	118.525	100.000	19.590	119.590	

FLOWS FOR EACH BOND WITHOUT RETENTION FOR THE SUBSCRIBER, IRR = 10% (in euros)																
Payment Date	Series A1			Series A2			Series A3(G)			Series B			Series C			
	Amort.	Gross	Total	Amort.	Gross	Total	Amort.	Gross	Total	Amort.	Gross	Total	Amort.	Gross	Total	
	Princ.	Inter.	Flow	Princ.	Inter.	Flow	Princ.	Inter.	Flow	Princ.	Inter.	Flow	Princ.	Inter.	Flow	
28/11/2006																
19/01/2007	0,00	507,27	507,27	0,00	515,79	515,79	0,00	500,18	500,18	0,00	542,74	542,74	0,00	573,95	573,95	
19/04/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/07/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/10/2007	0,00	894,00	894,00	0,00	909,00	909,00	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/01/2008	100.000,00	894,00	100.894,00	13.277,72	909,00	14.186,72	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/04/2008	0,00	0,00	0,00	9.363,79	788,31	10.152,10	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/07/2008	0,00	0,00	0,00	7.884,57	703,19	8.587,76	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/10/2008	0,00	0,00	0,00	8.388,79	631,52	9.020,31	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	
19/01/2009	0,00	0,00	0,00	7.946,77	555,26	8.502,04	0,00	881,50	881,50	0,00	956,50	956,50	0,00	1.011,50	1.011,50	

FLOWS FOR EACH BOND WITHOUT RETENTION FOR THE SUBSCRIBER, IRR = 10% (in euros)															
Payment Date	Series A1			Series A2			Series A3(G)			Series B			Series C		
	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow	Amort. Princ.	Gross Inter.	Total Flow
19/04/2009	0,00	0,00	0,00	7.024,38	483,03	7.507,41	0,00	881,50	881,50	11.231,06	956,50	12.187,56	11.231,06	1.011,50	12.242,56
19/07/2009	0,00	0,00	0,00	6.137,89	419,18	6.557,06	0,00	881,50	881,50	9.813,67	849,07	10.662,75	9.813,67	897,90	10.711,57
19/10/2009	0,00	0,00	0,00	5.190,88	363,38	5.554,26	0,00	881,50	881,50	8.299,53	755,21	9.054,74	8.299,53	798,63	9.098,16
19/01/2010	0,00	0,00	0,00	4.825,19	316,20	5.141,39	0,00	881,50	881,50	7.714,84	675,82	8.390,67	7.714,84	714,68	8.429,53
19/04/2010	0,00	0,00	0,00	4.885,33	272,34	5.157,67	0,00	881,50	881,50	7.811,00	602,03	8.413,03	7.811,00	636,65	8.447,65
19/07/2010	0,00	0,00	0,00	4.360,75	227,93	4.588,68	0,00	881,50	881,50	6.972,27	527,32	7.499,58	6.972,27	557,64	7.529,91
19/10/2010	0,00	0,00	0,00	4.110,71	188,29	4.299,00	0,00	881,50	881,50	6.572,48	460,63	7.033,11	6.572,48	487,11	7.059,60
19/01/2011	0,00	0,00	0,00	3.734,49	150,92	3.885,42	0,00	881,50	881,50	5.970,97	397,76	6.368,73	5.970,97	420,63	6.391,60
19/04/2011	0,00	0,00	0,00	3.817,83	116,98	3.934,81	0,00	881,50	881,50	6.104,21	340,65	6.444,86	6.104,21	360,24	6.464,45
19/07/2011	0,00	0,00	0,00	4.071,09	82,27	4.153,36	0,00	881,50	881,50	6.509,14	282,26	6.791,40	6.509,14	298,49	6.807,63
19/10/2011	0,00	0,00	0,00	2.730,89	45,27	2.776,15	0,00	881,50	881,50	4.366,33	220,00	4.586,33	4.366,33	232,65	4.598,98
19/01/2012	0,00	0,00	0,00	2.248,93	20,44	2.269,37	0,00	881,50	881,50	4.199,96	178,24	4.378,20	4.199,96	188,49	4.388,45
19/04/2012	0,00	0,00	0,00	0,00	0,00	0,00	100.000,00	881,50	100.881,50	14.434,55	138,07	14.572,62	14.434,55	146,01	14.580,56
Total	100.000	4.083	104.083	100.000	9.516	109.516	100.000	19.012	119.012	100.000	14.578	114.578	100.000	15.417	115.417

4.11 REPRESENTATION OF THE SECURITIES HOLDERS

For the securities included in this bond Issue, a syndicate of bondholders will not be formed.

Under the terms provided for in Article 12 of Royal Decree 926/1998, it corresponds to the Fund Manager, in its capacity as a manager of the businesses of third parties, to represent and defend the interests of the holders of the Bonds issued against the Fund and of all other ordinary creditors of the Fund. Consequently, the Fund Manager shall subordinate its actions to the defence of those interests in accordance with the provisions that may be in force at any given time.

4.12 RESOLUTIONS, AUTHORISATIONS AND APPROVALS FOR ISSUING THE SECURITIES

a) Company Resolutions

Resolution for formation of the Fund, assignment of the Loans and Bond issue:

The board of directors of the fund manager, at its meeting held on 19 September 2006, resolved the following:

- i) The formation of GC FTPYME SABADELL 5, FTA in accordance with the legal regime established by Royal Decree 926/1998; by Law 19/1992 wherever Royal Decree 926/1998 may be silent and to the extent that it may be applicable; and in all other current legal provisions and regulations in force that may be applicable at any time.
- ii) The pooling into the Fund of the Loans assigned by Banco de Sabadell, S.A., which are derived from the Mortgage Loans and Non-mortgage Loans granted by Banco de Sabadell, S.A. to small and medium, non-financial enterprises residing in Spain.
- iii) The issue of the bonds against the fund.

Loan Assignment resolution:

The Board of Directors of Banco de Sabadell, S.A., in its meeting held on 05 October 2006, resolved to authorise the assignment of the Mortgage Loans by means of the

issue of mortgage transfer certificates and the assignment of Non-mortgage Loans for their pooling into the Fund via direct assignment in the Deed of Formation.

b) Registration by the CNMV

The prerequisite for the formation of the fund and the bond issue is the recording in the official registers of the CNMV of this prospectus and all other accrediting documents, in accordance with the provisions in article 5.1.e) of Royal Decree 926/1998.

This Prospectus of formation of the Fund and Issue of the Bonds was filed with the official registers of the CNMV on 21 November 2006.

c) Granting of the public deed of formation of the Fund

Once this Prospectus has been registered by the CNMV, the Fund Manager, together with Banco de Sabadell, S.A., as the Assignor of the Loans, shall proceed on 23 November 2006 to execute the public deed of formation of GC FTPYME SABADELL 5 ASSET SECURITISATION FUND by virtue of the Resolution of the Fund Manager dated 19 September 2006 and the Resolution of the Board of Directors of Banco Sabadell, S.A., dated 5 October 2006, under the terms provided for in Article 6 of Royal Decree 926/1998.

The Fund Manager hereby states that the content of the Deed of Formation shall coincide with the Deed of Formation proposal that it delivered to the CNMV, and in no case do the terms of the Deed of Formation contradict, modify, alter or invalidate the provisions contained in this Prospectus.

The Fund Manager shall send a copy of the Deed of Formation to the CNMV for incorporation into its official records.

4.13 ISSUE DATE OF THE SECURITIES

The effective date of Issue of the Bonds shall be 28 November 2006.

4.13.1. Collective of potential qualified investors

The placement, distribution and marketing of the issue is targeted at qualified investors, in accordance with the definition of this term set forth in Royal Decree 1310/2005.

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

Effects of the subscription for the holders of the Bonds: The subscription of the Bonds implies acceptance of the terms of the deed of formation for each Bondholder.

4.13.2. Subscription period

The Subscription Period shall begin at 10:00 AM on 27 November 2006, the Business Day prior to the Disbursement Date, and shall end at 1:00 PM on that same day.

4.13.3. Where and before whom the subscription can be transacted

Subscription requests shall be made during the Subscription Period before the entities stated in section 5.2 of the Registration Document and in accordance with the following procedure: the subscription to or the holding of one Series does not mean the subscription to or holding of another Series.

4.13.4 Brokerage and allocation of the bonds

The Underwriting Entities shall freely proceed with the acceptance or not of the subscription requests received, ensuring in all cases that there is no discriminatory treatment among requests with similar characteristics. Nevertheless, the Underwriting Entities may give priority to the requests of those clients that it may deem most appropriate or beneficial.

Each Underwriting 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 commitment as determined in the Management and Underwriting and Brokerage Contract of the Bond Issue.

4.13.5 Form and Date of disbursement

On the Disbursement Date, each Underwriting Entity shall pay its respective underwritten amount into the account opened on behalf of the Fund at the Payment Agent, effective that same day before 10:15 AM.

The investors to whom the Bonds had been allocated shall pay the Underwriting Entities, before 10:00 AM, Madrid time, on the Disbursement date, effective on that same day, the corresponding issue price for each awarded Bond.

The Disbursement Date shall be 28 November 2006.

4.14 RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE SECURITIES

The Bonds may be freely transferred through any manner lawfully permitted and in accordance with the norms of the AIAF Market. Title over each Bond will be transmitted by accounting transfer. The recording in the accounting registry of the transfer in favour of the acquiring party shall have the same effects as the transfer of title, and as from that moment the transfer may be effective 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.

5. RESOLUTIONS ON THE ADMISSION TO TRADING AND NEGOTIATION

5.1 MARKET IN WHICH THE SECURITIES WILL BE TRADED

In compliance with article 2, indent 3 of Royal Decree 926/1998, the Fund Manager shall, immediately on the Disbursement Date, request the admission of the issue to trading on the AIAF Fixed Income Market, an organised secondary official securities market created by the Asociación de Intermediarios de Activos Financieros [*Association of Financial Assets Brokers*]. The Fund Manager undertakes to have concluded the recording of the issue on the AIAF Market within the term of thirty days as from the Disbursement Date once the corresponding authorisations are obtained.

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

In the event of a breach within the aforementioned admission to trading period of the Bonds, the Fund Manager hereby undertakes to publish the opportune Relevant Fact at the CNMV and in the Official Gazette of the AIAF Market or through any other

means that are generally accepted by the market and which guarantee adequate dissemination of the information in time and content. Said information shall contain both the causes for said breach as well as the anticipated new date for the entry to trading of the issued securities. This is without prejudice to the liability of the Fund Manager if the breach is attributable to the same.

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

Once the issue has been admitted for trading, the bonds can be purchased by both qualified investors as well as private investors.

There are no plans to contract an entity that would undertake to facilitate the liquidity of the Bonds during the life of the Issue.

5.2 PAYMENT AGENT AND DEPOSITARY ENTITIES.

Name and address of any payment agent and of the deposit agents in each country

The financial servicing of the Bond issue shall be carried out through Banco de Sabadell, S.A., the entity which shall be designated as the Payment Agent. All payments to be made by the Fund to the Bondholders shall be made through the Payment Agent.

The Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A. shall enter into the Payment Agency Contract on the day when the Deed of Formation is executed.

The obligations assumed by the Payment Agent under this Contract are summarised below:

- (i) Before 11:00 a.m. (CET) on the Disbursement Date, it shall pay into the Fund, by means of a deposit into the Treasury Account, the total amount of the subscriptions of the Bond Issue which, under the Management, Underwriting and Brokerage Contract, are paid to it by the Underwriting and Brokerage Entities.

- (ii) On the Disbursement Date it shall pay to each one of the Underwriting and Brokerage Entities their underwriting and brokerage commissions after they have paid the principal amount of the Bonds placed or subscribed, if applicable, by each one of them, up to the limit of their respective underwriting and brokerage commitments.

- (iii) On each of the Payment Dates of the Bonds, it shall pay the interest and redemption of the principal of the Bonds, after deducting the total amount of the tax withholding on account for the income from capital gains that, if applicable, may have to be made in accordance with the applicable tax legislation.

In consideration for the services to be provided by the Payment Agent, the Fund will pay to the same on each Payment Date during the life of the contract a fee equal to 0.01%, including taxes, if applicable, on the gross amount of the interest paid to the Bondholders on each Payment Date, to be paid on the same Payment Date, provided that the Fund has sufficient liquidity according to the Payment Priority Order established in section 3.4.6 of the Supplemental Addendum.

Should the Fund not have sufficient liquidity to pay the entire mentioned fee, the unpaid amounts will be accumulated, without penalty, together with the fee corresponding to the following Payment Date, unless such lack of liquidity situation remains, in which case the amounts due will continue to accumulate until the Payment Date on which such situation has ceased.

The payment agency contract will be terminated for all legal purposes in the event that the rating agencies do not confirm before the start of the subscription period, as final, the ratings assigned on a provisional basis to each of the series or in the event of the termination of the management, underwriting and brokerage contract of the bond issue.

Substitution of the Payment Agent

The Fund Manager is authorised to replace the Payment Agent (in each and every one of its functions), as long as it may be permitted by legislation in force and authorisation is obtained from the competent authorities, if necessary. The substitution shall be communicated to the CNMV, to the Ratings Agencies and to the Assignor.

In the event that the rating of the Payment Agent given by the Ratings Agencies for its short-term risk were reduced to a rating below P1, in the case of Moody's, or

below F1, in the case of Fitch, the Fund Manager shall, on behalf of the Fund and within 30 days following such a reduction and subject to prior communication to the Ratings Agencies, put into practice any of the necessary options among those described below that allow maintaining an adequate level of guaranty with respect to the commitments derived from the functions contained in the Payment Agency Contract and so that the rating given to the Bonds by the Ratings Agencies is not jeopardised.

- (i) Obtain similar guaranties or commitments from a credit entity or entities with a rating for its short-term debt of not less than P1 granted by Moody's or not less than F1 granted by Fitch, or another one explicitly recognised by the Ratings Agencies, which guarantee the commitments assumed by the Payment Agent.
- (ii) Replace the Payment Agent by an entity with a rating for its short-term debt of not less than P1 given by Moody's and F1 given by Fitch, or another one explicitly recognised by the Ratings Agencies, so that it may assume, under the same conditions, the functions of the affected entity established in its respective contract.

If Banco de Sabadell, S.A. were replaced as the Payment Agent, the Fund Manager shall be entitled to modify the commission paid to the replacement agent, which could be higher than that paid to Banco de Sabadell, S.A. under this contract.

Likewise, the Payment Agent may consider the Payment Agency Contract to be terminated, subject to prior notification to the Fund Manager a minimum of two months in advance, in accordance with the terms set forth in the Payment Agency Contract, and as long as (i) another entity with financial characteristics similar to Banco Sabadell and with a short-term credit rating at least equal to P1, in the case of Moody's, and F1, in the case of Fitch, or another one explicitly recognised by the Ratings Agencies, accepted by the Fund Manager, replaces Banco de Sabadell, S.A. in the functions assumed by the Financial Agency contract, (ii) the CNMV and the Ratings Agencies are notified, and (iii) the rating given to the Bonds by the Ratings Agencies is not jeopardised. Moreover, termination may not occur, unless authorised by the Fund Manager, until day 20 of the month following the month of the Payment Date following the notification of termination. In the event of substitution caused by the relinquishment of the replaced entity, all costs derived from the substitution process shall be paid for by the latter. The administrative and management costs derived from the process of replacing the Payment Agent as a result of the loss of a rating shall be payable by the replaced Payment Agent.

Publication of the amounts to be paid and establishments through which the financial service of the issue will be handled

The payment of interest and amortisations shall be announced using the channels generally accepted by the market (AIAF, IBERCLEAR) that guarantee adequate publication of the information in time and content.

Notification dates of the payments to be made by the fund on each payment date:

These shall be 18 January, April, July and October of each year. If these dates are not business days, then the next business day shall apply.

The periodic information to be provided by the Fund is described in section 4.1 of the Supplemental Addendum.

6. EXPENSES OF THE OFFER AND OF THE ADMISSION TO TRADING

The forecasted initial expenses are the following:

Initial Expenses	Euros
CNMV fees	48.033
AIAF Market Fees	52.200
IBERCLEAR Fees	2.900
Rating agencies, legal advice, printing, notaries, auditing and initial commission of the Fund Manager:	396.937
Subtotal	500.070
Underwriting Commission	227.430
TOTAL	727.500

Costs incurred due to liquidation of the Fund shall be payable by the Fund.

7. ADDITIONAL INFORMATION

7.1 DECLARATION OF THE CAPACITY WHEREBY THE ADVISORS RELATED TO THE ISSUE HAVE ACTED, WHO ARE MENTIONED IN THE PROSPECTUS SCHEDULE.

Cuatrecasas has provided the legal consultancy for the formation of the Fund and the Bond Issue and has revised the statements pertaining to the tax handling of the Fund, which are contained in section 4.5.1 of the Registration Document.

7.2 OTHER INFORMATION OF THE PROSPECTUS SCHEDULE THAT HAS BEEN AUDITED OR REVIEWED BY AUDITORS

Not applicable.

7.3 DECLARATION OR REPORT ATTRIBUTED TO A PERSON IN THE CAPACITY OF AN EXPERT.

Ernst & Young was the auditor of a series of attributes of the Loans selected under the terms of section 2.2 of the Supplemental Addendum.

7.4 INFORMATION COMING FROM THIRD PARTIES.

Declaration of the Assignor.

The Fund Manager, within its verification duties established in this Prospectus, has received confirmation from Banco de Sabadell, S.A. with respect to the authenticity of the Assignor's characteristics, as well as that of the Loans described in section 2.2.8 of the Supplemental Addendum, as well as the rest of the Assignor's information included in this Prospectus, which shall be ratified by the Assignor on the formation date of the fund in the Deed of Formation

The Fund Manager has accurately reproduced the information received from Banco de Sabadell, S.A. and, to the best of their knowledge, may confirm from said information received from Banco de Sabadell, S.A. that no fact which may render this information incorrect or misleading, has been omitted and this Prospectus does not omit significant facts or data which may be significant for the investor.

7.5 CREDIT RATING ASSIGNED TO THE SECURITIES BY THE RATING AGENCIES

Degrees of solvency assigned to an issuer or to his obligations upon request or with the co-operation of the issuer in the ratings process

The fund manager, acting as the founder and legal representative of the fund, and the assignor, acting as the assignor of the loans, have resolved to request ratings from the Ratings Agencies for each one of the classes of bonds, pursuant to the provisions in article 5 of Royal Decree 926/1998.

On the registration date of this Prospectus Schedule, the following preliminary ratings are determined for the Bonds, both ratings assigned on 17 November 2006:

Series	Moody's	Fitch
Series A1	Aaa	AAA
Series A2	Aaa	AAA
Series A3(G)	Aaa	AAA
Series B	A2	A+
Series C	Baa3	BBB

Series A3(G) shall have a State Warrantee.

The ratings of Aaa and AAA of the Series A3(G) are sourced prior to the State Warrantee.

The task entrusted to the Rating Agencies consists of appraising the bonds.

A rating, by definition, is the opinion of the Rating Agencies about the level of credit risk (arrears in payment and defaults) associated with the Bonds. In the event that any of the aforementioned provisional ratings given by the Ratings Agencies may not be confirmed before the start of the Subscription period of the Bonds, the formation of the Fund and the Bond Issue shall be considered terminated.

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

- (i) are formulated by the Rating Agencies based on wide-ranging information received by them. They do not guarantee the accuracy of this information or that it is complete, wherefore they cannot be held liable for the same under any circumstance;
- (ii) and they do not constitute and in no way could they be interpreted as an invitation, recommendation or incentive directed at investors so that they proceed to carry out any operation with the Bonds and, in particular, to acquire, keep, encumber or sell these Bonds.

The ratings made by Moody's measure the expected loss before 31 March 2039. In the opinion of Moody's, the structure allows the timely payment of the interest and payment of the principal throughout the life of the operation, and in any event before the Legal Maturity Date of the Fund.

The ratings made by Fitch about the risk constitute opinions about the capacity of the Fund to comply with the timely payment of interest on each planned payment date and the redemption of the principal throughout the life of the operation and on any other date before 31 March 2039.

The ratings assigned by Fitch measure the fund's capacity with regard to the prompt payment of interest and payment of the principal during the life of the operation and, in any case, on or before the legal maturity date, in accordance with the conditions stipulated in this prospectus and in the deed of formation that permit the deferment of interest payment of the B and C series of the bonds under specific circumstances. This implies that the interest on these Bonds may not be received for a period if the conditions established for the deferment occur, without this circumstance causing breach of payment of the Bonds.

The ratings by Moody's and Fitch take into account the structure of the Bond Issue, its legal aspects and the aspects of the Fund that issues them, the characteristics of the assets and the regularity and continuity of the flows of the operation.

The ratings can be revised, suspended or withdrawn at any time by the Rating Agencies according to any information of which they may become aware. These situations, which do not constitute events of early settlement of the Fund, shall be immediately reported to both the CNMV and to the bondholders.

In order to carry out the rating process and follow-up procedure, the ratings agencies rely on the accuracy and completeness of the information provided by the Fund Manager, the auditors, the legal advisers and other experts.

The Fund Manager, in representation of the Fund, undertakes to provide the Ratings Agencies with periodic information about the status of the Fund and of the Loans. It shall likewise provide said information whenever reasonably requested to do so and in any case, whenever there may be a modification to the conditions of the fund or to the contracts approved through the Fund Manager or to the interested parties.

The Fund Manager shall make the utmost effort to maintain the ratings of the Bonds at its initial level and, in the event that the said rating dropped, to recover it.

Moody's

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

Long term	Short term
Aaa	Prime-1
Aa	Prime-2
A	Prime-3
Baa	Not Prime
Ba	
B	
Caa	
Ca	
C	

Moody's applies the numerical modifiers 1, 2 and 3 to each long term-rating category between Aa and Caa. Modifier 1 indicates values in the higher range of the rating category, modifier 2 indicates medium range and modifier 3 indicates values in the lower range of each generic category.

Fitch

The rating scales used by Fitch for long-term and short-term debt issues are the following:

Long term	Short term
AAA	F-1+
AA	F-1
A	F-2
BBB	F-3
BB	B
B	B
CCC	C
CC	C
C	C
D	D

Fitch may add "+" or "-" to a rating to indicate a relative position within the rating categories. However, they cannot be added to long-term rating category "AAA", to categories lower than "CCC" or to short-term ratings other than F1.

SUPPLEMENTAL ADDENDUM TO THE PROSPECTUS SCHEDULE

**(Schedule VIII of (EC) Commission Regulation Number 809/2004 of 29 April
2004)**

SUPPLEMENTAL ADDENDUM

Minimum Revelation Requirements for the Supplemental Addendum of Asset-Guaranteed Securities

1. SECURITIES

1.1 MINIMUM DENOMINATION OF THE ISSUE

“GC FTPYME SABADELL 5, FONDO DE TITULIZACIÓN DE ACTIVOS”, represented by GESTICAIXA, S.G.F.T., S.A. shall be set up with the loans that Caixa Sabadell, S.A. assigns to it, whose maximum total principal or capital will be a maximum of one billion two hundred and fifty million (1,250,000,000) euros.

1.2 CONFIRMATION THAT THE INFORMATION ON A COMPANY OR DEBTOR NOT PARTICIPATING IN THE ISSUE HAS BEEN REPRODUCED.

N/A.

2. UNDERLYING ASSETS

2.1 CONFIRMATION OF THE ABILITY OF THE SECURITISED ASSETS TO PRODUCE FUNDS PAYABLE ON THE SECURITIES.

The Fund Manager confirms that the principal and interest generated by the securitised assets will make it possible, pursuant to the contractual characteristics, to satisfy the payments due and payable on the bonds issued.

However, in order to cover possible non-payment by the borrowers or debtors of the securitised assets, a series of credit-enhancing operations has been arranged in accordance with the applicable regulations to augment the security or regularity in the payment of the Bonds and to mitigate or neutralise differences in the interest rates on the assets and the Bonds of each class. Even so, under exceptional circumstances the credit-improving operations could turn out to be insufficient. The credit-enhancing operations are described in part 3.4.2, 3.4.3 and 3.4.4 of this Supplemental Addendum.

Not all of the bonds issued have the same risk of non-payment, as reflected in the credit ratings assigned by Fitch and Moody's to the bonds in each one of the classes detailed in part 7.5. of the prospectus schedule.

Whenever: i) If, in the opinion of the Fund Manager, the existence of circumstances of any nature were to lead to a substantial alteration or permanent distortion or were to make it impossible or extremely difficult to maintain the equity balance of the Fund or, ii) if a non-payment indicative of a serious and permanent imbalance in relation to the Bonds were to occur or if it were expected to occur, the Fund Manager could proceed with the Early Settlement of the Fund and Early Redemption of the Bond Issue in the terms set forth in part 4.4.3 of the Registration Document.

2.2 ASSETS SUPPORTING THE BOND ISSUE

The credit rights pooled in the Fund assets are derived from the loans selected from a portfolio of loans to small and medium Spanish enterprises, arranged by the Assignor in the terms established in the Order of 28 December 2001 on Promotional Agreements on Asset Securitization Funds to foster business financing, modified by Order ECO/1064/2003 of 29 April, at least 90% of which are granted to small and medium enterprises that comply with the Recommendation of the European Commission 2003/361/CE of 6 May 2003 on the definition of small and medium enterprises and whose characteristics are described throughout this Supplemental addendum.

Audit of the Loans Securitised in the Fund

The Loans were audited by the firm Ernst & Young for Banco Sabadell, S.A., with its registered offices in plaza Pablo Ruiz Picasso - Ed Torre Picasso, 2, 28020 MADRID, CIF B78970506, and registered in the Official Registry of Accounts Auditors under number S0530 in compliance with the provisions of article five of Royal Decree 926/1998 of 14 May.

The Audit Report has been produced 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 which allow a conclusion to be reached about said population by analysing a number of entries ("samples") smaller than the total group. The reliability level indicates the probability that the real number of entries with deviations from a rule existing in a population does not exceed a previously determined limit ("precision"). The chosen sample size and level of confidence determine that the non-existence of errors in the sample corresponds with a maximum of inferred errors for the

population, always different than zero. The verification discusses a series of attributes, both quantitative and qualitative, about the operations of the sample, and specifically about the following: nature of the loan and of the assigned debtor, identification of the assigned debtor, SAME accreditation, transfer of the assets, initial amount, formalisation date, maturity date, initial amortisation period, outstanding balance, reference interest rate, differential, interest rate applied, delay in payments, assignor has full title to the loans, situation of bankruptcy, type of guarantee. In addition, the following attributed have been verified for mortgage loans: execution and registration of the mortgage loan, address of mortgaged property, valuation assessment and ratio of outstanding principle to the appraised value.

The Loans selected with errors detected in the verification of the sample will not be assigned to the Fund.

2.2.1 Legislation governing the securitised assets.

The securitised assets are governed by Spanish law.

2.2.2. Description of the general characteristics of the debtors and the economic environment, as well as the overall statistics on the securitised assets.

The loan debtors are business persons and non-financial Catalan companies, at least 90% of which are SMEs pursuant to the definition from the European Commission dated 6 May 2003 (2003/361/EC).

a) Information on the economic activity of the Debtors by economic activity sector, according to the codes of the Spanish National Economic Activities Classification (CNAE).

The following table shows the breakdown of the selected loans according to the CNAE codes of the debtor companies' activities.

Loan portfolio at 23 October 2006

Classification by industry

CNAE	Description	Loans		Outstanding Principal	
		Number	%	(euros)	%
1	Agriculture, livestock and game	71	1,23%	20.137.392,88	1,42%
2	Forestry management and timber farming	3	0,05%	245.439,86	0,02%
5	Fishing and aquaculture	7	0,12%	2.275.467,31	0,16%
10	Extraction of anthracite, coal, lignite and peat	2	0,03%	99.451,73	0,01%
13	Extraction of metallic minerals	2	0,03%	356.869,36	0,03%
14	Mining of non-metallic minerals	21	0,36%	3.671.731,87	0,26%
15	Food and beverage products industry	137	2,37%	37.364.557,88	2,63%
17	Textile industry	69	1,19%	13.961.993,16	0,98%
18	Garment and fur industry	12	0,21%	1.820.945,06	0,13%
19	Preparation and finishing of leather	26	0,45%	2.102.029,28	0,15%
20	Wood and cork industry	76	1,31%	14.888.563,97	1,05%
21	Paper industry	28	0,48%	9.918.558,78	0,70%
22	Publishing, graphic arts and reproduction	98	1,69%	20.434.769,82	1,44%
24	Chemical industry	63	1,09%	32.699.800,35	2,30%
25	Manufacture of rubber products	78	1,35%	14.376.373,80	1,01%
26	Manufacturing of other mineral products	93	1,61%	25.633.263,41	1,80%
27	Iron and steel	34	0,59%	8.149.308,06	0,57%
28	Production of metal products	179	3,09%	29.091.997,84	2,05%
29	Machine-building industry	75	1,30%	10.489.268,99	0,74%
30	Office machinery production	4	0,07%	147.281,12	0,01%
31	Machinery and electrical material production	25	0,43%	6.454.977,67	0,45%
32	Electronic material manufacturing	8	0,14%	1.371.572,34	0,10%
33	Manufacturing medical equipment and instruments	12	0,21%	1.306.125,99	0,09%
34	Manufacturing motor vehicles	19	0,33%	10.578.107,37	0,74%
35	Manufacturing other transport material	11	0,19%	4.579.733,57	0,32%
36	Furniture-making	109	1,88%	18.301.572,10	1,29%
40	Production of electricity, gas and steam	20	0,35%	4.636.475,57	0,33%
41	Water intake, purification and distribution	7	0,12%	6.087.948,31	0,43%
45	Construction	378	6,53%	80.957.980,12	5,70%
50	Vehicle sales, maintenance and repair	147	2,54%	24.661.543,19	1,74%
51	Wholesale trade	583	10,08%	126.806.122,42	8,93%
52	Retail trade	438	7,57%	67.714.984,58	4,77%
55	Hotel and catering	361	6,24%	139.446.208,96	9,82%
60	Land transport	201	3,47%	22.022.738,80	1,55%
61	Ocean transport	5	0,09%	565.630,99	0,04%
62	Air and space transport	4	0,07%	578.354,36	0,04%

Loan portfolio at 23 October 2006					
Classification by industry					
CNAE	Description	Loans		Outstanding Principal	
		Number	%	(euros)	%
63	Activities related to transport	74	1,28%	18.051.160,01	1,27%
64	Postal services and telecommunications	16	0,28%	1.527.682,62	0,11%
66	Insurance and pension plans	11	0,19%	1.219.766,97	0,09%
70	Property activities	937	16,19%	347.872.464,20	24,49%
71	Machinery and equipment rentals	45	0,78%	7.309.332,02	0,51%
72	Computer activities	51	0,88%	4.374.743,59	0,31%
73	Research and development	2	0,03%	545.911,10	0,04%
74	Other business activities	564	9,75%	166.928.647,06	11,75%
80	Education	33	0,57%	3.075.433,72	0,22%
85	Medical and veterinary activities	121	2,09%	18.667.806,34	1,31%
90	Activities in public sanitation	7	0,12%	2.568.683,05	0,18%
91	Associated activities	22	0,38%	2.895.622,62	0,20%
92	Cultural and recreational activities	74	1,28%	25.380.451,91	1,79%
93	Various activities in personal services	423	7,31%	56.136.294,22	3,95%
Portfolio Total		5786	100%	1.420.489.140,30	100,00%

b) Information on the outstanding principal of the selected loans

The following table shows the breakdown of the outstanding balance of the Loans at 23 October 2006 at the following intervals expressed in euros, as well as the average, minimum and maximum values.

Loan portfolio at 23 October 2006					
Classification by Intervals of Outstanding Principal					
Interval		Loans		Outstanding Principal	
		Num.	%	Amount	%
0,00	99.999,99	3.086	53,34%	160.727.078,80	11,31%
100.000,00	199.999,99	1.172	20,26%	167.365.050,79	11,78%
200.000,00	299.999,99	513	8,87%	125.835.985,82	8,86%
300.000,00	399.999,99	301	5,20%	103.644.283,35	7,30%
400.000,00	499.999,99	167	2,89%	74.602.853,85	5,25%
500.000,00	599.999,99	121	2,09%	65.302.011,75	4,60%
600.000,00	699.999,99	79	1,37%	50.296.292,71	3,54%
700.000,00	799.999,99	57	0,99%	42.193.724,08	2,97%
800.000,00	899.999,99	50	0,86%	42.479.988,26	2,99%
900.000,00	999.999,99	29	0,50%	27.517.062,58	1,94%
1.000.000,00	1.099.999,99	22	0,38%	22.952.060,99	1,62%

Loan portfolio at 23 October 2006					
Classification by Intervals of Outstanding Principal					
Interval		Loans		Outstanding Principal	
		Num	%	Amount	%
1.100.000,00	1.199.999,99	14	0,24%	15.980.543,01	1,13%
1.200.000,00	1.299.999,99	14	0,24%	17.071.643,52	1,20%
1.300.000,00	1.399.999,99	18	0,31%	24.286.632,29	1,71%
1.400.000,00	1.499.999,99	14	0,24%	20.175.470,08	1,42%
1.500.000,00	1.599.999,99	9	0,16%	13.714.561,69	0,97%
1.600.000,00	1.699.999,99	6	0,10%	10.019.459,33	0,71%
1.700.000,00	1.799.999,99	6	0,10%	10.522.918,32	0,74%
1.800.000,00	1.899.999,99	7	0,12%	12.895.734,44	0,91%
1.900.000,00	1.999.999,99	5	0,09%	9.691.591,84	0,68%
2.000.000,00	2.499.999,99	25	0,43%	54.261.447,31	3,82%
2.500.000,00	2.999.999,99	13	0,22%	35.106.296,74	2,47%
3.000.000,00	3.499.999,99	14	0,24%	43.462.313,36	3,06%
3.500.000,00	3.999.999,99	8	0,14%	29.872.790,31	2,10%
4.000.000,00	4.499.999,99	5	0,09%	20.239.028,55	1,42%
4.500.000,00	4.999.999,99	5	0,09%	23.794.783,93	1,68%
5.000.000,00	5.499.999,99	4	0,07%	21.217.363,38	1,49%
5.500.000,00	5.999.999,99	2	0,03%	11.438.859,85	0,81%
6.000.000,00	6.499.999,99	4	0,07%	24.341.615,69	1,71%
7.000.000,00	7.499.999,99	3	0,05%	21.488.895,43	1,51%
7.500.000,00	7.999.999,99	2	0,03%	15.721.006,01	1,11%
8.000.000,00	8.499.999,99	3	0,05%	24.437.500,00	1,72%
8.500.000,00	8.999.999,99	2	0,03%	17.888.898,92	1,26%
9.000.000,00	9.499.999,99	4	0,07%	37.251.199,59	2,62%
9.500.000,00	9.999.999,99	0	0,00%	0,00	0,00%
10.000.000,00	10.499.999,99	1	0,02%	10.000.000,00	0,70%
12.500.000,00	12.999.999,99	1	0,02%	12.692.193,73	0,89%
Portfolio Total		5.786	100%	1.420.489.140,30	100,00%
Average principal				245.504,52	
Minimum principal				11.097,20	
Maximum principal				12.692.193,73	

c) Information on the applicable nominal interest rates: maximum, minimum and average rates for the selected loans

The following chart shows the breakdown of the selected loans at intervals of the applicable nominal interest rate expressed as percentage on 23 October 2006, as well as the average, minimum and maximum values.

Loan portfolio at 23 October 2006					
Classification by Intervals of Interval of Interest					
Interval	Loans			Outstanding Principal	
	Number	%	Amount	%	
2	2,49	1	0,02%	64.403,12	0,00%
2,5	2,99	107	1,85%	43.122.192,58	3,04%
3	3,49	848	14,66%	202.557.999,02	14,26%
3,5	3,99	1.632	28,21%	523.611.930,44	36,86%
4	4,49	1.897	32,79%	484.857.055,54	34,13%
4,5	4,99	481	8,31%	104.905.428,92	7,39%
5	5,49	279	4,82%	30.801.483,91	2,17%
5,5	5,99	198	3,42%	13.142.535,92	0,93%
6	6,49	149	2,58%	7.637.897,74	0,54%
6,5	6,99	102	1,76%	5.416.104,66	0,38%
7	7,49	53	0,92%	2.260.649,67	0,16%
7,5	7,99	27	0,47%	1.629.570,78	0,11%
8	8,49	8	0,14%	269.761,00	0,02%
8,5	8,99	3	0,05%	168.700,85	0,01%
9	9,49	1	0,02%	43.426,15	0,00%
Total		5.786	100,00%	1.420.489.140,30	100,00%
		Weighted Mean Average		3,9470%	
		Arithmetic Mean		4,1770%	
		Minimum		2,250%	
		Maximum		9,0000%	

d) Information on the maximum interest rates applicable to the selected loans

For part of the selected loans, a maximum nominal interest rate limits the variability of the applicable interest rate in an upward direction. The minimum nominal interest rates applicable to the loans selected on 23 October 2006 range between 8% and 19%.

The following chart shows the distribution of the loans over the following intervals.

Loan portfolio at 23 October 2006				
Classification by Applicable Maximum Nominal Interest Rate				
	Loans		Outstanding Principal	
	Num.	%	Amount	%
Without maximum I.R.	2.636	45,56%	622.205.138,52	43,80%
8 - 8,50	1	0,02%	38.637,48	0,00%
9,00 - 9,49	24	0,41%	18.523.992,19	1,30%
9,50 - 9,99	62	1,07%	44.132.414,98	3,11%
10,00- 10,99	2	0,03%	7.230.157,09	0,51%
11,00 -11,99	2	0,03%	3.991.518,01	0,28%
12,00 -12,99	3.057	52,83%	723.775.375,22	50,95%
14,00 -14,99	1	0,02%	549.636,66	0,04%
19,00 -19,99	1	0,02%	42.270,15	0,00%
	5.786	100,00%	1.420.489.140,30	100,00%
	Weighted Average		11,79%	
	Simple average		11,93%	
	Minimum		8%	
	Maximum		19%	

e) Information on the minimum interest rates applicable to the selected loans

For part of the selected loans, a minimum nominal interest rate limits the variability of the applicable interest rate in a downward direction. The minimum nominal interest rates applicable to the loans selected on 23 October range between 0.025% and 6.5%.

The following table shows the distribution of the loans at intervals of 0.50% of the minimum interest rate applicable to calculate the nominal interest rate of the loans.

Loan portfolio at 23 October 2006				
Classification by Applicable Minimum Nominal Interest Rate				
	Loans		Outstanding Principal	
	Num.	%	Amount	%
6,5 - 6,99	1	0,02%	56.786,11	0,004%
6,00 - 6,49	0	0,00%	0,00	0,00%
5,5 - 5,99	3	0,05%	360.915,25	0,03%
5,00 - 5,49	2	0,03%	150.253,14	0,01%
4,5 - 4,99	12	0,21%	1.548.704,21	0,11%
4,00 - 4,49	142	2,45%	32.581.214,95	2,29%
3,5 - 3,99	1.527	26,39%	231.600.060,56	16,30%
3,00 - 3,49	1.066	18,42%	338.473.667,99	23,83%
2,5 - 2,99	410	7,09%	173.940.872,40	12,25%
2,00 - 2,49	25	0,43%	12.642.315,11	0,89%
1,5 - 1,99	2	0,03%	212.786,17	0,01%
1,00 - 1,49	0	0,00%	0,00	0,00%
0,025-0,075	1	0,02%	1.446.428,57	0,10%
Without minimum I.R.	2595	44,85%	627.475.135,84	44,17%
	5.786	100,00%	1.420.489.140,30	100,00%
	Weighted Average		3,19%	
	Simple average		3,37%	
	Minimum		0,025%	
	Maximum		6,5%	

f) Information on geographic distribution by Autonomous Community

The following chart shows the distribution of the loans by Autonomous Community, according to the Autonomous Communities where the debtor companies are domiciled.

Loan portfolio at 23 October 2006				
Classification by Self-Governing Region				
Regional Community	Loans		Outstanding Principal	
	Num.	%	Amount	%
ANDALUSIA	322	5,57%	97.854.561,83	6,89%
ARAGON	116	2,00%	36.476.620,50	2,57%
BALEARIC ISLANDS	243	4,20%	93.053.450,19	6,55%
CANARY ISLANDS	181	3,13%	30.715.973,33	2,16%
CANTABRIA	15	0,26%	9.464.806,10	0,67%
CASTILLA Y LEON	156	2,70%	28.673.247,25	2,02%

Loans Portfolio at 23 October 2006				
Classification by Self-Governing Region				
Regional Community	Loans		Outstanding Principal	
	Num	%	Amount	%
CASTILLA-MANCHA	40	0,69%	8.390.083,30	0,59%
CATALONIA	2.832	48,95%	678.541.368,65	47,77%
REGION OF MADRID	522	9,02%	146.189.810,89	10,29%
REGION OF NAVARRE	40	0,69%	7.100.208,21	0,50%
REGION OF VALENCIA	615	10,63%	139.934.490,28	9,85%
EXTREMADURA	8	0,14%	1.114.509,09	0,08%
GALICIA	130	2,25%	22.756.180,93	1,60%
LA RIOJA	21	0,36%	3.088.029,80	0,22%
BASQUE COUNTRY	97	1,68%	40.193.695,08	2,83%
REGION OF ASTURIAS	391	6,76%	68.058.812,69	4,79%
REGION OF MURCIA	57	0,99%	8.883.292,18	0,63%
Total	5.786	100,00%	1.420.489.140,30	100,00%

g) Table showing the ten debtors with the most weight in the portfolio

The following chart shows the concentration of the ten debtors with the most weight in the portfolio of loans selected on 23 October 2006.

Loan portfolio at 23 October 2006			
Classification by Debtor			
Debtor	Loans		Outstanding Principal
	Nu m.	%	%
Debtor 1	1	0,0173%	0,89%
Debtor 2	1	0,0173%	0,70%
Debtor 3	2	0,0346%	0,70%
Debtor 4	2	0,0346%	0,69%
Debtor 5	1	0,0173%	0,66%
Debtor 6	1	0,0173%	0,66%
Debtor 7	1	0,0173%	0,66%
Debtor 8	2	0,0346%	0,65%
Debtor 9	1	0,0173%	0,65%
Debtor 10	1	0,0173%	0,63%
Rest	5.773	99,7753%	93,11%
Portfolio Total	5.786	100,00%	100,00%

h) Distribution by Reference Interest Rate

The following table shows the distribution of the Loans in accordance with the rate of reference interest applicable for the calculation of the nominal rate of interest of each one of them.

Loan portfolio at 23 October 2006				
Classification by Reference Index				
Reference Index	Loans		Outstanding Principal	
	Num.	%	Amount	%
EURIBOR	4.984	86,14%	1.328.406.696,63	93,52%
I.R.P.H. CAJAS	47	0,81%	7.030.067,25	0,49%
MIBOR	47	0,81%	13.333.163,55	0,94%
FIXED RATE	708	12,24%	71.719.212,87	5,05%
Portfolio Total	5.786	100,00%	1.420.489.140,30	100,00%

i) Distribution by Formalisation Date of the Loans

The following table shows the distribution of the loans according to the Formalisation Date.

Loans Portfolio at 23 October 2006					
Classification by intervals of Formalisation Dates					
Interval		Loans		Outstanding Principal	
		Nu m.	%	Amount	%
01/01/1997	30/06/1997	2	0,03%	375.631,47	0,03%
01/07/1997	31/12/1997	6	0,10%	933.167,81	0,07%
01/01/1998	30/06/1998	10	0,17%	9.868.913,92	0,69%
01/07/1998	31/12/1998	18	0,31%	1.870.486,48	0,13%
01/01/1999	30/06/1999	24	0,41%	1.832.457,74	0,13%
01/07/1999	31/12/1999	38	0,66%	9.378.224,31	0,66%
01/01/2000	30/06/2000	30	0,52%	6.821.509,57	0,48%
01/07/2000	31/12/2000	20	0,35%	2.602.450,46	0,18%
01/01/2001	30/06/2001	37	0,64%	16.724.846,90	1,18%
01/07/2001	31/12/2001	50	0,86%	12.370.057,38	0,87%

Loan portfolio at 23 October 2006					
Classification by intervals of Formalisation Dates					
		Loans		Outstanding Principal	
Interval		Num.	%	Amount	%
01/01/2002	30/06/2002	57	0,99%	24.026.641,52	1,69%
01/07/2002	31/12/2002	80	1,38%	49.115.033,17	3,46%
01/01/2003	30/06/2003	188	3,25%	35.979.031,83	2,53%
01/07/2003	31/12/2003	188	3,25%	56.726.075,91	3,99%
01/01/2004	30/06/2004	422	7,29%	109.102.362,43	7,68%
01/07/2004	31/12/2004	457	7,90%	135.284.970,91	9,52%
01/01/2005	30/06/2005	1.402	24,23%	315.192.750,44	22,19%
01/07/2005	31/12/2005	1.251	21,62%	322.374.947,21	22,69%
01/01/2006	30/06/2006	1.506	26,03%	309.909.580,84	21,82%
Portfolio Total		5.786	100,00%	1.420.489.140,30	100,00%
Weighted Average Age:				21,84	Months
Maximum Age				112,90	Months
Minimum Age				4,77	Months

j) Distribution by Date of Final Amortisation

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

Loan portfolio at 23 October 2006				
Classification by Final Amortisation Date				
Year	Loans		Outstanding Principal	
	Num.	%	Amount	%
2007	28	0,48%	12.302.902,93	0,87%
2008	487	8,42%	89.183.538,25	6,28%
2009	552	9,54%	101.075.355,67	7,12%
2010	802	13,86%	140.754.880,69	9,91%
2011	857	14,81%	142.634.219,94	10,04%
2012	336	5,81%	67.539.093,98	4,75%
2013	533	9,21%	130.929.315,84	9,22%
2014	223	3,85%	105.939.415,54	7,46%
2015	333	5,76%	109.990.135,17	7,74%
2016	144	2,49%	47.829.801,91	3,37%
2017	255	4,41%	110.584.185,87	7,78%
2018	113	1,95%	27.916.217,70	1,97%
2019	197	3,40%	75.308.086,22	5,30%
2020	413	7,14%	129.782.987,26	9,14%

Loan portfolio at 23 October 2006				
Classification by Final Amortisation Date				
Year	Loans		Outstanding Principal	
	Num.	%	Amount	%
2021	64	1,11%	18.147.713,31	1,28%
2022	31	0,54%	9.211.443,35	0,65%
2023	33	0,57%	6.907.860,22	0,49%
2024	59	1,02%	14.435.841,92	1,02%
2025	148	2,56%	41.227.805,50	2,90%
2026	17	0,29%	4.260.645,97	0,30%
2027	9	0,16%	1.299.669,68	0,09%
2028	20	0,35%	4.749.255,51	0,33%
2029	16	0,28%	2.678.941,86	0,19%
2030	41	0,71%	9.129.022,41	0,64%
2031	6	0,10%	1.387.437,01	0,10%
2032	6	0,10%	839.749,30	0,06%
2033	4	0,07%	408.125,89	0,03%
2034	14	0,24%	2.708.431,30	0,19%
2035	42	0,73%	10.579.244,70	0,74%
2036	3	0,05%	747.815,40	0,05%
Portfolio Total	5.786	100,00%	1.420.489.140,30	100,00%
	Minimum maturity date		31/12/2007	1.19 years
	Maximum maturity date		31/03/2036	29.46 years
	Weighted average maturity		8.36 years	

k) Distribution by guarantee type

The following table shows the distribution according to the type of guarantee that underwrites same.

Loan portfolio at 23 October 2006				
Classification by Type of Guarantee				
	Loans		Outstanding Principal	
	No. of Operations	%	Amount	%
MORTGAGE	2.457	42,46%	786.631.127,98	55,38%
PERSONAL	3.329	57,54%	633.858.012,32	44,62%
Portfolio Total	5.786	100,00%	1.420.489.140,30	100,00%

l) Indication of the existence of late payments of the principal or interest on the Loans and, if so, amount of the current principal of the loans more than 30 , 60 and 90 days in arrears.

The following table shows the number of Loans, the outstanding principal not yet due and the due and unpaid principal of those selected loans which, on 23 October 2006, had some delay in the payment of the due and payable amounts.

Loan Portfolio at 23 October 2006						
Loans in Arrears						
Days	Loans		Unpaid Principal		Outstanding Principal	
	Number	%	Amount	%	Amount	%
Not in arrears	5.510	95,23%	0,00	0%	1.374.721.502,02	96,78%
In arrears < 90 days	276	4,77%	443.960,67	100%	45.767.638,28	3,22%
In arrears > 90 days	0,00	0%	0,00	0%	0,00	0%
Total	5.786	100%	443.960,67	100%	1.420.489.140,30	100,00%

All the selected Loans will be current in payment as of the Fund Formation Date.

2.2.3 Legal nature of the assets

The assets are composed of loans, all of which are formalised through the granting of the corresponding deed or public contract.

The non-mortgage loans will be grouped in the balance of the Fund's assets by direct assignment in the Fund Formation Deed, without issuing any negotiable securities whatsoever by the Assignor or their acquisition by the Fund, represented by the Fund Manager, in accordance with the provisions of the Civil Code and the Commercial Code. On the other hand, the mortgage loans will be pooled together by means of the Assignor issuing the Mortgage Transfer Certificates and the Fund, represented by the Fund Manager, subscribing them pursuant to the terms of the Fifth Additional Provision of Law 3/1994 in the wording contained in Law 44/2002, Law 2/1981 and Royal Decree 685/1982, all as provided for in part 3.3 of this Supplemental Addendum.

Part 2.2.2.k) above contains a table that shows the breakdown of the selected loans by the ancillary guarantees attached to each one.

2.2.4 Maturity or expiration date or dates of the assets

Each one of the selected Loans has a due date, notwithstanding the periodical partial payments made pursuant to the special conditions of each loan.

At any given moment in the life of the loans, the debtors can repay part or all of the capital pending amortisation, halting the accrual of interest on the part repaid in advance from the time that repayment occurs.

The final due date of the selected loans range between 31 December 2007 and 31 March 2036. Consequently, the last due date is 31 March 2036, which coincides with the Final Maturity Date of the Fund.

The preceding section 2.2.2.j) contains a table that shows the breakdown of the selected loans according to the due date of each loan.

2.2.5 Asset amount

The Fund's assets will be composed of Non-Mortgage Loans and the Mortgage Transfer Certificates assigned and issued, respectively, by Banco Sabadell, S.A., and selected from among those comprising the audited portfolio up to the amount equal or the nearest possible, by default, to one billion two hundred and fifty thousand million (1,250,000,000) euros.

The portfolio of selected Loans from which the Loans to be assigned to the Fund on the Formation Date will be extracted is composed of 5,786 loans, with an outstanding principal not yet due as of 23 October 2006 increasing to 1,420,489,140.30 euros and a due and unpaid principal amount of 443,960.67 euros.

Banco Sabadell, S.A., will choose from among the selected Loans those which are current in their payments up to a total principal or capital that is at least equal to or slightly less than one billion two hundred and fifty million (1,250,000,000) euros for its assignment to the Fund at the time of incorporation.

Part 2.2.2.b) above contains a table that shows the breakdown of the selected loans based on the principal pending maturity of each one.

2.2.6 Ratio of outstanding principal to the appraised value or level of over collateralisation.

The selected loans with mortgage guarantees as of 23 October 2006 are 2,457 with an outstanding principal due increasing to 786,631,127.98 euros.

The ratio, expressed as a percentage, between the amount of the outstanding principal as of 23 October 2006 and the appraised value of the property guaranteed by the selected mortgage loans was between 1.74% and 108.47% with a weighted average of outstanding principal on each mortgage loan of 50.23%.

Loan portfolio at 23 October 2006					
Classification by outstanding principal/appraisal value ratio					
Interval of Ratio		Loans		Outstanding Principal	
		Number	%	Amount (euros)	%
0%	4,99%	15	0,61%	1.939.635,92	0,25%
5%	9,99%	83	3,38%	21.349.872,52	2,71%
10%	14,99%	91	3,70%	16.910.628,30	2,15%
15%	19,99 %	116	4,72%	20.618.186,56	2,62%
20%	24,99 %	145	5,90%	31.724.607,58	4,03%
25%	29,99 %	152	6,19%	46.907.519,11	5,96%
30%	34,99 %	153	6,23%	37.437.967,85	4,76%
35%	39,99 %	170	6,92%	56.680.335,96	7,21%
40%	44,99 %	223	9,08%	64.225.731,66	8,16%
45%	49,99 %	202	8,22%	87.906.294,86	11,18%
50%	54,99 %	220	8,95%	67.462.268,63	8,58%
55%	59,99 %	189	7,69%	58.256.493,21	7,41%

Loans Portfolio at 23 October 2006						
Classification by outstanding principal/appraisal value ratio						
Interval of Ratio	Loans		Outstanding Principal			
	Number	%	Amount (euros)		%	
60% 64,99 %	211	8,59%	84.809.442,18		10,78%	
65% 69,99 %	156	6,35%	64.925.132,96		8,25%	
70% 74,99 %	143,00	5,82%	42.931.049,64		5,46%	
75% 79,99 %	111	4,52%	57.682.875,62		7,33%	
80% 84,99 %	30	1,22%	8.386.948,37		1,07%	
85% 89,99 %	26	1,06%	7.530.148,83		0,96%	
90% 94,99 %	12	0,49%	3.149.170,03		0,40%	
95% 100 %	5	0,20%	1.169.538,51		0,15%	
> 100 %	4	0,16%	4.627.279,68		0,59%	
Portfolio Total	2.457	100,00%	786.631.127,98		100,00%	
Weighted average			50,23%			
Minimum			1,74%			
Maximum			108,47%			

2.2.7 Asset Creation Method

The loans selected for assignment to the fund were assigned by the assignors following their habitual procedure for analyzing and assessing the credit risk. The procedures used by Banco Sabadell, S.A., are described below:

Analysis:

- Carried out by the designated Basic Management Teams each created by one individual from Commercial sphere and another from the Risk Management of the Bank.
- It is based on the 5 business and risk aspects described below.

1- Functionality and management capacity

Corporate philosophy and objectives, constituent characteristics and their role in management, structure of organisation and senior management, management style.

2- Competitive market position

Type of product, degree of maturity and substitutability, sector to which it

belongs, complexity, seniority, R&D of the production process, customer and supplier base, situation with competitors, market range, channels.

3- Economic and financial aspects

Balance sheet analysis, nominal account, development, tendency and projection, financial environment, partners, corporate group and degree of involvement, indebtedness and liquidity, cash flow generation, capacity for growth and self-financing.

4- Economic and financial aspects

Knowledge of the customer and the group, antecedents, offsetting and time management, asset/liability positions, relationship among company, partners and group, experience of third parties as payer, profitability of bank.

5- Guarantees

Assessment of guarantees and of obligations with the bank and other financial service providers, liquidity and capacity to implement them, opportunity or necessity to have them.

- The RATING which indicates to us the probability that the customer will default in the next 12 months is determined from the overall assessment of these 5 aspects.

Decision:

The decision is made from the assessment of the RATING, taking into account a series of information and parameters which can be summarised as follows:

- The consistency of the customer's application versus the customer's activity/business.
- Capacity to pay based on the customer's current and future situation.
- Guarantees given.
- That the working capital that Banco Sabadell has from this client is in harmony with the total turnover of the client's sales.

- That overall risks associated with our entity is proportional to the customer's own resources. This section will show a positive assessment if the balance sheet of the customer indicates the existence of its own real estate.
- The long-term operations that have more flexibility in terms of the percentage of own resources require greater involvement of the customer and/or greater and better guarantees.
- There is no limit to the servicing percentage (base rate of the Bank of Spain)
- Databases of defaulting payers, both internal and external, shall be consulted (RAI, Asnef, etc.)
- We could be a suitable Principal Bank of customers with average and high ratings. When it comes to customers with low ratings, however, we will try to boost their solvency by means of additional guarantees or lower the inherent risks.

Autonomous regions:

- The decision-making cycle has two distinct levels with a degree of autonomy assigned to each one. This degree is assigned based on the actual function fulfilled by each of them. Each of these levels has the entity of the Basic Management Team formed by one individual from Commercial Banking and one from Risks. These two have to approve operations by consensus. If they do not come to an agreement, they shall submit the decision to a higher level.
- The degree of autonomy of each one of these levels is augmented or diminished by the quality of the applicant's RATING.
- Certain characteristics of the customer and/or risk requested can have exceptions with regard to the generally assigned autonomy (e.g. risks of: Advisers of the Entity, Special sectors, Political parties, etc.)

Follow-up:

- To obtain a level with an excellent risk quality, it is necessary to do a comprehensive follow-up of the portfolio once the loans are in effect. This is in addition to having several rating systems and performing a thorough analysis of risk assignment.

- The comprehensive follow-up system identifies those customers who show signs that can involve a deterioration of solvency and hence could present problems in the future. Once these customers are identified, a complete analysis will be made. Once complete, the decision will be made on the matter. This decision can be any of the following:
 1. OK: Customers with this rating continue to normally pursue their relationship although a new revision date will be indicated in some cases.
 2. CUSTOMER TO BE TERMINATED: These are customers with which there is no desire to continue the commercial relationship and hence the form of termination is being planned.
 3. PRE-LITIGATION: Customers under pre-litigation are those who are in a problematic situation but, because of their specific characteristics, guarantees and other coincident factors, can be prevented from resorting to litigation by means of preventive and extraordinary management or, if this cannot be avoided, does so under better conditions (more guarantees, documents from senior management, etc.)
 4. LITIGATION: Customers against whom it has been decided to bring a lawsuit for being in a very complicated and normally irreversible situation. The Recovery Department is responsible for managing the files forwarded to them, provided however the Basic Management Team assists in recovering the debt. Nevertheless, the Recovery Department has to be notified and its authorisation sought before any decision is made about these accounts. Failure to do so could result in a situation that might obstruct the initiated proceedings.

2.2.8 Representations of the Issuer in relation to the assets

The fund manager has obtained declarations and guarantees regarding the characteristics from the assignor, both regarding the loans, the mortgage transfer certificates as well as the assignor. These are described in this section and shall be ratified in the deed of formation

Regarding the Assignor

- 1) That it is an credit entity duly formed in accordance with applicable law, registered in the Mercantile Register and the Bank of Spain's Register of Credit Entities and is authorised to grant loans to SMEs and to operate in the mortgage market.
- 2) That it is not and has not been, either on the Fund Incorporation Date or anytime thereafter, in a situation of insolvency which could lead to bankruptcy proceedings.
- 3) That it has obtained all necessary authorisations, both administrative and corporate, including, where applicable, authorisations from the third parties who could be affected by the assignment of the Loans to the Fund, and to issue the Mortgage Transfer Certificates, and for the valid execution of the Deed for Formation, of the commitments assumed therein and the rest of the contracts related to the formation of the Fund.
- 4) That it has the audited annual accounts for the last three financial years ending 31 December 2003, 2004 and 2005, with a favourable opinion from the auditors. These annual accounts and audit reports have been filed with the CNMV and the business register.
- 5) That, on 17 October 2006, a Framework Collaboration Agreement was signed with the Ministry of Industry, Tourism and Trade, in accordance with Annex II of the Order dated 28 December 2001.

Regarding the loans

On the Fund Formation Date the Loan shall comply with the following conditions:

- 1) That all of the Loans are duly documented and formalised in a public deed or public contract and that Banco de Sabadell has an official copy of the public deed or public contract on file and at the disposal of the Fund Manager.
- 2) That all of the Loans exist and are valid and callable under applicable law.
- 3) That the Assignor is the rightful owner of the totality of the Loans, free from liens or claims, and there exists no impediment whatsoever to their being assigned to the Fund.

- 4) That all the Loans are denominated in euros and are payable exclusively in euros.
- 5) That the data relative to the Initial Loans that are included in Annex 6.1 and 6.2 to the Fund Formation Deed correctly reflect the present situation, as included in the public deeds or public contracts that document the Loans and in the data files of the corresponding Loans, and that this data is correct, complete and not conducive to error. Likewise, any other additional information about the characteristics of the Loans portfolio of the Assignor collected in the Informative Prospectus is correct and not conducive to error.
- 6) That the Loans, at the time of their formalisation, have an amortisation period of no less than one year.
- 7) That the criteria described in the “Internal Memorandum on Financing Operations” contained in part 2.2.7 of this Supplemental Addendum are those habitually used by the Assignor for arranging financing operations with SMEs.
- 8) That the criteria established by the Assignor have been followed for the granting of the Loans included in the portfolio.
- 9) That all the Loans are clearly identified, both on data files and in the contracts, deeds or policies in the Assignor’s possession, and are the object of analysis and monitoring by the Assignor, from their concession, in accordance with the habitual procedures set forth.
- 10) That since the time they were granted, all of the Loans have been and are being administered by the Assignor in accordance with the regular procedures utilised by the Assignor in the administration of the finance operations of SMEs.
- 11) That it is unaware of the existence of lawsuits of any kind with regard to the Loans which could prejudice their validity and enforceability or lead to the application of article 1,535 of the Civil Code. The Assignor further represents that, to its knowledge, none of the Debtors of the Loans has been declared in bankruptcy.
- 12) That the Assignor is unaware of any Debtor of the Loans who, as the holder of a loan against the Assignor, is in a position to oppose offsetting.

- 13) That none of the Debtors can raise any objection whatsoever to the Assignor against the payment of any Loan amount.
- 14) That the respective public deeds or public contracts that document the Loan agreements do not contain any clauses which impede the assignment of the Loans or which require special authorisation to do so, with the exception of those duly obtained prior to the Fund Incorporation Date. Moreover, all of the requirements for assignment established in the public deeds or public contracts that document the Loan agreements have been met.
- 15) That all the Loans will be current in payment as of the Fund Formation Date.
- 16) That on the Fund Formation Date the non-mortgage loans will account for approximately 55% of all Loans pooled in the Fund and the Non-mortgage Loans will account for the remaining 45%.
- 17) That at the Fund Formation Date no notification has been received of the early amortisation of the total of the Loans.
- 18) That none of the loans has a final maturity date later than 31 March 2036.
- 19) That the capital or principal of all the Loans has been totally disbursed.
- 20) That the payment of the principal and interest on all Loans will be by direct debit.
- 21) That on the date of assignment to the Fund, each one of the Loans has had at least one matured instalment.
- 22) That in conformity with the internal registers, none of the Loans corresponds to grants to property developers for the construction or rehabilitation of housing and/or commercial premises destined for sale.
- 23) That the guarantees, if applicable, of the Loans, are valid and enforceable in accordance with applicable legislation, and the Assignor has no knowledge of the existence of any circumstance that prevents the execution of the guarantees.

- 24) That no person has any preferential right to the Fund, as a holder of the Loans, to the collection of quantities derived therefrom with the exception of legally established preferential rights.
- 25) That the Financing Operations referred to in the Loans have been granted to non-financial small and medium enterprises located in Spain to finance their business activities. At least 90% of the loans have been granted to small and medium enterprises pursuant to the definition of the European Commission (European Commission Recommendation 2003/361/EC of 6 May 2003 on the definition of small and medium enterprises).
- 26) That both the granting of the Loans as well as the assignment of same to the Fund and all aspects related thereto have been made and will be made according to market criteria.
- 27) That the data and information relative to the Loans selected for assignment to the Fund contained in part 2.2.2. of this Supplemental Addendum faithfully reflect the situation as of the corresponding date and that all such information is complete and correct.
- 28) That no loans have been granted to employees or companies of the financial group of the Assignor.
- 29) Loans for which the debtors have provided notification of early cancellation shall not be assigned to the fund.
- 30) There are no leasing contracts in the selected portfolio.
- 31) That on the Fund Formation Date, the definitive portfolio shall be selected in accordance with the following criteria: i) those loans that are up-to-date with payment and ii) for an amount from smaller to greater of the aggregate outstanding principal of each debtor until it reaches a total principal or capital that is equal to or as close as possible by default to one billion two hundred and fifty million (1,250,000,000).
- 32) That all of the Loans are subject to a previously established repayment schedule.
- 33) That none of the Loans contains periodic interest deferral clauses.

In Relation to the Mortgage Transfer Certificates and the Mortgage Loans.

- 1) That the Assignor's Board of Directors has validly passed all of the resolutions needed to assign the Mortgage Loans and to issue the Mortgage Transfer Certificates.
- 2) That the data relative to the mortgage loans included in the multiple titles accurately reflects the current situation as contained in the computer files and the public deeds of said mortgage loans and are correct and complete.
- 3) That the Mortgage Transfer Certificates are issued under the protection of article 18 of the Finance Law, by which a new paragraph is added to section two of the fifth additional decree of the Law 3/1994, and remaining applicable regulations.
- 4) That all the mortgage loans are guaranteed by real estate mortgages formed with the level of full domain of each and every one of the mortgaged properties, without them being subject to prohibitions of conveyance, executive conditions or any other limitation on the domain.
- 5) That the mortgage loans are formalised in public deeds and all mortgages are duly constituted and registered in the pertinent land registers and that the registration data corresponds to those mentioned in the corresponding multiple title. The registration of the mortgaged property remains in force and there are no contradictions of any kind.
- 6) That those properties which have been appraised have been appraised by appraisal companies duly registered with the Bank of Spain and that the appraisal certificates have been issued for all appraisals.
- 7) That the characteristics of the Mortgage Loans are not of the kind excluded or restricted by article 32 of Royal Decree 685/1982 for covering the issue of mortgage transfer certificates.
- 8) That the mortgage loans are not securitised, either by nominal certificate, to the order of, or to the bearer, other than the mortgage transfer certificates that are issued for subscription purposes by the fund.
- 9) That the Mortgage Loans are not included in any issue of mortgage Bonds, mortgage shares or mortgage transfer certificates, other than the issue of the Mortgage Transfer Certificates, and, from the issue of these, the Mortgage

Loans will not be included in any issue of mortgage debentures, mortgage Bonds, mortgage shares or other mortgage transfer certificates.

- 10) That the properties serving as the collateral for the mortgage loans are finished properties located in Spain.
- 11) That the Assignor has no knowledge of the existence of any circumstance that would preclude the mortgage loan from being called.
- 12) That the Mortgage Transfer Certificates are issued for a period of time equivalent to the time remaining until the due date and at the same interest rate of each one of the Mortgage Loans to which they refer.
- 13) That no one has a preferential right to the Fund with regard to the Mortgage Loans as the owner of the Mortgage Transfer Certificates.

2.2.9 Substitution of the securitised assets

If at any time during the term of the Loans it is discovered that any of the assets does not conform to the representations made in part 2.2.8 of this Supplemental Addendum at the time of the formation of the Fund, the Assignor, with the Fund Manager's prior approval, undertakes:

- a. To remedy the defect within 30 days of becoming aware of the defect or being notified by the Fund Manager of the existence of the defect.
- b. If such remedy as described in part a) is not possible, the Fund Manager shall request the Assignor to replace the affected Loan with another of similar financial characteristics (with regard to the Outstanding Balance, term, guarantee, interest rate, payment frequency and internal rating of the Debtor) which must be accepted by the Fund Manager within a maximum period of 30 days. If there is a positive difference between the balance of the replaced Loan and the loan balance incorporated, the difference shall be deposited in the Amortisation Account by the Assignor.

In the case of Mortgage Loans, the Assignor undertakes to replace the Mortgage Transfer Certificates with others of similar characteristics which must be accepted by the Fund Manager, provided that such replacement does not impair the Bond rating assigned by the Rating Agencies. If a Mortgage Transfer Certificate must be replaced,

the Assignor shall issue a new Multiple Title that will be exchanged for that delivered under the terms of this Prospectus.

As soon as it becomes aware that one of the Loans assigned by it does not comply with the representations made in part 2.2.8 of this Supplemental Addendum, the Assignor shall notify the Fund Manager and indicate the Loans it intends to assign in replacement of the affected Loans.

When a loan is replaced, the Assignor shall demonstrate that the replacement loan complies with the representations contained in part 2.2.8. of this Supplemental Addendum.

The Assignor undertakes to formalise the assignment of the replacement loans in a public document in the manner and time established by the Fund manager and to provide whatever information relative to them which Fund Manger deems necessary.

- c. If the foregoing options a) and b) are not possible in the reasoned opinion of the fund manager, notified to the Assignor and to the CNMV, the Assignor undertakes to return, in cash, the principal of the outstanding amounts of the corresponding Loans and the interests of the Loans accrued and unpaid to date and any other amount that corresponds to the fund, an amount that shall be deposited in the Amortisation Account.

In any of the cases mentioned above, the replacement of the Initial Draw downs will be notified to the CNMV and Rating Agencies.

2.2.10 Insurance policies on the securitised assets.

N/A.

2.2.11. Information on debtors in those cases where the securitised assets comprise the obligations of 5 or fewer debtors who are legal entities or if one debtor represents 20% or more of the assets or if one debtor represents a substantial part of the assets.

N/A.

2.2.12 Details of the relationship, if relevant to the issue, between the issuer, the guarantor and the debtor

There is no relationship between the Fund, the Assignor, the Fund Manager and the other participants in the operation other than those described in 5.2 and 6.7 of the Registration Document.

2.2.13 If the assets include fixed yield securities, description of the main conditions.

N/A.

2.2.14 If the assets include equity securities, description of the main conditions.

N/A.

2.2.15 If the assets include equity securities that are not traded on a regulated market or equivalent if they represent more than ten (10) percent of the securitised assets, description of the main conditions.

N/A.

2.2.16 Property appraisal reports and cash/revenue flows in those cases where a significant part of the assets are guaranteed by real property.

The value appraisals of the real estate that guarantees the selected mortgage loans described in section 2.2.2 of this Supplemental Addendum correspond to the valuations carried out by the appraisal agencies for the purpose of extending and formalising the selected mortgage loans.

2.3 ACTIVELY MANAGED ASSETS BACKING THE ISSUE

N/A.

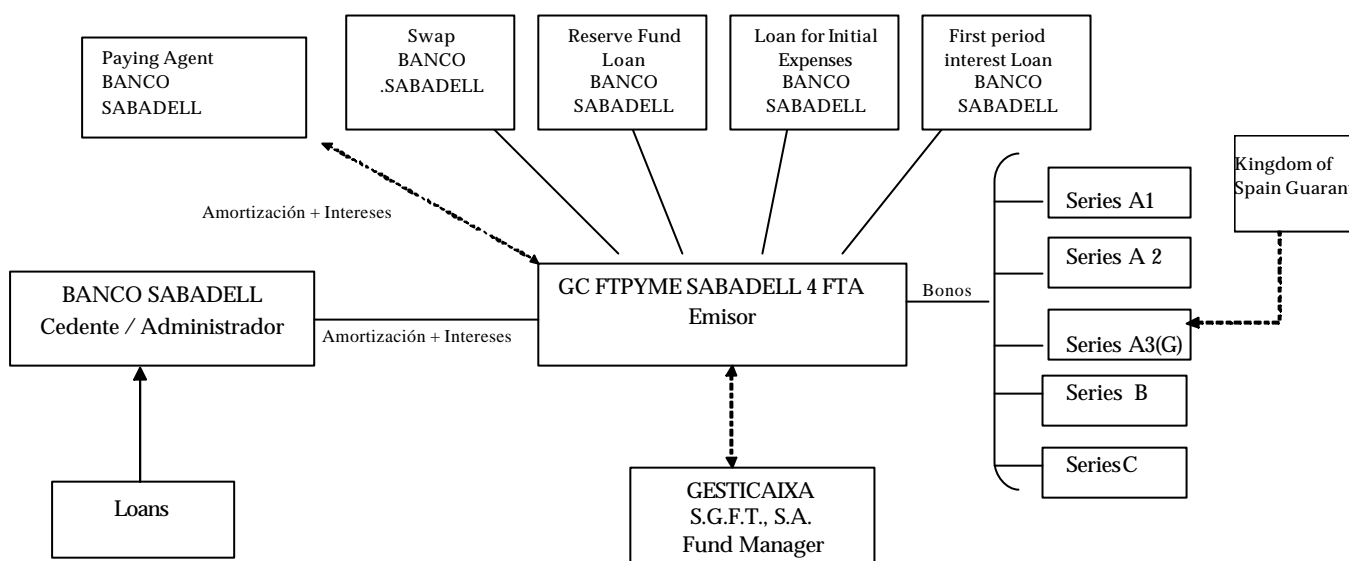
2.4 DECLARATION IF THE ISSUER PROPOSES ISSUING NEW SECURITIES BACKED BY THE SAME ASSETS AND DESCRIPTION OF HOW THE HOLDER OF THAT CLASS WILL BE INFORMED.

N/A.

3 STRUCTURE AND TREASURY

3.1 DESCRIPTION OF THE OPERATION STRUCTURE, INCLUDING A DIAGRAM WHERE NECESSARY.

Diagram



Initial Balance Sheet of the Fund

The balance for the Fund in euros at the end of the Disbursement Date will be as follows:

ASSETS		LIABILITIES	
Fixed Assets		Bond Issue	
Loans	1.250.000.000	Bond Series A1	220.000.000
Initial Expenses (*)	727.500	Bond Series A2	880.300.000
		Bond Series A3(G)	82.800.000
		Bond Series B	40.000.000
		Bond Series C	26.900.000
Current Assets		Other Long-Term Liabilities	
Treasury Account (**)	13.750.000	Loan for Initial Expenses	727.500
Amortisation Account	0	Reserve fund loan	13.750.000
Total	1.264.477.500	Total	1.264.477.500

(*) The estimated formation expenses are included in section 6 of the Prospectus Schedule.

(**) It is assumed that all formation expenses of the Fund and the Bond Issue will be paid on the Disbursement Date, wherefore these expenses will be capitalised on the previous balance sheet.

3.2 DESCRIPTION OF THE ENTITIES THAT ARE TAKING PART IN THE ISSUE AND THE DUTIES THEY ARE TO PERFORM

The description of the participating entities in the bond issue and the functions they perform are shown in part 5.2 of the Registration Document and 3.1 of the Prospectus Schedule.

Amendment of contracts relative to the Fund

The fund manager may extend or modify the contracts signed in the name of the fund and replace each one of the service lenders to the fund by virtue of said contracts. Furthermore, additional contracts may be signed, and additional rating agency(ies) contracted, providing that they are in accordance with existing legal provisions at that specific time and there are no circumstances that prevent the foregoing. In any case, such actions shall require the Fund Manager to give prior notice to the CNMV or the authorisation of the latter, if appropriate, or competent administrative body. Notification must also be given to the Ratings Agencies and said actions must not jeopardise the rating awarded to the Bonds by said Agencies.

Substitution of participants

If any of the participants in this securitisation operation were to breach their contractual obligations or in the event of a corporate, regulatory or court decision ordering the liquidation, dissolution or receivership of any of them, or if any of them were to file for bankruptcy or if a request filed by a third party were admitted, the Fund Manager would be entitled to terminate the agreements linking them to the Fund provided that such termination is permitted under the law. Following the termination of the agreement as provided for under the law, the new participant would be designated by the Fund Manager after consulting with the competent administrative authorities so as not to impair the credit rating assigned by Rating Agencies to the Bonds issued by the Fund.

Any such substitution must be communicated to the CNMV, Rating Agencies and the Assignor.

Subcontracting of participants

The participants in the GC FTPYME SABADELL 5 securitization operation, according to their respective contracts, shall be authorised to subcontract or delegate third parties of recognised solvency and capacity to provide any of the committed services, provided that they are legally able to do so and (i) the prior written consent of the Fund Manager is obtained, (ii) the rating assigned by Rating Agencies to the Bonds is not impaired and provided always that (iii) the subcontractor or delegate waives the right to take any action against the Fund. They shall likewise be authorised to terminate such subcontracts and/or delegations. The said subcontracting or delegation may not involve any additional cost or expense for the Fund or the Fund Manager. Notwithstanding any subcontract or delegation, the participants shall not be released or exonerated from any of the responsibilities regulated under the respective contracts. Subcontractors must comply with the rating level conditions imposed by the Rating Agencies in the performance of their roles.

The replacement will not affect the rating assigned to the Bonds by the Rating Agency. The Fund Manager will notify the CNMV of all subcontracts, if legally required, and shall obtain the latter's prior consent.

The subcontracting or delegation of the administration functions of the administrator functions of administration shall be specifically and particularly in accord with the provisions of section 3.7.2.1.11 of this Supplemental Addendum and its equivalent in the Deed of Formation and the Administration Contract.

3.3 DESCRIPTION OF THE METHOD AND DATE OF THE SALE, TRANSFER, NOVATION OR ASSIGNMENT OF THE ASSETS OR ANY OBLIGATION AND/OR RIGHT TO THE ASSETS TO THE ISSUER.

3.3.1. Formalisation of the assignment of the Loans

The assignment of the Loans by the Assignor for acquisition by the Fund and the grouping together of these Loans as the Fund's assets is governed by Spanish law and bound by the courts and tribunals of Barcelona.

The assignment of the Non-Mortgage Loans by Banco de Sabadell, S.A. and the acquisition of these by the Fund and the issue of the Mortgage Transfer Certificates by Banco de Sabadell by means of which the assignment of the Mortgage Loans and their subscription by the Fund are implemented will be formalised by means of the execution of the Fund Formation Deed, effective as from that same date.

The debtors shall not be notified of the assignment of the loans by Banco de Sabadell, S.A. For these purposes, notification is not a requirement for the loan assignment to be valid.

3.3.2 Assignment of Non-Mortgage Loans

The Non-Mortgage Loans will be assigned directly without issuing any negotiable security whatsoever. The Assignor will assign and transmit to the Fund after the Fund Formation Date, which is scheduled for 23 November 2006, which for these purposes shall be considered the assignment date, its full interest in the Non-Mortgage Loans for a total amount equal to the outstanding unmatured balance of the Non-Mortgage Loans on the Assignment date, which on that date will be approximately 45% of the portfolio. The Fund shall acquire them for the aforementioned amount, with all of their rights, except for the obligations which shall continue to be incumbent upon the Assignor as established in the following sections.

The Non-Mortgage Loans will start accruing interest in the Fund's favour on the Assignment Date.

The assignment shall be full and unconditional and shall be for the total remaining period from the Fund Formation Date until the due date of the Non-Mortgage Loans, notwithstanding the provisions of part 4.4.3 of the Registration Document which makes reference to the Assignor's right of first refusal to the remaining loans upon the settlement of the Fund, although this right shall not, under any circumstances, be construed as an agreement or declaration of repurchase of the loans assigned by the Assignor.

3.3.3 Assignment of the mortgage loans

The assignment of the Mortgage Loans to the fund by the Assignor shall be carried out through the issue of Mortgage Transfer Certificates, so that these are pooled into the fund via fund subscription, represented by the Fund Manager in accordance with the provisions laid down in the Fifth Additional Provision of Law 3/1994 in the wording given through Law 44/2002, in Law 2/1981, dated 25 March, in its current wording and in Royal Decree 685/1982 dated, 17 March, in its current wording.

The Assignor will issue on the Formation Date, effective as of that date, one Mortgage Transfer Certificate for each Mortgage Loan assigned whose outstanding unmatured balance as of the Fund Formation Date shall represent 55% of the total portfolio.

Each Mortgage Transfer Certificate refers, as of the Assignment Date, to 100% of the Unmatured Principal on each one of the Mortgage Loans and accrues interest at a rate equal to the nominal interest rate applicable to the corresponding Mortgage Loan at any given moment.

The Mortgage Transfer Certificates will start earning interest on the Assignment Date.

The Mortgage Transfer Certificates are represented by means of a nominative Multiple Title issued by the Assignor representing all of the Mortgage Transfer Certificates. The said Multiple Title contains the information required by article 64 of Royal Decree 685/1982, amended by Royal Decree 1289/1991, along with the registration information on the mortgaged properties used to guarantee the Mortgage Loans. The transmission of the Mortgage Transfer Certificates shall be limited to institutional or professional investors and may not be acquired by the public at large.

The Fund Manager will deposit the Multiple Title with the Payment Agent, acting for these purposes as the receiver in accordance with the terms of the Payment Agency Agreement.

The assignment of the Mortgage Loans, implemented by means of the Mortgage Transfer Certificates issued by the Assignor and their subscription by the Fund, represented by the Fund Manager, shall be full and unconditional and shall be for the total remaining period from the Date of Formation until the due date of the Mortgage Loans, notwithstanding the provisions of part 4.4. of the Registration Document which makes reference to the Assignor's right of first refusal to the remaining loans upon the settlement of the Fund, although this right shall not, under any circumstances, be construed as an agreement or declaration of repurchase of the loans assigned by the Assignor.

The Mortgage Transfer Certificates will be transferable through written declaration on the same title and, in general, through any of the means allowed by law. The transfer of the Mortgage Transfer Certificate and the address of the new holder must be notified by the acquirer to the issuing entity of the certificates.

In the event of either having to substitute any of the mortgage transfer certificates, as described in section 2.2.9 of this supplemental addendum, or in the event that the fund manager, in representation and on behalf of the fund, proceeds with the execution of a mortgage loan, as set forth in section 3.7.2 of this supplemental

addendum, as well as to the early liquidation of the fund, in the circumstances and conditions set forth in section 4.4.3, if applicable, of the registration document, sale of the cited mortgage transfer certificates takes place, Banco de Sabadell, S.A. undertakes to split, if appropriate, any multiple title into as many individual or multiple titles as necessary, to substitute it or exchange it so as to achieve the foregoing aims.

Banco de Sabadell, S.A., as the issuing entity, shall keep a special book in which it shall record the mortgage transfer certificates issued and it shall likewise place on record (i) the date of formalisation and maturity of the mortgage loans, the amount of the same and the method of settlement; and (ii) the registry details of the mortgages that underwrite the mortgage loans.

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

3.3.4 Effectiveness of the assignment

The assignment of the Loans and the issue of the Mortgage Transfer Certificates shall be fully effective for both parties on the Assignment Date, which coincides with the Formation Date.

3.3.5 Price of the Assignment

The price of the assignment shall be equal to the amount, on the Formation Date, of the sum of the outstanding balance of the loans and initial draw downs, which on the Formation Date will be equal to or slightly less than one billion two hundred and fifty million (1,250,000,000) euros, which shall be paid by the Fund Manager on behalf of the Fund to the Assignor on the Disbursement Date, with the same value date, once the Fund has received the subscription price of the Bonds. The difference between the subscription price of the Bonds and the Initial Outstanding Balance will be deposited into the Amortisation Account.

3.3.6 The Liability of the Assignor as the Assignor of the Loans.

The Assignor, pursuant to article 348 of the Commerce Code, is only liable to the Fund for the existence and legitimacy of the Loans in the terms and conditions declared in the Fund Formation Deed and the Prospectus to which this document

pertains, as well as the status with which the assignment is performed, but does not assume any liability for non-payment by the Debtors of the Mortgage Loans and the Non-Mortgage Loans, be it the principal or the interest or any other sum owed by them pursuant to the Mortgage Loans or Non-Mortgage Loans, whichever applies.

The Assignor does not assume the effectiveness of the accessory guaranties to the Loans that, if applicable, could exist. Neither will it assume, in any other way, responsibility in guaranteeing the successful outcome of the operation, nor execute guarantes or security, nor enter into pacts for the repurchase or substitution of the Loans, in accordance with that set forth in part 2.2.9. of this Supplemental Addendum, all in fulfilment of that set forth in Royal Decree 926/1998 and other applicable legislation.

All of the aforementioned is without prejudice to the Assignor's liability for the administration of the assigned Loans pursuant to the provisions of the Administration Contract and the liabilities derived from the Loan Agreement for the Initial Expenses and the Loan for the Reserve Fund, without prejudice to the liability that is derived from the declarations made by the Assignor and included in section 2.2.8. of this Supplemental Addendum. Until the Assignment Date, the Assignor will continue to assume the risk of insolvency of the Debtors.

If the Fund were obliged to pay third parties any sums in connection with the assignment of the Loans not paid on the Assignment Date due to the fact that the information on the Loan provided by the Assignor was incomplete, the Assignor will be liable to the Fund for any damages, costs, taxes or fines levied on the Fund.

3.3.7 Advance Payment of Funds

The Assignor will not make any advance payment to the Fund on behalf of the Debtors, be it for the principal or interest of the Loans.

3.3.8 Rights Conferred on the Fund by the Assignment of the Loans

The Fund, as the owner of the Loans, shall be vested with the rights of the Assignee recognised in article 1528 of the Civil Code. More specifically, it shall be entitled to receive all payments made by Debtors starting on the Formation Date and all other payments associated with the Loans.

In particular and without it having a limiting character, but rather a merely expository character, the assignment will confer to the Fund the following rights in relation to each of the Loans:

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

There is no obligation to retain or to make deposits on account of the earnings on the Mortgage Transfer Certificates, loans or other credit rights which constitute the Fund's income, as provided for in article 59 k) of Royal Decree 1777/2004 of 30 July which approved the Corporate Income Tax Regulation.

1. In the event of early amortization of the Loans by full or partial repayment of the principal, the substitution of the affected Loans shall not take place.
2. The rights of the Fund resulting from the Loans are linked to the payments realised by the Debtors, and as a result remain directly affected by the evolution, delay, early amortization or any other development regarding the Loans.
3. The Fund will assume all possible expenses or costs that are charged to the Assignor deriving from the collection process in the case of breach of

obligations by the Debtors, including the exercise of legal action against the same, in accordance with part 3.7.2 of this Supplemental Addendum.

3.4 EXPLANATION OF THE FLOW OF FUNDS

3.4.1 How the flow of assets will enable the issuer to fulfil its obligations to the bondholders

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

The Assignor will transfer to the Fund's Treasury Account all sums received for any item to which the Fund is entitled through the Loans. The payments will be made by transfer on each Collection Date with the same value date.

The fund collection dates shall be every business day on which payments are made by the debtors for principal or loan interest.

If the Fund Manager considers it necessary in order to better defend the interests of the Bondholders, and only in the event of the mandatory replacement of the Assignor as the administrator of the Loans, the Fund Manager will instruct the Assignor to notify each and every one of the debtors of the Loans that, as of the date of the notice, they should make all payment on their loans directly to the Treasury Account open in the Fund's name. However, if the Administrator fails to notify the Debtors within 3 business days of being required to do so or if the Administrator goes bankrupt, the Fund Manager itself will notify the Debtors directly.

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

Quarterly, on each Payment Date, the accrued interest will be paid to the Bondholders of Class A, B and C bonds and the principal of Class A, B and C Bonds will be repaid pursuant to the conditions established for each one of them in parts 4.8 and 4.9 of the Prospectus Schedule and the Payment Priority Order contained in part 3.4.6. of this Supplemental Addendum.

On each Payment Date, the Available Funds for covering the Issuer's obligations with the Securities Holders shall be the income obtained from the non-mortgage loans and mortgage loans under the concept of principal and interest calculated on each Determination date; the interest accrued from the Amortisation Account and

from the Treasury Account; the Net Amount in favour of the Fund by virtue of the Swap Contract; the amount of the Reserve Fund; the product of the liquidation, if pertinent and when applicable, of the Assets of the fund; and, if applicable, the amounts drawn down from the State Warrantee.

Up to and including the Payment Date on 19 January 2008, all amounts applied to the amortisation of the Bonds will be deposited in the Amortisation Account and will be used in their entirety starting on the Payment Date and through the Payment Date falling on 19 March 2008, inclusive, for the effective amortisation of the Bonds in Classes A, B and C pursuant to the regulations governing the Distribution of Funds Available for Amortisation contained in part 4.9.4 of the Securities Note.

3.4.2 Information on credit enhancements

3.4.2.1. Description of Credit Enhancements

With the goal of consolidating the financial structure of the Fund, of augmenting the security or regularity of the payment of the bonds, of covering the temporary lags between the calendar of the flow of principal and interest of the Loans and that of the bonds or, in general, transforming the financial characteristics of the bonds issued, as well as complementing the administration of the Fund, the Fund Manager, in representation of the Fund, shall proceed, in the act of bestowing the deed of formation, to formalise the contracts and operations enumerated below in compliance with the applicable regulations.

- State Guarantee for Series A3(G) Bonds: The State Warrantee will secure, with a waiver to the benefit of discussion established in article 1830 of the Civil Code, the payments of the principal and the interest of the A3(G) Bonds.
- Guaranteed rate accounts: The accounts opened in the name of the Fund by the Fund Manager (Treasury Account and Amortisation Account) are remunerated at rates agreed to in such a way that a minimum return on the balances of each of them is guaranteed.
- Reserve fund: Formed as from the disbursement of the Subordinate Loan for the Reserve Fund, which will allow payments to the Fund to be made in the event of losses due to Unpaid Loans.
- Interest Swap The interest rate swap is intended to cover: (i) the interest rate risk of the Fund due to the fact that the Loans are subject to variable interest rates tied to different indices of reference and adjustment periods than those established for the Bonds, (ii) the risk posed by the fact that the Loans may be

subject to renegotiations that decrease the agreed interest rate, and (iii) the risk derived from the existence of maximum interest rates in the portfolio.

- Financial margin: under the Interest Swap agreement, the fund receives a gross margin of 0.50% on the notional of the swap.
- Subordination and down-ranking of Series B and C.

The global credit improvements backing each one of the Classes are summarised below:

Series A1:

- i) Rights on the loans (except default interest and commissions).
- ii) Guaranteed returns on the Treasury Account and the Amortisation Account.
- iii) Reserve Fund.
- iv) Coverage of the Fund's interest rate risk, the risk of renegotiating interest rates and the risk derived from the existence of maximum interest rates, through the Interest Swap agreement.
- v) Excess gross margin of 0.50% through the Interest Swap agreement.
- vi) Subordination and down-ranking of interest payments of Series B and C.
- vii) Subordination of the amortisation of the principal of Series A2 and A3(G) and of the Series B and C, qualified by the deferred start of pro rata amortisation and the interruption of that pro rata amortisation under certain circumstances.

Series A2:

- i) Rights on the loans (except default interest and commissions).
- ii) Guaranteed returns on the Treasury Account and the Amortisation Account.
- iii) Reserve Fund.
- iv) Coverage of the Fund's interest rate risk, the risk of renegotiating interest rates and the risk derived from the existence of maximum interest rates, through the Interest Swap agreement.
- v) Excess gross margin of 0.50% through the Interest Swap agreement.
- vi) Subordination and down-ranking of interest payments of Series B and C.
- vii) Subordination of the amortisation of the principal of Series A3(G), B and C, qualified by the deferred start of pro rata amortisation and the interruption of that pro rata amortisation under certain circumstances.

Series A3(G):

- i) Rights on the loans (except default interest and commissions).
- ii) Guaranteed returns on the Treasury Account and the Amortisation Account.

- iii) State Warrantee
- iv) Reserve Fund.
- v) Coverage of the Fund's interest rate risk, the risk of renegotiating interest rates and the risk derived from the existence of maximum interest rates, through the Interest Swap agreement.
- vi) Excess gross margin of 0.50% through the Interest Swap agreement.
- vii) Subordination and down-ranking of interest payments of Series B and C.
- viii) Subordination of the amortisation of the principal of Classes B and C, qualified by the deferred start of pro rata amortisation and the interruption of that pro rata amortisation under certain circumstances.

Class B:

- i) Rights on the loans (except default interest and commissions).
- ii) Guaranteed returns on the Treasury Account and the Amortisation Account.
- iii) Reserve Fund.
- iv) Coverage of the Fund's interest rate risk, the risk of renegotiating interest rates and the risk derived from the existence of maximum interest rates, through the Interest Swap agreement.
- v) Excess gross margin of 0.50% through the Interest Swap agreement.
- (vi) Subordination and down-ranking of interest payments of Series C.
- vii) Subordination of the amortisation of the principal on Series C, qualified by the deferred amortisation on a prorated basis and the interruption of prorated amortisation under certain circumstances.

Class C:

- i) Rights on the loans (except default interest and commissions).
- ii) Guaranteed returns on the Treasury Account and the Amortisation Account.
- iii) Reserve Fund.
- iv) Coverage of the Fund's interest rate risk, the risk of renegotiating interest rates and the risk derived from the existence of maximum interest rates, through the Interest Swap agreement.
- v) Excess gross margin of 0.50% through the Interest Swap agreement.

3.4.2.2. Reserve Fund

As a guarantee mechanism against possible losses due to Defaulted Loans and for the purposes of permitting the payments to be made by the Fund in accordance with the Priority Payment Order described in section 3.4.6. of this Supplemental Addendum, a deposit shall be formed and shall be called the Reserve Fund.

The initial Reserve Fund shall be formed on the Disbursement Date, charged to the disbursement of the Loan for the Reserve fund, in the amount of thirteen thousand seven hundred and fifty thousand (13,750,000) euros.

On each payment date the reserve fund shall be applied to the satisfaction of the payment obligations contained in the payment priority rules or, if applicable, in accordance with the settlement payment priority rules, set forth in section 3.4.6. of this additional module.

In accordance with the Payment Priority Order, on each Payment Date the Reserve Fund will be replenished to reach the minimum level according to the rules established below.

The Minimum Level of the Reserve Fund shall be the lower of the following amounts:

- Thirteen million seven hundred and fifty thousand (13,750,000) euros, equivalent to 1.10% of the total amount of the bond issue.
- 2.20% of the Outstanding Balance of Principal of the Bonds.

However, the Reserve Fund cannot be reduced under any of the following circumstances on a Payment Date:

- The first two years have not elapsed since the Fund Formation Date.
- That on the previous Payment Date, the Reserve Fund had not been reached the Reserve Fund amount required on that Payment Date.
- On the Determination Date prior to the Payment Date in question, the outstanding balance of the non-defaulted loans with payments overdue by ninety days or more (90) is greater than 1% of the outstanding balance of the non-defaulted loans.

Under no circumstance can the Minimum Level of the Reserve Fund be less than six million eight hundred and seventy five thousand (6,875,000) euros.

The amount of the reserve fund shall remain deposited in the treasury account, remunerated in the terms of the account opening contract at a guaranteed rate of interest (treasury account).

3.4.3 Details of subordinate debt financing

The Fund Manager warrants that the summarised descriptions of the contracts by means of which the operations were formalised, contained in the corresponding parts of the prospectus, which it shall subscribe in the name and on behalf of the Fund, contain the most substantial and relevant information on each one of the contracts and faithfully reflect the contents. Likewise, the Fund Manager declares that no information has been omitted that could affect the content of this Prospectus.

All contracts described hereunder shall be terminated in the event that the provisional rankings awarded by the rating agencies are not confirmed as final prior to the commencement of the subscription period.

3.4.3.1. Loan for Initial Expenses.

The Fund Manager, on behalf of the Fund, will sign a subordinate mercantile loan contract with Banco de Sabadell for the initial expenses for the total amount of seven hundred and twenty seven thousand five hundred (727,500) euros.

The amount of the Loan for Initial Expenses shall be deposited on the Disbursement Date in the Treasury Account opened with the Payment Agent.

The amount of the Loan for Initial Expenses will be used by the Fund Manager to pay the formation expenses of the Fund and the Bond issue. An estimate of the initial expenses is shown in part 6 of the Prospectus Schedule.

The loan for initial expenses shall be remunerated based on a variable interest rate equal to the reference interest rate of the bonds in force at any given time plus a differential of 1%. The payment of said interests shall be subject to the Priority Payment Order set forth in section 3.4.6. below.

The Payment Dates of the interest on the Loan for Initial Expenses shall coincide with the Payment Dates of the Bonds in accordance with the provisions in the Deed of Formation and in the Informative Prospectus.

The accrued interest to be paid on a determined Payment Date shall be calculated based on a calendar year consisting of 360 days and considering the effective days existing in each Interest Accrual Period.

The interest on the Loan for Initial Expenses shall be settled and be enforceable at the maturity of each Interest Accrual Period, on each one of the Payment Dates and until

the full amortisation of the Loan for Initial Expenses. The first settlement date shall coincide with the first Payment Date (19 January 2007).

Amortisation shall be made quarterly by the amount that the initial expenses would have been amortised, in accordance with the official accounting of the Fund, and in any event during the maximum period of five (5) years as from the formation of the Fund. The first amortisation shall take place on the first Payment Date, 19 January 2007, and the remaining amortisations on the following Payment Dates, all pursuant to the Payment Priority Order established in the following section 3.4.6.

All amounts payable to Banco de Sabadell, S.A., both principal and interest payments accrued by the Loan for Initial Expenses, shall be subject to the Priority Payment Rules set forth in section 3.4.6. below. As a consequence, they shall only be paid to Banco de Sabadell, S.A. on a specific Payment Date if the Available Funds on said Payment Date are sufficient to meet the obligations of the Fund set forth in sections (i) to (xviii) of the aforementioned section for interest and (i) to (xiv) for the principal.

All the amounts which, by virtue of the provisions set forth in the previous paragraphs, have not been surrendered to Banco de Sabadell, S.A. shall be paid on the next Payment Dates on which the Available Principal Funds allow said payment in accordance with the Payment Priority Order and the Payment Priority for Settlement established in section 3.4.6 below.

The amounts owed to Banco de Sabadell, S.A. and unpaid by virtue of the provisions set forth in the preceding paragraphs shall not accrue late interest in favour of this party.

3.4.3.2. Loan for First Interest Period:

The Fund Manager, on behalf of the Fund, will sign a subordinate mercantile loan contract with Banco de Sabadell, S.A. for the first interest period for the total amount of nine hundred thousand (900,000) euros.

The surrender of the amount of the loan for interest of the first period shall be made on the business day prior to the first payment date through deposit into the treasury account held with the paying agent.

The amount of the loan for interest of the first period shall be targeted by the Fund Manager at covering the corresponding time lag at the first payment date of the Fund between the accrual and payment of interest of the Loans.

The Loan for the Reserve Fund shall be paid off based on an annual interest rate, variable quarterly, equal to the Reference Interest Rate of the Bonds in force at any given time plus a differential of 1%. The payment of said interests shall be subject to the Priority Payment Order set forth in section 3.4.6. below.

The Payment Dates of the interest on the Loan for Initial Expenses shall coincide with the Payment Dates of the Bonds in accordance with the provisions in the Deed of Formation and in the Informative Prospectus.

The accrued interest to be paid on a determined Payment Date shall be calculated based on a calendar year consisting of 360 days and considering the effective days existing in each Interest Accrual Period.

The interest on the Loan for Interest of the First Period shall be settled and be enforceable at the maturity of each Interest Accrual Period, on each one of the Payment Dates and until the full amortisation of the Loan for Interest of the First Period. The first settlement date shall coincide with the first Payment Date (19 January 2007).

The maturity of the Loan for Interest of the First Period shall take place on the Final Maturity Date of the Fund. However, the redemption of the Loan for Interest of the First Period shall be free, on each Payment Date, and the Fund Manager shall decide the amount payable in accordance with the resources needed to cover the time lag between the collection of the loans by the existing Fund on the first payment date. On the first Payment Date, the amount resulting from the difference between the initial amount of the loan for Interest of the First Period and the amount drawn for the time lag between the accrual and the collection of interest of the loans on this Payment Date shall be redeemed.

All amounts payable to Banco de Sabadell, S.A., both principal and interest payments accrued by the Loan for Interest of the First Period, shall be subject to the Priority Payment Rules set forth in section 3.4.6. below. As a consequence, they shall only be paid to Banco de Sabadell, S.A. on a specific Payment Date if the Available Funds on said Payment Date are sufficient to meet the obligations of the Fund set forth in sections (i) to (xviii) of the aforementioned section for interest and (i) to (xiv) for the principal.

All the amounts which, by virtue of the provisions set forth in the previous paragraphs, have not been surrendered to Banco de Sabadell, S.A. shall be paid on the next Payment Date on which the Available Principal Funds allow said payment

in accordance with the Payment Priority Order and the Payment Priority for Settlement established in section 3.4.6 below.

The amounts owed to Banco de Sabadell, S.A. and unpaid by virtue of the provisions set forth in the preceding paragraphs shall not accrue late interest in favour of this party.

3.4.3.3 Loan for the Reserve Fund

In accordance with the Loan Contract for the Reserve Fund, Banco de Sabadell, S.A. shall grant a subordinate loan targeted at the initial allocation of the Reserve Fund.

The total amount of the Loan for the Reserve Fund shall be thirteen million seven hundred and fifty thousand (13,750,000) euros. The amount of the Loan for the Reserve Fund shall be deposited in the Amortisation Account on the Disbursement Date.

The Loan for the Reserve Fund shall be paid off based on an annual interest rate, variable quarterly, equal to the Reference Interest Rate of the Bonds in force at any given time plus a differential of 1.50%.

For interest calculations, a 360-day year shall be used as the basis, thereby calculating such interest on the exact number of calendar days elapsed.

The Loan for the Reserve Fund shall be amortised on each Payment Date by an amount equal to the amount by which the Minimum Level of the Reserve Fund is reduced on each Payment Date, subject to the Payment Priority Order set forth in section 3.4.6 below.

All amounts payable to the Assignor, for both amortisation of principal and accrued interest payments on the Loan for the Reserve Fund, shall be subject to the Priority Payment Order set forth in section 3.4.6 below. As a consequence, they shall only be paid to the Assignor on a Payment Date if the Available Funds of the Fund on said Payment Date are sufficient to meet the obligations of the Fund listed in sections (i) to (x) of the aforementioned section for interest and (i) to (xi) for the principal.

All the amounts which, by virtue of the provisions set forth in the previous paragraphs, have not been surrendered to Banco de Sabadell, S.A. shall be paid on the next Payment Dates on which the Available Principal Funds allow said payment in accordance with the Payment Priority Order and the Payment Priority for Settlement established in section 3.4.6 below.

The amounts owed to Banco de Sabadell, S.A. and unpaid by virtue of the provisions set forth in the preceding paragraphs shall not accrue late interest in favour thereof.

The Loan Agreement for the Reserve Fund will be fully terminated in the event that the Ratings Agencies fail to confirm as final, before the start of the Subscription Period, the provisional ratings assigned to each of the Series of Bonds.

3.4.3.4 Subordination of the Bonds of Class B and Class C

The payment of interest and the repayment of the principal on Class B Bonds are down ranked in respect of Class A (Series A1, A2 and A3(G)) Bonds, in accordance with the Payment Priority Order and Settlement Payment Priority Order set forth in part 3.4.6 below.

The payment of interest and the repayment of the principal on Class C Bonds are down ranked in respect of Class A (Series A1, A2 and A3(G)) Bonds, and Class B Bonds, in accordance with the Payment Priority Order and Settlement Payment Priority Order set forth in part 3.4.6 below.

Notwithstanding the aforementioned, section 4.9.4. of the Securities Prospectus describes the circumstances under which the Class A, B and C Bonds may, exceptionally, be amortised on a prorated basis.

The details of the order in which the interest and principal on the Bonds in each class are paid according to the Fund Payment Priority Order are shown in parts 4.6.1. and 4.6.2.

3.4.4 Parameters for the investment of temporary surpluses and parties responsible for such investments

Temporary cash surpluses will be deposited in the Treasury Account and the Amortisation Account, remunerated at a guaranteed interest rate as described below.

3.4.4.1. Amortisation Account

The fund manager shall hold an account opened in the fund's name with Banco de Sabadell, S.A. through which all the deposits that the fund receives from the assignor and which come from the loans shall be deposited, and by virtue of which the payment agent guarantees a variable return on the amounts deposited in this account.

All the cash amounts received by the Fund, which shall mainly come from the following concepts, shall be deposited in the Amortisation Account:

- (i) cash amount, net of underwriting commissions for the payment of the subscription of the Bond Issue;
- (ii) Draw down of the loan principal for initial expenses, of the loan for interest of the first period and the loan for the reserve fund;
- (iii) the amounts that are paid to the Fund derived from the Interest Rate Swap Agreement;
- (iv) the amounts of the income obtained for the balances of the Treasury Account itself and of the Amortisation Account.
- (v) the amounts of the withholdings on account for the yield of the movable capital that on each Payment Date has to be made for the interest of the Bonds paid by the Fund, until the moment on which they must be paid to the Tax Authority.
- (vi) repaid principal and interest collected from the initial Loans whatsoever other amount corresponding to the Loans.
- (vii) amounts drawn down against the State Warrantee.

All payments of the Fund shall be made through the Amortisation Account, in accordance with the instructions given by the Fund Manager.

The Treasury Account cannot have a negative balance against the Fund. The balance of the Amortisation Account shall be maintained in cash.

Banco de Sabadell, S.A. guarantees a nominal annual interest rate, variable quarterly, with monthly accrual and settlement, except for the first interest accrual period, which will have a shorter duration (between the Formation Date and the last day of the calendar month in which the formation date falls), applicable for each interest accrual period (calendar months, different than the Interest Accrual Periods established for the bonds) by the positive daily amounts that may be shown in the Treasury Account, equal to the Interest Rate of Reference of the Bonds determined for each Interest Accrual Period, and applicable as from the first day of the calendar month following each Payment Date (except for the first interest accrual period,

which will be applied as from the Formation Date). The accrued interest to be settled on the first business day of the following month, except for December which shall be settled on the last day of the month, shall be calculated on the basis of: (i) the effective days existing in each interest accrual period and (ii) a year consisting of three hundred and sixty (360) days. The first interest settlement date will be 1 December 2006, with interest accruing between the date of formation and 30 November, inclusive.

In the event that, during the life of the issue of the bonds, the unsubordinated and unsecured short term debt of Banco de Sabadell, S.A. experiences a decrease to below P-1 according to the rating scales of Moody's or F-1 in the case of Fitch, respectively, or an equivalent rating specifically recognized by the Rating Agencies, the fund manager shall exercise any of the options described below that allow the maintenance of an adequate guarantee level regarding the commitments derived from this Contract and shall do so within a maximum period of thirty (30) business days from when the situation occurs:

- a) Obtain from a financial entity with a minimum credit rating for its unsecured and unsubordinated short term debt, of P-1 and F1, according to the rating scales of Moody's and Fitch, respectively, and which does not impair the rating granted to the bonds by the Rating Agencies, a first-demand guarantee to secure the Fund, at the simple demand of the Fund Manager, the timely payment by Banco de Sabadell, S.A. of its refund obligation of the amounts deposited in the Treasury Account during the time that the situation of loss of the P-1 or F-1 ratings by Banco de Sabadell, S.A. remains.
- b) Move the Treasury Account of the Fund to an entity whose unsecured and unsubordinated short-term debt has a minimum credit rating of P1 and F1, according to the rating scales of Moody's and Fitch, respectively, and arrange the maximum return for its balances, although it may be different than that agreed with Banco de Sabadell, S.A. by virtue of this Contract.
- c) In case options a) and b) above were not possible, obtain from Banco de Sabadell, S.A. or from a third party a pledge guarantee in favour of the Fund over financial assets with a credit quality no lower than that of the Spanish State Public Debt, for a sufficient amount for guarantying the commitments assumed in this contract and which does not jeopardise the ratings assigned to the Bonds by the Ratings Agency.
- d) If neither of the aforementioned options is possible the Fund Manager may invest the balances for maximum periods up to the next Payment Date, in short-term

fixed-rate assets in euros issued by entities with a minimum credit rating of P-1 and F1 (for terms under 30 days or F-1+ for longer terms) for short term debt, according to the rating scales of Moody's and Fitch, respectively, including short-term securities issued by the Spanish State. It is therefore possible, in this case, that the return obtained will be different from that initially obtained from Banco de Sabadell, S.A. by virtue of this Contract.

- e) In both b) and d) situations, the Fund Manager will be later entitled to move back the balances to Banco de Sabadell, S.A. under the Treasury Account Contract in the event that its unsubordinated and unsecured short term debt reaches again the P-1 and F1 ratings, in accordance with the Moody's and Fitch scales, respectively.

3.4.4.2. Amortisation Account

The Fund Manager will open a bank account in the Fund's name with Banco de Sabadell, S.A. wherein on each Payment Date during the first 14 months from the Fund Formation Date the Amounts Available for Amortisation withheld in seventh (vii) place on the Payment Priority Order of the Available Funds not applied to the effective amortisation of all classes of bonds during that time will be deposited.

The Amortisation Account cannot have a negative balance against the Fund. The balance of the Amortisation Account shall be maintained in cash.

Banco de Sabadell, S.A. guarantees a nominal annual interest rate, variable quarterly, with monthly accrual and settlement, except for the first interest accrual period, which will have a shorter duration (between the Formation Date and the last day of the calendar month in which the formation date falls), applicable for each interest accrual period (calendar months, different than the Interest Accrual Periods established for the bonds) by the positive daily amounts that may be shown in the Principal Account, equal to the Interest Rate of Reference of the Bonds determined for each Interest Accrual Period, and applicable as from the first day of the calendar month following each Payment Date (except for the first interest accrual period that will be applied as from the Formation Date). The accrued interest to be settled on the first business day of the following month, except for December which shall be settled on the last day of the month, shall be calculated on the basis of: (i) the effective days existing in each interest accrual period and (ii) a year consisting of three hundred and sixty (360) days. The first interest settlement date will be 1 December 2006, with interest accruing between the date of formation and 30 November, inclusive.

In the event that, during the life of the issue of the bonds, the unsubordinated and unsecured short term debt of Banco de Sabadell, S.A. experiences a decrease to below P-1 according to the rating scales of Moody's or F-1 in the case of Fitch, respectively, or an equivalent rating specifically recognized by the Rating Agencies, the fund manager shall exercise any of the options described below that allow the maintenance of an adequate guarantee level regarding the commitments derived from this Contract and shall do so within a maximum period of thirty (30) business days from when the situation occurs:

- (a) Obtain from a financial entity with a minimum credit rating for its unsecured and unsubordinated short term debt, of P-1 and F1, according to the rating scales of Moody's and Fitch, respectively, and which does not impair the rating granted to the bonds by the Rating Agencies, a first-demand guarantee to secure the Fund, at the simple demand of the Fund Manager, the timely payment by Banco de Sabadell, S.A. of its refund obligation of the amounts deposited in the Treasury Account during the time that the situation of loss of the P-1 or F-1 ratings by Banco de Sabadell, S.A. remains.
- (b) Move the Amortisation Account to an entity whose unsecured and unsubordinated short term debt has a minimum credit rating of P-1 and F1, according to the rating scales of Moody's and Fitch, respectively, and arrange the maximum return for its balances, although it may be different than that agreed with Banco de Sabadell, S.A. by virtue of this Contract.
- (c) In case options a) and b) above were not possible, obtain from Banco de Sabadell, S.A. or from a third party a pledge guarantee in favour of the Fund over financial assets with a credit quality no lower than that of the Spanish State Public Debt, for a sufficient amount for guarantying the commitments assumed in this contract and which does not jeopardise the ratings assigned to the Bonds by the Ratings Agency.
- (d) If neither of the aforementioned options is possible the Fund Manager may invest the balances for maximum periods up to the next Payment Date, in short-term fixed-rate assets in euros issued by entities with a minimum credit rating of P-1 and F1 (for terms under 30 days or F-1+ for longer terms) for short term debt, according to the rating scales of Moody's and Fitch, respectively, including short-term securities issued by the Spanish State. It is therefore possible, in this case, that the return obtained will be different from that initially obtained from Banco de Sabadell, S.A. by virtue of this Contract.

- (e) In both b) and d) situations, the Fund Manager will be later entitled to move back the balances to Banco de Sabadell, S.A. under the Guaranteed Interest Rate Contract (“Amortisation Account”), in the event that its short term debt reaches again the P-1 and F1 ratings, in accordance with the Moody’s and Fitch scales, respectively.

The Amortisation Account will be cancelled on 19 January 2008.

3.4.5 Collection by the Fund of payments on the assets

The Administrator shall manage the collection of all amounts that may have to be satisfied by the Debtors and that are derived from the Loans, as well as for any other concept.

The Administrator shall exercise due diligence so that the payment that the Debtors should make is collected in accordance with the contractual terms and conditions of the Loans.

The Administrator will transfer to the Fund’s Treasury Account all sums received for any item to which the Fund is entitled on the Loans it administers. The payments will be made by transfer on each Collection Date with the same value date.

The Fund Collection Dates will be all Business Days in each Collection Period.

Should the subordinate and unsecured short-term debt of the Assignor fall below P1 according to the Moody’s rating or F1 according to the Fitch rating, the Assignor must carry out one of the actions set forth in section 3.4.4.1 of the Supplemental Addendum in order to maintain the ratings given to the Bonds by the Ratings Agencies or, in the event of a fall in the ratings given by Fitch, they must satisfy one of the criteria set forth in the Fitch report “Commingling Risk in Structured Finance”, dated 9 June 2004.

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

3.4.6 Order of priority of payments made by the issuer

Ordinary and exceptional rules governing priority and fund allocation

On the disbursement date

1. Origin.

On the disbursement date, the Fund shall have assets available for the following items:

- (i) Funds received from issuing and placing the Bonds on the market.
- (ii) Funds received in connection with the Loan for Initial Expenses.
- (iii) Funds received in connection with the Reserve Fund Loan.

2. Application.

On the disbursement date, the Fund shall allocate the aforementioned funds to payment of the following:

- (i) Payments for the purchase of the Non-Mortgage Loans and Mortgage Transfer Certificates pooled in the Fund.
- (ii) Payment of the initial expenses of the Fund in accordance with that set forth in section 3.4.3. of this Prospectus Schedule
- (iii) Endowment of an Initial Reserve Fund.

Starting on the Fund Disbursement Date and through the Fund Settlement Date, exclusive

On each payment date that is not the final payment date or that on which the early liquidation of the fund takes place, the fund manager shall successively apply the funds available and the amount available for amortisation in the payments priority order laid down as follows for each one.

1. Fund origin

The Funds Available on each Payment Date to satisfy the payment or withholding obligations listed below shall be the amounts deposited in the Treasury Account and Amortisation Account for the following items:

- i) Income earned on the Non-Mortgage Loans and Mortgage Loans in the form of principal and interest calculated on each Determination Date as follows: the income earned between the last day of the calendar month prior to and excluding the previous Determination Date and the last day of the calendar month prior to and including the current Determination Date, except for the first Determination Date, which shall be the income earned between the Disbursement Date, inclusive, and the last day of the calendar month prior to the current Determination Date, inclusive.
- ii) If applicable, other revenue from the Debtors which is different from current principal and interest of the Loans.
- iii) Returns on the balances of the Treasury Account and the Amortisation Account.
- iv) The amount corresponding to the Reserve Fund on the Corresponding Payment Date.
- v) If applicable, the net amounts received by the Fund under the Interest Swap Contract and the amounts of the settlement received by the Fund if the said contract is terminated.
- vi) The proceeds of the settlement and, where applicable, of the Fund's assets.
- vii) The drawn down amounts of the State Warrantee, if applicable.
- viii) Funds received for the Loan for the First Interest Period.

2. Application of Funds

Generally speaking, the Available Funds of the Fund will be applied on each Payment Date to the following items, establishing the order of priority in which the payments will be made as shown below if there are insufficient Funds:

- (i) Payment of ordinary and extraordinary expenses and taxes on the Fund and fund settlement expenses, including the Fund Manager's commission and the commission of the Paying Agent, but excluding the payment of the Administrator's commission for administering the Loans, except in the event of replacement as foreseen in part 3.7.2.4. of this Supplemental Addendum, and

excluding the payment of the Financial Brokerage Fee, both of which are subordinate and which occupy numbers (xvi) and (xvii) in order of priority.

- (ii) Payment of the net amount due under the Financial Swap Contract and payment of the net settlement amount, but only if the agreement is terminated because of circumstances attributable to the Fund.
- (iii) Payment of interest on Series A1, A2 and A3(G) Bonds due and payable on previous payment dates and reimbursement to the State of the amounts paid to the Fund by drawdown of the Warrantee for the payment of interest on the Series A3(G) bonds guarantee and not returned on previous payment dates (pro rata).
- (iv) Payment of interest on series A1, A2 and A3(G) bonds (pro rata) accrued since the previous payment date.
- (v) Payment of the interest on Class B bonds, save in case of down-ranking to 8th place of this payment in the order of priority. This payment will be moved back to (viii) place when an Amortisation Deficit could be generated in an amount greater than the sum of (a) 80% of the Outstanding Balance of the Principal of Series B Bonds plus (b) 100% of the Outstanding Balance of the Principal of Series C Bonds, provided that the full redemption of the Class A bonds and repayment of the amounts due to the State through draw downs of the Warrantee for amortisation of the Series A3(G) had not already occurred or was to occur on the corresponding payment date (without taking the down-ranking of the payment of interest of the Class B Bonds into account).
- (vi) Payment of the interest on Class C bonds, save in case of down-ranking to (ix) place in the Payment Priority Order. This payment will be moved back to (ix) place when an Amortisation Deficit could be generated in an amount greater than the sum greater than 137% of the Outstanding Balance of the Principal of Series C Bonds, provided that the full redemption of the Class B bonds and repayment of the amounts due to the State through draw downs of the Warrantee for amortisation of the Series A3(G) had not already occurred or was to occur on the corresponding payment date (without taking the down-ranking of the payment of interest of the Class C Bonds into account).
- (vii) Retention of the Amount Available for Amortisation. The Bonds will be amortised according to the rules established in part 4.9 of the Securities Note.

- (viii) Payment of the interest accrued on the Class B Bonds when this payment is moved back to (v) place in the Payment Priority Order as established in said part.
- (ix) Payment of the interest accrued on the Class B Bonds when this payment is moved back to (v) place in the Payment Priority Order as established in said part.
- (x) Retention of the amount sufficient to maintain the minimum reserve fund level required at the corresponding payment date.
- (xi) Payment of interest on the Reserve Fund Loan.
- (xii) Repayment of the principal on the Reserve Fund Loan.
- (xiii) Payment of the amount due as a result of the termination of the Financial Swap, except under the circumstances indicated in (ii) above.
- (xiv) Payment of interest on the Loan for Initial Expenses and the Loan for the First Interest Period.
- (xv) Repayment of the principal of the Loan for Initial Expenses and the Loan for the First Interest Period.
- (xvi) Payment of the administration commission.

Should the Administrator of the loans be replaced by another entity, the administration commission payment, which shall accrue in favour of the new third-party administrator, shall occupy the position contained in previous order (i), together with the remaining payments included there.

- (xvii) Brokerage fee payment.

The following shall be considered ordinary expenses of the Fund:

- a) Expenses that can derive from the obligatory verifications, inscriptions and administrative authorisations.
- b) Fees of the rating agencies for monitoring and maintaining the ratings of the bonds.

- c) Expenses relative to the carrying out of the accounting registry of the bonds through their representation via account entries and for their admittance to trading on the secondary securities markets, and upkeep of the foregoing.
- d) Paying Agent Commission.
- e) Commission of the Fund Manager.
- f) The cost of auditing the annual accounts.
- g) Expenses derived from the amortisation of the Notes.
- h) Expenses derived from the announcements and notifications related to the fund and/or the bonds.

The following shall be considered extraordinary expenses of the Fund:

- a) If necessary, the expenses associated with preparing and formalising modifications to the Deed of Formation and contracts, as well as for any additional contracts.
- b) Expenses associated with executing the mortgage loans and those derived from recovery actions that are necessary.
- c) Expenses for auditing and legal advice;
- d) Any remaining initial costs of the constitution of the fund and the bond issue that exceed the amount of the loan for initial expenses.
- e) In general, any other necessary extraordinary expenses borne by the Fund or by the Fund Manager in representation and on behalf of the same.

3. Other rules

In the event that the Available Funds were not sufficient to cover any of the amounts mentioned in the preceding paragraphs, the following rules will apply:

- When a priority order has amounts for different items, the remainder of the available funds will be applied on a prorated basis to the amounts required of each one, distributing the amount applied to each item based on the seniority

of the debt. Notwithstanding the above, the amounts received against the State Warrantee shall only be used on the next Payment Date immediately following receipt to cover shortages in the payment of principal and interest on A3(G) Series Bonds.

- The Funds will be applied to the different items mentioned in the previous section in accordance with the priority order established, distributed on a prorated basis among those items entitled to receive payment.
- The amounts that remain unpaid will be placed, on the following Payment Date, in a priority position immediately before that of the item in question. In this regard, the order in the case of non-payment of the interest of the Series A1, A2 and A3(G) Bonds is explicitly laid down in the Payment Priority Order.
- Any amounts owed by the Fund and unpaid on their respective Payment Dates will not accrue additional interest.

On the Fund Settlement Date

The Fund Manager shall proceed to liquidate the Fund when the Fund is liquidated on the Statutory Maturity Date or the Payment Date on which the Early Liquidation takes place as provided for in sections 4.4.3 and 4.4.4 of the Registration Document, by applying the Available Funds to the following items : (i) the available funds and (ii) the sums obtained by the Fund from the disposal of the Funds remaining assets, according to the following Payment Priority Order :

1. Reserve to cover the final tax, administrative or advertising expenses at the time of settlement.
2. Payment of ordinary and extraordinary taxes and expenses of the Fund, hereby including the fee of the Fund Manager and the Paying Agent's commission and excluding the payment to the Administrator of the corresponding commission for Administration of the Loans, except in the case of substitution provided for in section 3.7.2.4 of this Supplemental Addendum.
3. Payment of the net amount due under the Financial Swap Contract and payment of the net settlement amount, but only if the agreement is terminated because of circumstances attributable to the Fund.

4. Payment of interest on Series A1, A2 and A3(G) Bonds due and unpaid on previous payment dates and reimbursement to the State of the amounts paid to the Fund by drawdown of the Warrantee for the payment of interest on the Series A3(G) bonds guaranteed and not returned on previous payment dates (pro rata).
5. Payment of interest on series A1, A2 and A3(G) bonds (pro rata) accrued since the previous payment date.
6. In the event of the application of Rule 2.1 described in part 4.9.4 of the Prospectus Schedule, amortisation of the Series A1 Bonds until they are fully amortised.
7. In the event of the application of Rule 2.1 described in part 4.9.4 of the Prospectus Schedule, amortisation of the Series A2 Bonds until they are fully amortised.
8. In the event of the application of Rule 2.1 described in part 4.9.4 of the Prospectus Schedule, amortisation of the Series A3(G) Bonds until they are fully amortised and reimbursement to the State of the amounts paid to the Fund by drawdown of the Guarantee for the payment of interest on the Series A3(G) bonds.
9. In the event of the application of Rule 2.2 described in part 4.9.4 of the Prospectus Schedule, amortisation of the Series A1, A2 and A3(G) Bonds and reimbursement to the State of the amounts paid to the Fund by drawdown of the Warrantee for the payment of interest on the Series A3(G) bonds.
10. Payment of the interest accrued on the Class B Bonds
11. Amortisation of the principal of the Class B Bonds until they are fully amortised.
12. Payment of the interest accrued on the Class C Bonds
13. Amortisation of the principal of the Class B Bonds until they are fully amortised.
14. Interest accrued on the Reserve Fund Loan.

15. Payment of the principal of the Reserve Fund Loan.
16. Interest accrued on the Loan for Initial Expenses and the Loan for the First Interest Period.
17. Payment of the principal on the Loan for Initial Expenses and the Loan for the First Interest Period.
18. Payment of the amount payable by the Fund for the settlement of the interest swap, except under the circumstances described in 3 above.
19. Payment of the Administrator's commission for administering the Loans.
20. Financial brokerage fee.

When a priority order has debits for different items and the Funds available for settlement are not sufficient to meet the payments due, the remainder of the Funds available for settlement will be applied on a prorated basis, distributing the amount applied to each item based on the order of the maturity of demandable debits.

3.4.7 Other agreements governing the payment of principal and interest to investors

3.4.7.1. Financial Interest Swap Contract (“*Swap*”)

The Fund Manager will sign, on behalf of the Fund, a Financial Interest Swap Agreement or *Swap* with Banco de Sabadell, S.A., the most relevant terms of which are described below.

Under the Interest Swap Agreement, the Fund will make payments to Banco de Sabadell, S.A. calculated on the interest rates of the Loans and in exchange Banco de Sabadell, S.A. will make payments to the Fund calculated on the Interest Rate of the Bonds plus a margin, all pursuant to the following rules:

Party A: The Fund, represented by the Fund Manager

Party B: Banco de Sabadell, S.A.

- Settlement Dates: the settlement dates will coincide with the Bond Payment Dates.
- Notional Amount: the amount resulting from adding the Outstanding Balance of the Principal of the Bonds in each Series on the Determination Date prior to the Liquidation Date in progress.
- Settlement Period for Party A: The days that have effectively elapsed during the three calendar months prior to the Settlement Date in progress. Under exceptional circumstances, the first settlement period will have a duration equivalent to the days elapsed between the Fund Formation Date (inclusive) and the final day of the month prior to the first Payment Date (inclusive).
- Variable Amount of Part A: Calculated by adding (i) the amount of interest accrued on the non-defaulted loans plus during the Settlement Period of Party A plus (ii) the amount of interest accrued on the Amortisation Account during the settlement period of Party A.
- Party A payments: On each Settlement Date, Party A shall pay Party B the positive difference, if any, between the Variable Amount of Party A and the Variable Amount of Party B determined for the Settlement Period for Party A and the Settlement Period for Party B immediately preceding it.
- Settlement Period for Party B: the days actually elapsed between two consecutive settlement dates, including the first and excluding the last. Exceptionally, the first settlement period for will have a duration equivalent to the days elapsed between the Fund Disbursement Date (included) and the first Liquidation Date (excluded).
- Variable Amount of Party B: calculated by applying the Interest Rate payable by Party B to the Notional of the Swap for the number of days in Party B's settlement period.
- Party B Payments: On each Settlement Date, Party B shall pay Party A the positive difference, if any, between the Variable Amount of Party B and the Variable Amount of Party A determined for the Settlement Period for Party B and the Settlement Period for Party A immediately preceding it.

- Interest rate payable by Party B: for each liquidation period for Party B, this will be the mean Nominal Interest Rate of the Bonds weighted by the Outstanding Principal for each bond series, plus a margin of 0.50%.
- The settlement basis will be 360 days.

Breach of the Interest Swap Agreement

If on any Payment Date the Fund (Party A) did not have sufficient liquidity to pay the entire net amount owed to Party B, the unpaid amount will be paid on the next Payment Date, provided the Fund has sufficient liquidity according to the Payment Priority Order. If the Fund were to fail to pay on two consecutive Payment Dates, the Interest Swap Contract may be terminated at the request of Party B. In the event of termination, the Fund shall assume, where applicable, the obligation to the final settlement amount as foreseen in the terms of the Swap Contract in accordance with the Payment Priority Order. Notwithstanding the above, except in a situation of permanent alteration of the financial balance of the Fund, the Fund Manager, on behalf of the Fund, will attempt to sign a new interest swap contract under essentially identical conditions.

If Party B were to fail to meet its payment obligations for the full amount payable to the Fund on any Payment Date, the Fund Manager may choose to terminate the Interest Swap Contract. In this case, Party B would assume, where applicable, the obligation to pay the settlement amount foreseen in the Contract. If the Fund Manager were to exercise the early cancellation option, it must look for an alternative financial entity to replace Party B as quickly as possible.

The settlement amount will be calculated by the Fund Manager, as the calculation agent, based on the market value of the Interest Swap Contract.

Lowering of Party B's credit rating

If at any time during the life of the Bond Issue the credit rating of Party B's unsubordinated and unsecured debt were to fall below A or A2 for long term debt on the Fitch and Moody's scales, respectively, or fall below P1 for short-term debt in accordance with the Moody's rating scale, or F1 in accordance with the Fitch rating, Party B irrevocably assumes the commitment to choose one of the following options within thirty (30) days from the date on which either of these circumstances occurs, under the terms and conditions deemed pertinent by the Fund Manager, in order to maintain the ratings assigned to each one of the series by the Rating Agencies:

- (i) A third party entity with a credit rating for its unsubordinated and unsecured long-term debt equal to or higher than A or F1 for its short-term debt according to the Fitch and Moody's rating scales, respectively, shall guarantee the fulfilment of its contractual obligations under the Interest Swap Contract;
- (ii) a third party entity with the same ratings as required for option (i) above shall assume its contractual position and replace it in the Interest Swap Contract or, if applicable, a new Interest Swap Contract will be signed with the third-party entity under the same terms and conditions as the Interest Swap Contract; or
- (iii) set up a cash or pledged security deposit in favour of the Fund with an entity with short-term debt rating of P-1 and F1, respectively, according to the Fitch and Moody's scale, for an amount calculated, among other factors, according to the market value of the Interest Swap Contract so that the ratings assigned to the Bonds by the Ratings Agency are unaffected.

In the event of a fall of the rating awarded to the unsecured and unsubordinated debt of Party B below A3 for long-term debt in accordance with the Moody's rating, options (i) and (ii) set forth previously would be the only feasible options to avoid a fall in the ratings granted to the bonds by the rating agencies, with a cash or securities deposit lodged in accordance with point (iii) of the foregoing section from the day on which any of these circumstances occurred until either of the aforementioned options (i) and (ii) is exercised within a maximum deadline of 30 calendar days.

According to the Fitch criteria, if Party B has a rating of F2 or lower for its subordinate and unsecured short-term debt in guarantee of compliance of the contractual obligations of Party B for an amount calculated, among other factors, in accordance with the market value of the swap in order not to alter the rating granted to the Bonds by the rating agency and in accordance with the rating assigned to Party B, it shall carry out one of the foregoing options (i) or (ii). For calculation of the market value for the purposes of Fitch, the criteria set forth in the Fitch report "Counterparty Risk in Structured Finance: Swap criteria", dated 13 September 2004, shall be used, which proposes a formula for estimating the value of the swap market within fifteen (15) days following the loss of the A status by Party B. If this formula is not validated by Fitch an equivalent amount which shall be defined by Fitch shall be added into the calculation of the market value.

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

Furthermore, the interest and principal payments to the investors in Series A3(G) Bonds are also contingent upon the State Warrantee, the essential terms and

conditions of which are described below and summarised in the Securities Prospectus:

3.4.7.2. State Guarantee

Under the Ministerial Order to be signed prior to the Fund Formation Date, the Ministry of the Economy will issue a Guarantee to the Fund in the amount of 82,800,000 euros, under the following conditions:

The Guarantee will secure, with a waiver of the benefit of discussion established in article 1,830 of the Civil Code, the payments of the principal and the interest of the A3(G) Bonds as a result of the non-payment of the Loans, provided that the following requirements are met: (i) registration of the Prospectus with the CNMV; (ii) execution of the Deed of Formation of the Fund and registration with the CNMV; (iii) confirmation by Rating Agencies, prior to the commencement of the Subscription Period, of the final credit ratings assigned to each Series; (iv) non-termination of the Subscription and Underwriting Agreement on the Placement of the Bond Issue and (v) submission of the documentation mentioned in the following paragraph to the Directorate General of the Treasury and Financial Policy.

The Fund Manager must submit to the General Directorate for Financial Policy and Treasury: (i) a copy of the Informative Prospectus; (ii) an authorised copy of the Deed of Formation of the Fund registered with the CNMV; (iii) a certificate issued by Banco de Sabadell, S.A. declaring that the Loans meet the conditions of the Framework Collaboration Agreement annexed to the Order of 28 December 2001 in the version amended by Order ECO/1064/2003, dated 29 April, and that the loans have been selected from a portfolio of credit rights derived from financing operations (loans) granted by Banco de Sabadell, S.A. to Spanish SMEs, at least 90% of which are loans granted to small and medium enterprises according to the definition of the European Commission (Recommendation of 6 May 2003) (2003/361/EC), (iv) a copy of the letters from the Rating Agencies notifying the final ratings assigned to each Bond series, recognised by the CNMV and (v) an authorised copy of the deed of disbursement of the Bonds subscription executed by the Fund Manager.

The Guarantee may be partially executed, there being no limit on the number of executions allowed.

The Guarantee applies to the repayment of the principal and the payment of the interest accrued on the bonds in the secured series.

The Guarantee will be called under the following circumstances for the amounts determined in each case:

1. On any Payment Date or Final Maturity Date or the date of the Early Settlement of the Fund in which the available funds or the funds available for settlement, whichever applies, were insufficient to pay the interest due on the guaranteed A3(G) series bonds, once all payments have been made according to the Payment Priority Order and the Settlement Payment Priority Order.

In this case, the guarantee will be called for an amount equal to the difference between the amount of the interest due and payable on the A3(G) series bonds and the amount of the available funds applied to payment on the corresponding payment date or the amount of the funds available for settlement applied on the fund settlement date.

The amounts received by the Fund to pay the interest due and payable on the A3(G) bonds as a result of the Warrantee being called shall be used for the payment of such interest without being subject to the Payment Priority Order or the Settlement Payment Priority Order.

2. On any payment date other than the legal maturity date or the early settlement date of the Fund on which the funds available for amortisation are insufficient to amortise the A3(G) series bonds in the corresponding amount, pursuant to the rules for the distribution of the funds available for amortisation among each class series due to an amortisation deficit.

In this case, the Guarantee will be called for an amount equal to the difference between the amount of the principal of the series A3(G) bonds which would have been amortised had there been no amortisation deficit and the amount of the funds available for amortisation actually applied on the payment date in question.

The amounts received by the Fund as a result of the Guarantee being called to pay the amortisation of the guaranteed A3(G) series bonds shall be used for the payment of such amortisation without being subject to the Payment Priority Order or the Settlement Payment Priority Order.

3. On the legal maturity date or early settlement date of the Fund, when the funds available for settlement are insufficient to amortise the A3(G) series bonds in their entirety.

In this case, the Guarantee will be called for an amount equal to the difference between the outstanding balance of principal on the A3(G) bonds and the amount of the funds available or the funds available for settlement actually applied to the amortisation on the date in question.

The amounts received by the Fund as a result of the Warrantee being called to pay the amortisation of the guaranteed A3(G) series bonds shall be used for the payment of such amortisation without being subject to the Payment Priority Order or the Settlement Payment Priority Order.

Each time the Guarantee is called, the Fund Manager will notify the Directorate General of the Treasury and Financial Policy in writing, declaring the existence of a situation in which the funds available for amortisation or the funds available for settlement are insufficient pursuant to the preceding paragraphs and indicating the amount claimed for each item.

The payment, where applicable, of the amounts requested under the Warrantee, will be made by the Directorate General for the Treasury and Financial Policy within ninety (90) days counting from the date of the reception of the written requirement of the Fund Manager by means of a payment into the Treasury Account.

The Warrantee does not accrue any interest whatsoever.

Pursuant to the Resolution of 23 June 2005 of the General Directorate for Financial Policy and the Treasury, the Fund Manager shall notify the General Directorate for Financial Policy and the Treasury on each Payment Date (i) the Outstanding Balance of the Loans and the anticipated amortisation rates in annualized terms for the last month, quarter and year, (ii) data on the accounts in arrears since the Fund formation date, (iii) the outstanding balance of principal of the bonds in each series and (iv) the balance of the Reserve Fund, specifying the initial amount, the minimum amount required and the balance following the Payment Date.

The Fund Manager shall communicate to the Directorate General for the Treasury and Financial Policy on each Payment Date of the A(G) Bonds the outstanding balance of the A3(G) bonds and also at the end of each fiscal year, an estimation of the financial charge of the A3(G) bonds for the following fiscal year.

The amounts paid by the State under the Guarantee shall constitute an obligation to the State on the Fund's behalf, pursuant to the Payment Priority Order and the

Settlement Payment Priority order established in the Deed of Formation of the Fund and part 3.4.6. of this Additional Module.

The refund of the amounts drawn against the Warrantee, whether they have been used for the payment of interest or for the reimbursement of the principal of the Bonds of the A3(G) Series Bonds, will be made on each of the following Payment Dates, until its total refund, and it will be charged to the Available Funds for settlement and the Available Funds for Amortisation, respectively, in accordance with the Payment Priority Order of the Fund and the Settlement Payment Priority Order, as applicable.

In the event that according to the above rules, on a Payment Date, the Fund, in addition to returning the amount withdrawn at the charge of the State, must request another amount to pay the interest or principal of the Series A3(G) Bonds, the net amount to be requested, or if applicable, returned, to the State, will be calculated and applied.

The Warranty will be cancelled when all Series A3(G) bonds have been fully amortised and in any event on the maturity date of the fund.

The secured A3(G) bonds will be assigned a provision rating of Aaa by Moody's and AAA by Fitch on the Formation Date. These ratings were assigned by the rating agencies without considering the Spanish government's guarantee in their analyses.

3.4.7.3. Financial brokerage contract.

Finally, the Fund Manager, on behalf of the Fund, will pay Banco de Sabadell, S.A. for the financial brokerage activities performed which have enabled the definitive financial transformation of the Fund's activity, the acquisition of the non-mortgage loans, the subscription of the mortgage transfer certificates and the satisfactory rating of each bond series.

The remuneration paid to Banco de Sabadell, S.A. under this heading consists of a variable amount that is subject to the difference between the annual income and expenses, according to the Fund's official accounting records, less any negative tax bases from previous fiscal years which may be used to compensate the accounting results of the fiscal year for the purposes of the annual Corporate Income Tax payment.

This amount will accrue annually at the end of each financial year of the Fund. Notwithstanding the above, this fee will be paid in instalments on each one of the Payment Dates.

The Financial Brokerage Margin (between the amounts paid in advance and the Fund's results at the end of the fiscal year) will be adjusted on the first Payment Date of the next year, according to the Payment Priority Order shown in part 3.4.6. of this Supplemental Addendum, when the result of such adjustment is an amount payable by the Fund to Banco de Sabadell, S.A.

3.5 NAME, ADDRESS AND SIGNIFICANT ECONOMIC ACTIVITIES OF THE ASSIGNOR OF THE SECURITISED ASSETS

The originator and Assignor of the securitised loans is BANCO DE SABADELL, S.A.

Banco de Sabadell, S.A., holder of Tax ID number A08000143, has its registered address in Sabadell, Plaza de Catalunya, number 1, with the abbreviated name of this entity known as Banco Sabadell. The hub services and the decision-making bodies are located at this address and at Calle Sena, 11, Polígono Can Sant Joan. 12.

The business activities of Banco de Sabadell, S.A. consist of the commercial banking activities corresponding to code 65.12 in the National Classification of Economic Activities (CNAE). Its business objectives are listed in article four of its Articles of Association.

The bank was founded on 31 December 1881 under the public deed witnessed by the notary public Antonio Capdevila Gomá for an indefinite period of time. Its Articles of Association were adapted to the Companies Act as required in Legislative Royal Decree 1564/1989 which approved the Revised Text of the Companies Act of 26 April 1990 and registered in the Barcelona Business Register on 29 May 1990, volume 20.092, page number B-1.561, folio 1, entry 580. The Articles of Association have since been amended and those amendments can be consulted at the company's registered offices indicated above.

Banco de Sabadell, S.A. is registered in the Bank of Spain's Register of Banks and Bankers under number 0081.

Banco Sabadell, S.A. is a public limited company. Its operations are governed by special laws regulating credit institutions and its activities are supervised and controlled by the Bank of Spain.

Significant economic activities of Banco de Sabadell, S.A.

The Banco de Sabadell, S.A. financial group operates primarily in banking, although it also has interests in the fields of insurance, real estate, investment and pension fund management, financial brokering, global custody, asset management and brokering on domestic and international cash, capital and currency markets.

What follows is financial information for Grupo Sabadell for the third quarter of 2006 and a comparison with the year before. The information at 30 September 2006 was prepared pursuant to International Financial Reporting Standards (hereinafter “**IFRS**”) applicable according to EC Regulation 1606/2002 and the Bank of Spain's Circular 4/2004. The information corresponding to 30 September 2004 was also prepared according to the IFRS for comparison purposes only, so that the figures for the two periods can be compared uniformly.

BALANCE SHEET (in thousands of euros)

	30.09.2006	30.09.2005	Variation (in %)
Total Assets	66.501.094	50.703.855	31,16
Credit Investment	51.564.205	39.089.539	31,91
Customer resources	52.787.150	40.790.299	29,41
Shareholders' Equity	3.681.308	3.270.700	12,55

INCOME STATEMENT (in thousands of euros)

	30.09.2006	30.09.2005	Variation (in %)
Brokerage margin	806.866	715.450	12,78
Ordinary margin	1.332.104	1.160.799	14,76
Operating margin	712.029	573.056	24,25
Profit before taxes	622.540	513.617	21,21
Group profits	431.563	354.861	21,61

STOCK AND MARKET VALUE DATA

	30.09.2006	30.09.2005	Variation (in %)
Quoted price (in euros)	28,34	21,28	33,18
Market value (in thousands of euros)	8.673.137	6.511.753	33,18
Group profits	431.563	354.861	21,61
Book value per share (in euros)	12,03	10,69	12,54
PER (Price/profit; times)(*)	15,07	13,76	9,52
P/VC (price/book value ratio)	2,36	1,99	18,59

RELEVANT RATIOS (%)

	30.09.2006	30.09.2005	Variation (in %)
ROE (Return on equity)	17,68	15,75	12,25
ROA (Return on assets)	0,98	1,01	-2,97
Basic efficiency ratio	49,72	53,60	-7,24
Efficiency ratio	47,10	50,52	-6,77
Delinquency rate	0,42	0,49	-14,29
Coverage rate	431,76	382,89	12,76

CAPITAL RATIOS (BIS REGULATION) (%)

	30.09.2006	30.09.2005	Variation (in %)
Total (Ratio BIS)	10,81	12,02	-10,07
TIER 1	6,55	8,28	-20,87

ADDITIONAL INFORMATION

	30.09.2006	30.09.2005	Variation (in %)
Number of shares (thousands)	306.003	306.003	0
Number of shareholders	66.800	64.508	3,55
Number of employees	10.169	9.455	7,55
Number of domestic offices	1.184	1.069	10,76

3.6 YIELD AND/OR RETURN ON SECURITIES RELATED TO OTHERS THAT ARE NOT THE ASSIGNOR'S ASSETS

N/A.

3.7 ADMINISTRATOR, CALCULATION AGENT OR SIMILAR**3.7.1. Management, administration and representation of the Fund and the bondholders.**

"GC FTPYME SABADELL 5, Fondo de Titulización de Activos" will be formed by "Gesticaixa, SGFT, S.A." as the Fund Manager empowered to act as such and consequently to act as the administrator and legal representative of the GC FTPYME SABADELL 5 Fund pursuant to the provisions of Royal Decree 926/1998 of 14 May which regulates asset securitization funds and the managers of asset securitization funds.

The Fund Manager will perform for the Fund those functions attributable to it in Royal Decree 926/1998.

The Fund Manager, as the manager of unrelated business, shall also represent and defend the interests of the bondholders and of the rest of the ordinary creditors of the same. Consequently, the Fund Manager will limit its actions to the defence of those interests in accordance with the laws in force at any given time.

The bondholders and other ordinary creditors of the Fund will not have any action against the Fund Manager, except for the breach of its duties or the failure to observe the provisions set forth in the Deed of Formation and the Prospectus.

3.7.1.2 Administration and representation of the Fund

The obligations and actions of the Fund Manager in fulfilment of its administrative and legal representation functions include but are not limited to the following:

- (i) Manage the Fund with the objective that its patrimonial value be null at every moment;
- (ii) Carry out the accounting of the Fund, with due separation from its own accounting, effectuate the rendering of accounts and carry out the fiscal obligations or any other legal obligations corresponding to the Fund.
- (iii) Verify that the revenues received by the Fund match the revenues which the Fund should receive pursuant to the different agreements from which those revenues are derived. If necessary, take legal or extra-judicial actions to protect the rights of the Fund and those of the Bondholders.
- (iv) Use the Fund's revenues to satisfy the Fund's payment obligations in accordance with the Deed of Formation and this Prospectus.
- (v) Extend or modify the contracts signed on behalf of the Fund to allow the Fund to operate in the terms set out in the Deed of Formation and this Prospectus, provided that this is allowed under the laws in force at all times, that authorisation is obtained from the competent authorities as needed, that the Rating Agencies are notified and that neither the interests of the Bondholders nor the ratings assigned by the Rating Agencies are jeopardised.
- (vi) Perform the calculations it is obliged to perform under the Interest Swap Contract.

- (vii) Replace each and every one of the Fund's service providers in the terms set forth in the Deed of Formation and this Prospectus, provided that this is allowed under the laws in force at all times, that authorisation is obtained from the competent authorities as needed, that the Rating Agencies are notified and that neither the interests of the Bondholders nor the ratings assigned by the Rating Agencies are jeopardised. In the event of subcontracting, delegation or replacement of functions or participants, as appropriate, in accordance with the provisions set forth in this prospectus and the deed of formation, and having complied with the requirements established, and especially providing that the interests of the bondholders are not harmed and the rating of the Bonds has not fallen, the fund manager must immediately notify the participants of any issue that could subsequently arise with regard to a possible later modification of the rating awarded to the Bonds which results from the foregoing subcontracting, delegation or replacement in order to immediately rectify this. In particular, should the Assignor default on its obligations as the administrator of the Loans, the Fund Manager will take the measures necessary to ensure the proper administration of the Loans.
- (viii) Issue the pertinent instructions to the payment agent in relation to the Treasury Account and the Amortisation Account and ensure that the amounts deposited therein earn the yields agreed in the respective contracts.
- (ix) Issue the pertinent instructions to the payment agent in relation to the payments to be made to Bondholders and any other entities to whom payments must be made.
- (x) Determine and make the principal and interest payments on the Loan for Initial Expenses, the Loan for the First Interest Period and the Reserve Fund Loan.
- (xi) Issue the pertinent instructions in relation to the State Warrantee.
- (xii) Certify to the Directorate General of the Treasury and Financial Policy and the Directorate General of SME Policy on each payment date the outstanding principal of the A3(G) series bonds and the anticipated amortisation dates and non-preset amounts affecting the balance of the outstanding principal of the A3(G) series bonds.
- (xiii) Appoint and, if necessary, replace the Fund auditors with the prior approval of the CNMV if required.

- (xiv) Prepare and forward any information reasonably requested by the Rating Agencies, the CNMV or any other supervisory body.
- (xv) Prepare and submit to governing bodies all documents and information which must be submitted as established by the CNMV; prepare and forward all legally-required information to bondholders.
- (xvi) Take the opportune decision in relation to the settlement of the Fund, including the decision to settle the fund early and to redeem the bond issue early. Likewise, adopt the appropriate decisions in the case of the termination of the formation of the Fund.
- (xvii) Determine the interest rate applicable to each Series and class of Bonds for each Interest Accrual Period and the principal of each Series to be redeemed on each Payment Date.
- (xviii) Exercise the rights inherent to the ownership of the Non-Mortgage Loans and the Mortgage Transmission Certificates acquired by the Fund.
- (xix) To provide the Bondholders, CNMV and Rating Agencies any and all information and notices required by law.

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

3.7.1.3 Resignation and substitution of the Fund Manager

Substitution of the Fund Manager

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

In the Event of Resignation

- (i) The Fund Manager may resign from its duties of administration and legal representation of all or part of the funds that it manages when it deems appropriate, by written request to the CNMV, in which it is stated the designation of the Fund Manager to substitute. The said document shall be accompanied by another one from the new Fund

Manager in which it declares its acceptance of such duties and incorporates the corresponding authorisation.

- (ii) The authorisation of the substitution on the part of the CNMV will be conditioned by the fulfilment of the following requirements:
 - a) The delivery to the new management company of the accounting and electronic registries by the substituted Fund Manager. Such delivery will only be considered to have taken place when the new Fund Manager can fully assume its role and communicates this circumstance to the CNMV.
 - b) The ratings assigned to the Bonds by Rating Agencies shall not be diminished as a consequence of the proposed substitution.
- (iii) In no case shall the Fund Manager resign from the exercise of its duties until all the requisites and procedures have been fulfilled so that its substitute is able to assume its duties.
- (iv) The expenses that result from the substitution will be charged to the resigning Fund Manager and in no case shall be imputed to the Fund.
- (v) The substitution shall be published, in a period of fifteen days, by means of an advertisement placed in two newspapers of national circulation and in the bulletin of the organised secondary market where the bonds issued by the Fund are listed. Likewise, the Fund Manager should notify the Rating Agencies of the substitution.

In the Event of Mandatory Replacement

- (i) When the Fund Manager is declared in receivership, it should proceed to find a Fund Manager to replace it, in accordance with that foreseen by the above paragraph.
- (ii) Always where, in accordance with the previous section, four months have elapsed since the determining event for substitution and a new fund manager has not been found willing to take on the management, the Fund will be settled early and the Bonds issued against the Fund and of Loans will be amortised early.

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

3.7.1.4 Subcontracting

The Fund Manager will be authorised to subcontract or delegate to third-parties of recognised solvency and capacity, the rendering of any of the services that must be performed in the course of its duties as legal representative and administrator of the Fund, in accordance with that established in the Deed of Formation and in this Prospectus, providing the subcontractor or delegate has waived the right of any action of demand of responsibility against the Fund. In any case, subcontracting or delegation of any service: (i) may not involve any additional cost or expense to the Fund, (ii) must be legally possible, (iii) will not give rise to a downgrade in the rating granted to any of the Classes or Series of Bonds by the Rating Agencies, and (iv) will be notified to the CNMV, with the prior authorisation of this body whenever legally required. Notwithstanding any subcontracting or delegation, the Fund Manager will not be exonerated or released through such subcontracting or delegation of any of its responsibilities assumed by virtue of the Deed of Formation or the Prospectus that are attributable or demandable by law.

3.7.1.5 Remuneration of the Fund Manager

The Fund Manager will be remunerated quarterly on each payment date according to the following rules:

- i) On the Fund Formation Date, the Fund Manager will receive an initial fixed remuneration included in the formation expenses.
- ii) The Fund Manager will also receive a periodic commission to be paid quarterly on each payment date composed of a fixed portion of 2,500 euros plus one-fourth of 0.012% of the outstanding balance of the principal of the Bond on the payment date immediately prior thereto. The periodic commission on each Payment Date may not be less than 7,500 euros or more than 25,000 euros.

It will be calculated using the following formula:

$$R_t = 2,500 + (0.012\% * N_i) * (d_i/360)$$

Where:

N_i = is the outstanding balance of the principal of the bonds at the beginning of the period.

d_i = is the number of days in the period.

These remuneration figures are understood as gross in the sense that they include any and applicable direct or indirect taxes or withholdings.

If the Fund Manager is replaced as established foregoing section 3.7.1.3 of this Supplemental Addendum, the payments mentioned in this section may be modified when a replacement Fund Manager is selected, provided that the new conditions are agreed with the Assignor.

3.7.2. Administration and custody of the securitised assets

Banco de Sabadell, S.A. assignor of the loans to be acquired by the fund pursuant to the provisions of article 2.2.b) of Royal Decree 926/1998 and in respect of the mortgage transfer certificates in articles 61.3 of Royal Decree 685/1982, shall continue to be responsible, as the fund's agent represented by the fund manager, for the administration and management of the loans. The relationship between Banco de Sabadell, S.A. and the fund, represented by the Fund manager, in so far as the custody and administration of the loans and the deposit of the mortgage transfer certificates are concerned, is regulated in the administration agreement.

Banco de Sabadell, S.A. shall accept the mandate received from the Fund Manager in the Administration Agreement.

Within the framework of its mandate, Banco de Sabadell, S.A. may take any actions it considers reasonably necessary or convenient, employing the same diligence and procedures to recover the unpaid amounts of the loans as it would were the credits rights part of its own portfolio. To this end, it may take the habitual actions in this type of situation.

In the event of the non-payment of any principal or interest on a mortgage transfer certificate due to non-payment of the mortgage loan by the debtor, the Fund

Manager, on behalf of the Fund as the holder of the mortgage transfer certificates, shall be vested with all of the powers foreseen in article 66 of Royal Decree 685/1982.

In the event of the situations of concurrence regulated in part b) of article 66 of Royal Decree 685/1982, the remaining proceeds will be distributed in the manner described in the said article.

Under any of the circumstances described in parts c) and d) of articles 66 of Royal Decree 685/1982, the Fund Manager, in representation of the Fund, may ask a competent Judge or Notary Public to commence or continue the execution proceedings. Said request shall be accompanied by the original Mortgage Transfer Certificate with the breakdown, the notarised summons mentioned in part (c) above and a certificate of the registration and existence of the mortgage in the register. Banco de Sabadell, S.A. will be obliged to issue a certificate of the outstanding balance of the Mortgage Loan.

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

The Assignor shall have the right to first refusal for the purchase of those properties that had been mortgaged in guarantee of the Loans that it administers and which are awarded to the Fund, within a period of five (5) business days from the date on which verifiable notification is given through the Fund Manager of the intention to transfer the property. The right of first refusal shall imply that the Assignor may acquire the property under the best terms that have been offered to the Fund Manager.

All the operations indicated in this section with regard to the Mortgage Transfer Certificates shall be carried out under the terms set forth under Heading IV of Book III of the Code of Civil Procedure.

With regard to the non-mortgage loans formalised in a public instrument, if the non-compliance were the result of non-payment by the Debtors, the Fund, represented by the Fund Manager, shall have the right to executive action against the Debtors in accordance with the processes set forth for said procedure in the Civil Procedure Act. This right shall be exercised by the Fund Manager, in representation of the Fund, only in the event that the Administrator does not exercise his duties in accordance with habitual use.

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

The Administration, by reason of its mandates, undertakes as follows:

- (i) To exercise the administration and management of the Loans acquired by the Fund in the terms of the regime and ordinary procedures of administration and management set forth in part 2.2.7. of this Additional Module and Annex 10 of the Deed of Formation.
- (ii) To continue administrating the Loans, dedicating the same time and attention to them and the same level of skill, care and diligence in the administration of same that it would dedicate and exercise in the administration of its own loans. Under all circumstances it shall exercise an adequate level of skill, care and diligence in the provision of services within the bounds of that mandate.
- (iii) That the procedures that it applies and will apply for the administration and management of the Loans are and will continue to be in conformity with the applicable laws and legal regulations in force.
- (iv) To carry out the instructions of the Fund Manager with due allegiance.
- (v) To indemnify the Fund for damages that may derive through breach of the contractual obligations.

The most relevant terms of the management and administration mandate are set out below in the following paragraphs of the present section.

The Administrator hereby waives the powers and privileges lawfully conferred upon it as the Fund's collections manager, as administrator of the Loans and as repository of the corresponding contracts; specifically in accordance with the provisions of articles 1,730 and 1,780 of the Civil Code and 276 of the Commercial Code.

3.7.2.1. Regime and ordinary procedures of administration and management of the Loans

The succinct description and summary of the regime and ordinary procedures of administration and management of the Loans regulated through the Administration Contract is the following:

1. Custody of deeds, documents and files

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

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

2. Collections Management

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

Should the subordinate and unsecured short-term debt of the Assignor fall below P1 according to the Moody's rating or F1 according to the Fitch rating, the Assignor must carry out one of the actions set forth in section 3.4.4.1 of the Supplemental Addendum in order to maintain the ratings given to the Bonds by the Ratings Agencies or, in the event of a fall in the ratings given by Fitch, they must satisfy one of the criteria set forth in the Fitch report "Commingling Risk in Structured Finance", dated 9 June 2004.

Payment by the Fund Administrator of the amounts received through the Loans that it administers shall be made in the manner described in part 3.4.5. above.

3. Setting the Interest Rate.

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

4. Information

The Administrator must periodically communicate to the Fund Manager the information relating to the individual characteristics of each one of the Loans, with regard to compliance by the Debtors of their payment obligations of the Loans, with regard to the arrears situation, with regard to the changes made to the characteristics of the Loans, and with regard to the actions of demanding payment in the case of arrears and of judicial actions, all through the procedures and with the periodicity established in the Administration Contract. Every month, the Assignor shall send information to the Fund Manager on the previous month's portfolio, movements and the repayment table of the loans.

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

5. Subrogation of the Loans

The Administrator will be authorized to allow substitutions in the position of the Debtor in the Loans contracts, exclusively in the cases where the characteristics of the new Debtor are similar to those of the old and they fit the criteria for the granting of the loans described in the corresponding memorandum governing the criteria for the granting of loans, annexed to the Fund Formation Deed and in part 2.2.7. of the Supplemental Addendum, and providing that the expenses derived from this modification are paid in their entirety by the Debtors.

The Fund Manager can limit in whole or in part this legal authority of the Administrator or establish conditions to the same, when said substitutions could negatively affect the ratings granted to the Notes by the Rating Agencies.

With regard to the Mortgage Loans, the Debtor may instigate the subrogation of the Administrator in the aforementioned Mortgage Loans under the protection of the provisions set forth in Law 2/1994. The subrogation of a new creditor in the

Mortgage Loan and the resulting payment of the amount owed will produce the early amortisation of the Mortgage Loan and of the corresponding Mortgage Transfer Certificate.

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

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

Notwithstanding the foregoing, the Fund Manager may, as the manager of third-party businesses and in response to the requests of the Debtors made to the Administrator either directly through the exercise of Law 2/1994, give instructions to the Administrator or authorise it in advance to agree with the Debtor under the terms and conditions that it deems fit in accordance with the requirements set forth in this section on the re-mortgaging of the Loan in question, either by renegotiating the interest rate or extending the maturity date, but never beyond the Final Maturity Date.

In particular, as regards the following:

a) Renegotiating of the interest rate

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

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

- i) Without prejudice to the provisions determined in the following section ii), the Administrator may renegotiate the clause of the rate of interest of the loans in

conditions that are considered to be market conditions and are not different to those that the administrator would apply in the renegotiating or in the granting of its credits and loans. For these purposes, the rate of interest shall be taken as the market rate of interest offered by credit institutions in the Spanish market for loans and credits of a similar amount and featuring conditions that are similar to the Loan.

- ii) Notwithstanding the contents of the preceding paragraph, the Administrator can no longer carry out future renegotiations of interest rates if the average weighted interest of the loans is less than the Euribor at three (3) months plus an annual margin of 0.60% on Determination Date. Under no circumstances may the rates be renegotiated to fixed rates.
- iii) The renegotiation of the interest rate applicable to a loan shall under no circumstances be modified to a variable rate of interest with a reference index that is different to the interest rate reference indexes that the Administrator uses for the loans or credits extended.

b) Extension of the maturity date

The date of final maturity or of the last amortisation of the Loans can be extended subject to the following rules and limitations:

- i) In no case will the Administrator be able to begin by its own initiative, that is, without being by request of the Debtor, the modification of the final due date of the Loan, from which could result the extension of the same. The Administrator, without encouraging the extension of the maturity date, should act in relation to said extension always with the interests of the Fund in mind.
- ii) The amount that is the sum of the capital or principal of the Loans assigned to the Fund over which a deadline extension occurs shall not exceed 10% of the initial capital or principal of all the Loans assigned to the Fund.
- iii) The extension of the due date for any particular Loan may be carried out so long as the following requirements are met:
 - (a) In all cases, the frequency of the instalment payments of the capital or principal of the Loan is maintained or reduced, while maintaining the same amortisation system.

- (b) That the new final maturity date or date of final amortisation will, at the latest, be 31 March 2036.
- (c) That there will have been no delay in the payment of due debits greater than ninety (90) days during the last six months prior to the extension of the repayment date.

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

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

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

7. Extension of the mortgage.

If, at any time, the Administrator becomes aware for any reason that the value of a mortgaged property that was guaranteeing a mortgage loan had decreased by more than the legally allowed percentages, then the Administrator, in accordance with Articles 26 and 29 of Royal Decree 685/1982, must request the following from the mortgagor in question, in the lawfully prescribed manner:

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

If the Debtor does not extend the mortgage or repay the percentage of the Mortgage Loan referred to in the preceding paragraph within two (2) months of being

requested to do so, it will be understood that the debtor has chosen to repay the total amount of the Mortgage Loan. Said payment shall be immediately demanded by the Administrator.

8. Action against Debtors in Case of Loan Default

Action in the case of delay

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

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

Judicial Actions

The Administrator, by virtue of the fiduciary title to the Loans or by virtue of its powers that are mentioned in the following paragraph, will exercise the corresponding actions against the Debtors that default on their payment obligations derived from the Loans. Said action should be exercised through the corresponding legal enforcement proceedings in conformity with the provisions set forth in Article 517 and the following of the Civil Procedure Act.

For the foregoing purposes and for the purposes of the provisions set forth in articles 581.2 and 686.2 of the Civil Procedure Act, as well as wherever necessary, the Fund Manager in the Formation Deed bestows power of attorney as broad as may be required by law in favour of Banco de Sabadell, S.A. so that the latter, acting through any of its representatives with sufficient authority to that end, may, in name and representation of the Fund Manager as legal representative of the Fund, demand, through any judicial or extra-judicial means, that the Debtor of any of the Loans pay its debt. Furthermore, Banco de Sabadell, S.A. shall be empowered to carry out legal action against same, in addition to other faculties required for the exercise of its

functions as Administrator. These faculties may be extended or modified through another deed if necessary.

In particular, the Administrator is bound to:

- i) Exercise any judicial or extra-judicial actions that may correspond to the Fund before the Debtor.
- ii) Perform all acts that may be necessary or appropriate for effectively exercising such actions, and

In relation to the Loans derived from the loans, the administrators should, in general, present an executive demand if, during a period of six (6) months, the debtor of a loan that has defaulted on its payment obligations has not resumed payments to the administrator and the administrator, with the consent of the fund manager, fails to obtain promise of payment satisfactory for the interests of the fund. The Administrator, in any case, should proceed immediately to file the suit for enforcement if the Fund Manager, in representation of the Fund and subject to prior analysis of the specific circumstances, deems it appropriate.

If six (6) months had transpired since the oldest date of default, without the Debtor having resumed payments or without any restructuring, and the Administrator had not filed a suit for enforcement, without sufficient justification, then the Fund Manager, in representation of the Fund, will proceed immediately to initiate the judicial proceedings corresponding to the total claim of the debt.

In the case of a halt in the proceedings pursued by the Administrator without sufficient motive to justify it, the Fund Manager, in representation of the Fund, will be able, if applicable, to subrogate the position of the Administrator and continue with the judicial process.

The Administrator is obliged to provide timely information of the requests for payment, judicial actions, or any other circumstances that affect the collection of the pending overdue amounts for the Loans (see point 3.7.2. of this Supplemental Addendum). Likewise, the Administrator will facilitate to the Fund Manager all the documentation that it may request in relation to said Loans and, in particular, the documentation necessary for the commencement, in its case, of legal actions by the Fund Manager.

9. Insurance for damage and fire to the mortgaged real estate

The Administrator shall not take or fail to take any measure when such action would result in the cancellation of any fire or property damage insurance policy on the mortgaged real estate or that would result in the reduction of the amount to be paid in any claim on the same. The Administrator must exercise due diligence and, in any case, exercise the rights that the insurance policies or that the Loans confer on it with the object of maintaining said policies in force with full effect (or any other policy that grants equivalent cover) in relation to each Mortgage Loan and the corresponding property.

The Administrator, in case of an accident, should coordinate the collection of the indemnities derived from the fire and property damage insurance policies on the mortgaged property in accordance with the terms and conditions of the Loans and the policies themselves, depositing to the Fund, if applicable, the amounts of principal and interest assigned to the Fund. Banco de Sabadell S.A. shall bear the costs incurred as a result of (i) the non-existence of a property damage insurance policy or (ii) non-payment of any insurance policy premiums on the mortgaged properties.

10. Compensation

In the event that any of the Debtors maintains a right to a cash credit, due and demandable against the Administrator and, as such it results that any of the Loans is offset, in whole or in part, against such right of credit, the Administrator will remedy such circumstance or, if it is not possible to remedy it, the Administrator will proceed to deposit to the Fund the amount that had been offset plus the interest accrued that would have corresponded to the Fund up until the day on which the deposit is made, calculated in accordance with the applicable conditions of the corresponding Loan.

11. Subcontracting

The Administrator may subcontract any of the services that it has agreed to provide by virtue of the foregoing and the Deed of Formation, except for those that cannot be delegated under applicable law. Said subcontracting shall not in any case involve any additional cost or expense for the Fund or the Fund Manager, and shall not cause a lowering of the rating granted to each of the Class or Series of Bonds by the Rating Agencies. Notwithstanding any subcontracting or delegation, the Administrator will not be exonerated nor liberated, through such subcontracting or delegation, of any of

its responsibilities assumed by virtue of the Administration Contract or that are legally attributable or demandable to it.

12. Notifications

The Fund Manager and the Assignor have agreed not to notify the debtors of the assignment. Notification is not a prerequisite for the validity of the assignment of the mortgage and non-Mortgage Loans or for the issue of the Mortgage Transfer Certificates.

However, the Assignor will shall grant the broadest powers allowed by law to the Fund Manager so that the latter may, on behalf of the Fund, notify the debtors of the assignment when it deems appropriate.

However, in the event of bankruptcy or any indication of receivership by the Bank of Spain, of liquidation or replacement of the Administrator or if the Fund Manager considers it reasonably justified, the Fund Manager may require the Administrator to notify the debtors of the transmission of the outstanding loans to the Fund and of the fact that the payments associated therewith will only release them from their obligations if made to the Cash Account open in the Fund's name. However, if the Administrator fails to notify the Debtors within three (3) days of being required to do so or in the event of the bankruptcy of the administrator, the Fund Manager itself will notify the Debtors directly. The Fund Manager will issue the notice as quickly as possible.

The Assignor shall pay for the cost of notifying the debtors, even if the notice is made by the Fund Manager.

3.7.2.2. Term and substitution

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, as Assignor of these, are extinguished, or when the liquidation of the Fund is concluded, without prejudice to the possible early revocation of its mandate in conformity with the terms set forth below.

Mandatory replacement: Should the Fund manager verify a breach by the Assignor, as the administrator of the loans, of its obligations assumed as such or the occurrence of events which, in the opinion of the Fund Manager, constitute any danger or risk for the financial structure of the Fund or the rights and interests of the bondholders, the Fund Manager may, as long as it is legally allowed, (i) replace the Assignor as the

administrator of the loans or (ii) demand that the Assignor subcontract or delegate its obligations to a third party who, in the Fund Manager's opinion, has the technical capacity needed to perform the functions. The Fund Manager shall consider the Assignor's proposals regarding the designation of its replacement. The Assignor shall be bound to perform the said subcontracting or delegation.

Furthermore, in the event of a corporate, regulatory or court decision ordering the settlement, dissolution or receivership of the Assignor, or if the Assignor were to file for bankruptcy or if a request filed by a third party were admitted, the Fund Manager would be entitled to replace the Assignor as the Administrator of the loans provided that such replacement is permitted under the law.

The new Administrator of the loans will be appointed by the Fund Manager following consultation with the competent administrative authorities so that the ratings assigned to the Bonds by the Rating Agencies are not jeopardised. The Rating Agencies will be informed of the new appointment. The Fund Manager shall agree with the new administrator on the amount to be received and against the Fund.

Voluntary replacement: If the law allows, the Assignor may ask to be replaced as the administrator of the loans. The Fund Manager shall authorise the replacement provided always that the Assignor has found a replacement to act as the Administrator and that the ratings assigned by the Rating Agencies will not be affected. The Rating Agencies shall be duly notified.

In the event of replacement, either mandatory or voluntary, the Assignor shall make all necessary and corresponding documentation and computer records available to the new administrator so that it may perform its functions.

The mandate granted by the Fund Manager, on behalf of the Fund, to the Administrator will be terminated if the Ratings Agencies fail to confirm as final the provisional ratings of each of the Series before the start of the Subscription Period.

Any additional cost or expense derived therefrom will be covered by the Administration but never by the Fund or the Fund Manager.

3.7.2.3. Responsibility of the Administrator and indemnification

In no case will the Administrator have any responsibility in relation to the obligations of the Fund Manager in its capacity as Administrator of the Fund and manager of the interests of the Bondholders, nor in relation to the obligations of the

Debtors derived from the Loans, this without prejudice to the responsibilities assumed by it in the Formation Deed as Assignor of the Loans acquired by the Fund.

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

The Administrator assumes the obligation to indemnify the Fund or the Fund Manager for any damage, loss or expense these may have incurred by reason of the breach by the Administrator of its obligations of administration, management and information of the loans and custody of the mortgage transfer certificates.

The Fund Manager, in representation and on behalf of the Fund, as holder of the Mortgage Transfer Certificates, will have, in its case, executive action against Banco de Sabadell, S.A. as issuer of the Mortgage Transfer Certificates for the effectiveness of the due dates of the Mortgage Transfer Certificates for principal and interest, when the breach of the payment obligation on said concepts is not a consequence of the failure to pay by the Debtors of the Mortgage Loans. Furthermore, the Fund Manager shall be entitled to take the pertinent actions for the effectiveness of the due dates of the non-Mortgage Loans when the non-compliance is not the consequence of non-payment by the debtors of the non-Mortgage Loans, pursuant to the provisions of part 3.7.2. of this Supplemental addendum and the terms of this section.

Neither the Bondholders nor any other creditor of the Fund will have any right of action against the Assignor. Rather, the Fund Manager, as representative of the Fund that owns the loans, holds the rights to such actions.

3.7.2.4. Remuneration of the Administrator

In consideration for the custody, administration and management of the loans, the Administrator will be remunerated quarterly on each payment date in an amount equal to 0.010% of the outstanding balance of the loans on the fund payment date immediately preceding. This commission is understood as gross in the sense that it includes any direct or indirect taxes or withholdings that could encumber the same.

If the Assignor were replaced as the administrator, the administration commission, which may be higher, would be moved to number (i) of the Payment Priority Order of the Fund described in section 3.4.6. above.

3.7.2.5. Treatment of second range mortgages

In the event of mortgage execution, if there are mortgages registered with the Property Registry which are associated with the property which, in turn, is associated with a mortgage pursuant to this document, said mortgages having, however, been extinguished, the Assignor shall carry out all applicable procedures in order to establish the appropriate relationship between the registry and the non-registered juridical facts. In the case that the corresponding documentation is available, said procedures shall be carried out pursuant to article 40 and part iv) and other parts of the Mortgage Law, in accordance with article 209 of said Law.

3.8 NAME, ADDRESS AND BRIEF DESCRIPTION OF ANY COUNTERPARTY FOR SWAP, CREDIT, LIQUIDITY OR ACCOUNT OPERATIONS:

Banco de Sabadell, S.A. is the Fund's counterparty in the operations listed below.

- (i) Treasury Account. Guaranteed Interest Rate Contract (Treasury Account), described in section 3.4.4.1. of this Supplemental Addendum.
- (iii) Amortisation Account: Account opening contract at guaranteed interest rate (amortisation account). Description in section 3.4.4.2 of this Supplemental Addendum
- (iii) Loan for Initial Expenses: Loan contract for initial expenses. Described in part 3.4.3.1. of the Additional Module
- (iv) Loan for First Interest Period: Loan Contract for First Interest Period. Described in section 3.4.3.2. of the Supplemental Addendum.
- (v) Reserve Fund Loan: Reserve Fund Loan Contract. Described in part 3.4.3.3. of the Additional Module
- (vi) Interest Swap: Finance interest swap contract. Described in section 3.4.7.1 of the Supplemental Addendum.

The data on Banco de Sabadell, S.A. and its activities are contained in part 5.2. of the Registration Document and in part 3.1. of the Prospectus Schedule, respectively.

4. POST ISSUE INFORMATION

Obligations and periods for making periodic economic-financial information on the Fund available to the public and for presentation to the National Securities Market Commission.

- 4.1.** The Fund Manager, as the administrator and manager of the Fund, undertakes to provide, as quickly as possible or by the established deadlines,

the information described below and any additional information reasonably requested of it.

4.1.1. Ordinary periodic notifications

The fund manager will have all the documentation and information necessary in accordance with the deed of formation available for the public.

1. In the period included between the Date of Interest Rate Fixing and a maximum of three (3) Business Days following each Payment Date, the Fund Manager will proceed to notify the Bondholders of the Nominal Interest Rate applicable to each Series of Bonds for the following Interest Accrual Period.
2. Every quarter, a minimum of one (1) Business Day before each Payment Date, the Fund, through its Fund Manager, shall notify the Bondholders of the interest from the Bonds of each Series, together with the redemption of same, as applicable, in addition to the following:
 - (i) The real early redemption fees of the Loans of the preceding Determination Date;
 - (ii) The estimated average residual life of the Bonds with the hypothesis of maintaining said early amortization real rate on the loan principal and with the rest of the hypotheses set forth in part 4.10 of the Prospectus Schedule.
 - (iii) The Balances of Principal Pending Payment, following the redemption to be settled on each Payment Date, of the Bonds of each Series;
 - (iv) If appropriate, the Bondholders shall be informed of the amounts of interest and redemption accrued but unpaid due to a shortage of Available Funds, in accordance with the Priority Payment Rules.

The previous notifications will be likewise communicated to Iberclear, CNMV, Payment Agent, AIAF and the Ratings Agencies at least two (2) Business Days before each Payment Date.

3. Within four (4) months of the end of the accounting period, the Fund Manager will issue a report containing:

- i. A report on the portfolio of Loans pooled into the Fund, the balance of the Amortisation Fund and the Treasury Fund, the balance, the profit and loss account, the auditor's report and an annex specifying the accounting principles applied.
 - ii. A management report containing the following:
 - a. Outstanding balance of the loans.
 - b. The percentage of early-redeemed loans.
 - c. The changes produced in the early-amortisation rate.
 - d. The amount of unpaid loans.
 - e. The amount of defaulted loans and the percentage they represent over the total.
 - f. The average life of the loans portfolio.
 - g. The average rate of the loans portfolio.
 - h. The Outstanding Principal Balance of the Bonds.
 - i. The percentage of the Bonds pending maturity.
 - j. If applicable, the amount of accrued and unpaid interest corresponding to the Bonds.
 - k. A detailed analysis of the evolution of the Fund and the factors that have affected these results.
 - l. The amount and the variations of the expenses and management fees produced during the accounting period.
4. The Fund Manager will provide a quarterly report to the CNMV and to the AIAF, within one month of the end of each quarter, on the evolution of the Loans incorporated into the Fund, as well as the balance of the Amortisation Account and the Treasury Account, and the relevant information on the Fund and the incorporated Loans.

All the information of a public nature regarding the Fund can be found at the address of the Fund Manager, on the web page of the Fund Manager (www.gesticaixa.com) and on the websites of the underwriting agencies, the AIAF and in the CNMV register.

4.1.2. Extraordinary notifications

1. For the purposes of the formation of the Fund and the issue of the Bonds, once the Deed of Formation has been granted, the Fund Manager, on behalf of the Fund, shall proceed to make the requisite notification of the formation of the Fund and of the issue of the Bonds, as well as the Nominal Interest Rate on the Series of Bonds applicable to the first Accrual Period of Interest and the definitive margins applicable to each class of Bonds, which shall be taken as the period between the Disbursement Date and the first Payment Date. The foregoing notification shall be made in accordance with the procedure set forth in this Prospectus. Any calendar day is appropriate for said publication, whether or not a business day.
2. The Fund Manager, on behalf of the Fund, will inform the Bondholders of all relevant events that may take place in relation to the Bonds, the Fund and the Fund Manager itself, which could influence the trading of the Bonds in an appreciable manner and, in general, of any relevant modification in the assets or liabilities of the Fund. The fund manager, on behalf of the fund, will inform the holders of the bonds of the possible decision of early redemption of the bonds for any of the reasons set forth in this prospectus. In this event, the fund manager will forward the notarised deed of liquidation to the CNMV along with an indication of the settlement procedure followed.

All of the foregoing circumstances will be reported to the CNMV and Rating Agencies in advance.

4.1.3. Procedure for notifying Bondholders.

All notifications that the Fund Manager must make to the Bondholders about the Fund as a result of the aforementioned shall be made as follows:

1. Ordinary notifications.

The ordinary notifications shall be carried out through publication either in the daily newsletter of the AIAF Fixed Income Market, or any other that replaces this, or of similar characteristics, or through publication in a popular newspaper in Spain, whether of an economic/financial nature or of a general nature. Moreover, the Fund Management Company or the Paying Agent may release such information or other information of interest to the Bondholders, through the financial-market dissemination systems such as Reuters, Bridge Telerate, Bloomberg or any other of similar characteristics.

2. Extraordinary notifications.

Extraordinary notifications must be made through publication in the AIAF bulletin or any other medium accepted by the market. These notifications shall be considered given on the date of publication and are valid for any day of the calendar, whether or not a business day (in accordance with the provisions set forth in this prospectus).

Exceptionally, the definitive margins used to determine the nominal interest rate applicable to each Series and the nominal interest rate for the Bonds in each Series for the first interest period will be notified in writing by the Fund Manager prior to the start of the Subscription Period to the Underwriting and Placement Entities, who shall in turn notify the investors interested in subscribing the Bonds. The Fund Manager shall likewise notify the CNMV, the payment agency, AIAF and Iberclear.

3. Notifications and other information.

The Fund Manager may make notifications and other information of interest to Bondholders available to them on its own website or other tele-transmission methods of similar characteristics.

4.1.4 Information to the National Securities Market Commission.

The Fund Manager shall inform the CNMV of the notifications and information made available in accordance with the provisions set forth in the previous sections. This applies to both ordinary information and extraordinary information as well as any other information required by the CNMV or by the laws in force at any given time.

4.1.5 Information to Rating Agencies.

The Fund Manager shall periodically provide the Rating Agencies with information on the Fund's status and the performance of the Loans to enable them to track the

Bond ratings and make the pertinent extraordinary notifications. It shall likewise provide said information whenever reasonably requested to do so and in any case, whenever there is a significant change in the conditions of the Fund or the contracts signed by the Fund through the Fund Manager or a change in the interested parties.

The information to be sent to Fitch shall be sent to the following e-mail address:
london.cdosurveillance@fitchratings.com

Xavier Jaumandreu Patxot, on behalf of GESTICAIXA, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN as its Managing Director, has signed this Prospectus on 17 November 2006.

GLOSSARY OF DEFINITIONS

“Administrator” means the entity responsible for managing and administering the Loans and for holding the titles representing the Mortgage Transfer Certificates on deposit pursuant to the Administration Contract, i.e., Banco de Sabadell, S.A.

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

“Payment Agent” means the entity that provides the financial services for the Bonds. The Payment Agent will be Banco de Sabadell, S.A..

“Early Redemption” means the redemption of the Bonds on a date before the Final Due Date in the Cases of Early Settlement of the Fund in conformity with the requirements established in part 4.4.3 of the Registration Document.

“Pro rata redemption of the Class A” means the exceptional application of the pro rata redemption of the Class A Bonds, which shall take place in accordance with the provisions laid down in section 4.9.4 of the Securities Prospectus.

“Pro rata redemption of the Class B and Class C” means the exceptional application of the pro rata redemption of the Class B and C Bonds, which shall take place in accordance with the provisions laid down in section 4.9.4 of the Securities Prospectus.

“Auditor” means the auditor of the Loans portfolio, viz., Ernst & Young, S.L.

“Guarantee” or “State Guarantee” means the guarantee granted by the State pursuant to the provisions of the Ministerial Order. The guarantee will stand surety for payment of the principal and interest on the series A3(G) bonds.

“Class A Bonds” or “Class A” means the Series A1, A2 and A3(G) Bonds issued against the Fund for a total face value of one billion one hundred and eighty three million one hundred thousand (1,183,100,000) euros, composed of 11,831 Bonds with a face value of one hundred thousand (100,000) euros each. They are provisionally rated Aaa by Moody’s and AAA by Fitch.

“Class B Bonds” or “Class B” means the Series B Bonds issued against the fund for a total face value of forty million (40,000,000) euros composed of four hundred (400)

bonds with a face value of one hundred thousand (100,000) euros each. They are provisionally rated A2 by Moody's and A+ by Fitch.

“Class C Bonds” or “Class C” means the bonds issued against the fund for a total face value of twenty six million nine hundred thousand (26,900,000) euros, composed of two hundred and sixty nine (269) bonds with a face value of one hundred thousand (100,000) euros each. They are provisionally rated Baa3 by Moody's and (BBB) by Fitch.

“Series A1 Bonds” or “Series A1” means the bonds issued against the fund with a total face value of two hundred and twenty million (220,000,000) euros composed of two thousand two hundred (2,200) bonds with a face value of one hundred thousand (100,000) euros each. They are provisionally rated Aaa by Moody's and AAA by Fitch.

“Series A2 Bonds” or “Series A2” means the bonds issued against the fund for a total face value of eight hundred and eighty million three hundred thousand (880,300,000) euros composed of eight thousand eight hundred and three (8,803) bonds with a face value of one hundred thousand (100,000) euros each. They are provisionally rated Aaa by Moody's and AAA by Fitch.

“A3(G) Series Bonds” or “A3(G) Series” means the bonds guaranteed by the State issued against the Fund for a total face value of eighty two million eight hundred thousand (82,800,000) euros composed of eight hundred and twenty eight (828) bonds with a face value of one hundred thousand (100,000) euros each. They are provisionally rated Aaa by Moody's and AAA by Fitch.

“Bonds” means the Class A bonds composed of the A1, A2 and A3(G) series, Class B bonds and Class C bonds issued by the fund.

“Amount Available for Amortisation” means the amount allocated to the amortisation of the principal of the Class A, B, C and D bonds.

“Defaulted Amounts” means the amounts due and unpaid plus the outstanding balance of those assets in which (i) the assigned debtor has been declared insolvent; (ii) the Fund Manager considers, based on the information provided by the lender, that it is not reasonable to expect repayment or, in any event, when (iii) non-payment continues for an uninterrupted period of twelve (12) months.

“Assignor” means Banco de Sabadell, S.A., the assignor of the Loans.

“Mortgage Transfer Certificates” means the negotiable securities whereby the Mortgage Loans are assigned to the Fund, pursuant to the provisions in the Fifth Additional Provision of Act 3/1994 in the drafted version contained in Act 44/2002, Act 2/1981 and Royal Decree 685/1982.

“CET” means Central European Time.

“Class” or **“Classes”** means the Bonds of the corresponding Class.

“CNAE” means National Classification of Economic Activities.

“CNMV” means the National Securities Market Commission.

“Underwriting Commission” means the commission payable to the Underwriting and Brokerage Entities by virtue of the Management, Underwriting and Brokerage Contract of the Bond Issue.

“Administration Contract” means the contract to be entered on Date of Formation of the Fund between the Fund Manager, on behalf and representation of the Fund and Banco de Sabadell, S.A., which regulates the custody and administration of the Loans and the deposit of the titles representing the Mortgage Transfer Certificates.

“Payment Agency Contract” means the contract that regulates the financial service of the bonds and which is entered into between the Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A., as the Payment Agent.

“Guaranteed Interest Rate Deposit Contract (Treasury Account)” or **“Treasury Account Contract”** means the guaranteed interest rate deposit contract (Treasury account) to be signed by the Fund Manager on behalf of the Fund and Banco de Sabadell, S.A. on the Fund Formation Date.

“Guaranteed Interest Rate Deposit Contract (Amortisation Account)” or **“Amortisation Account Contract”** means the guaranteed interest rate deposit contract (Amortisation account) to be signed by the Fund Manager on behalf of the Fund and Banco de Sabadell, S.A. on the Fund Formation Date.

“Management, Underwriting and Brokerage Contract” means the management, underwriting and brokerage contract for the bond issue entered into between the Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A., BNP Paribas, Branch in Spain, and Lehman Brothers, as the Management Entities and Underwriters.

“Financial Brokerage Contract” means the contract which regulates the payment by the Fund Manager, on behalf of the Fund, to Banco de Sabadell, S.A. for the financial brokerage activities performed which have enabled the definitive financial transformation of the Fund’s activity, the acquisition of the Loans and the rating of each one of the Bond classes.

“Financial Swap Contract” or “Financial Interest Swap Contract” means the contract entered into between the Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A. whereby the Fund will make payments to Banco de Sabadell, S.A. calculated on the loan interest rates, in exchange for which Banco de Sabadell, S.A. will make payments to the Fund calculated on the reference interest rate determined for the Bonds, all according to the rules set forth in section 3.4.7 of the Additional Module.

“Loan Agreement for Initial Expenses” means the subordinate mercantile loan to be signed on the Fund Formation Date between the Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A., for a total amount of seven hundred and twenty seven thousand five hundred (727,500) euros, to be used by the Fund Manager to pay for the initial expenses associated with the formation of the Fund and the issue of Bonds.

“First Interest Period Loan Agreement” means the subordinate mercantile loan agreement to be signed on the Fund Formation Date between the Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A., for a total amount of nine hundred thousand (900,000) euros to be used by the Fund Manager to pay for the lag in the First Payment Date between the loan accruals and collections.

“Loan Agreement for the Reserve Fund” means the subordinate mercantile loan agreement to be signed on the Fund Formation Date by the Fund Manager, on behalf of and representing the Fund, and Banco de Sabadell, S.A., for a total amount of thirteen million seven hundred and fifty thousand (13,750,000) euros to be used by the Fund Manager for the Initial Reserve Fund.

“Framework Agreement” means the framework agreement on collaboration between with the Ministry of Industry, Tourism and Trade and the Credit Institutions to set the credits susceptible to assignment to the asset securitisation funds that are created to favour business financing, in accordance with Annex II of the Order dated 28 December 2001.

“Amortisation Account” means the financial account opened in the Fund's name at Banco de Sabadell, S.A. pursuant to the Guaranteed Interest Rate Deposit Contract (Amortisation Account) into which the Fund Manager, on behalf of the Fund, will deposit, on each Payment Date during the first 14 months following the Formation Date, the amounts allocated to the amortisation of the Bonds during that period.

“Treasury Account” means the financial account opened in the Fund's name at the Banco de Sabadell, S.A. pursuant to the Contract for Opening the Guaranteed Interest Rate Account (Treasury Account) where all Fund deposits and payments will be made.

“Amortisation Deficit” means the positive difference, if any, between the Theoretical Amortisation Amount and the Amount Available for Amortisation.

“Credit Rights” means the credit rights pooled in the Fund's assets derived from the Mortgage Loans and the Non-Mortgage Loans granted by Banco de Sabadell, S.A. to the Debtors.

“Debtors” refers to the holders of the loans, which are companies with registered offices in Spain, 90% of which are to small and medium sized enterprises that satisfy the Recommendation from the European Commission 2003/361/EC dated 6 May 2003.

“Business Day” means any day other than (i) a holiday in Barcelona, or (ii) a non-business day on the TARGET (*Trans European Automated Real-Time Gross Settlement Express Transfer System*) calendar.

“Distribution of Funds Available for Amortisation” means the applicable rules of the Funds Available for Amortisation for each one of the Classes or Series of Bonds on each Payment Date, as established in section 4.9.4 of the Prospectus Schedule.

“Registration Document” means the registration document of asset-guaranteed securities, the minimum disclosure requirements of which are contained in Appendix VII of Regulation 809/2004.

“Bond Issue” means the securitisation bonds issued against the Fund for an amount equal to or less than the face value of one billion two hundred and fifty million (1,250,000,000) euros, composed of 12,500 bonds with a face value of one hundred thousand (100,000) euros each, pooled into the following classes: Class A, composed of Series A1, A2 and A3(G), Class B and Class C.

“Issuer” means GC FTGENCAT SABADELL 5, FONDO DE TITULIZACIÓN DE ACTIVOS.

“Underwriters” means Banco de Sabadell, S.A., BNP Paribas, Branch in Spain, and Lehman Brothers International (Europe).

“Underwriting and Brokerage Entities” means, jointly, the Underwriting Entities and the Brokerage Entities.

“Brokerage entities” means Banco de Sabadell, S.A., BNP Paribas, Branch in Spain, and Lehman Brothers International (Europe).

“Managing entities” means Banco de Sabadell, S.A., BNP Paribas, Branch in Spain, and Lehman Brothers International (Europe).

“Deed of Formation” means the public deed of formation of the Fund, the assignment to the Fund by Banco de Sabadell, S.A. of (i) Mortgage Loans by issuing Mortgage Transfer Certificates and (ii) Non-Mortgage Loans, and the issue of the bonds by the Fund.

“EURIBOR” means the *Euro Interbank Offered Rate*, which is the interbank term deposit rate in euros calculated as the daily average of the quotes provided for fifteen maturity dates by a panel composed of 57 Banks that are among the most active in the Euro zone. The rate is quoted based on the calculation of the calendar days to maturity and on a 360-day year, and it is fixed at 11:00 AM (CET) and carried to three (3) decimal positions.

A description of the main risk factors linked to the issuer, to the securities and to the assets that endorse the issue (hereinafter, the **“Risk Factors”**);

“Collection date” means all Business Days on which the Debtors pay Loan amounts.

“Assignment Date” means the date on which the Formation Deed is signed.

“Formation Date” means date on which the Formation Deed is signed.

“Disbursement Date” means 28 November 2006, the date on which the cash amount for subscription of the Bonds must be paid and on which the face value of the subscribed Non-Mortgage Loans and Mortgage Transfer Certificates must be paid.

“Determination Date” means five business days before the Payment Date.

“Interest Rate Fixing Date” means the second-to-last business day before each Payment Date. For the first Interest Accrual Period, the Reference Interest Rate shall be determined on the second Business Day prior to the Disbursement Date.

“Formalisation Date” means the date on which each of the loans is formalised.

“Liquidation Date” or “Early Liquidation Date” means the date on which the Fund Manager liquidates the Fund as a consequence of any of the Early Liquidation Circumstances enumerated in section 4.4.3 of the Registration Document.

“Payment date” means 19 January, April, July and October of each year or the next business day if any of these dates does not fall on a business day. The first Payment Date shall be 19 January 2007.

“Final Maturity Date” means the day of final maturity, ordinary or early, of the Fund assets, viz., 31 March 2036.

“Legal Maturity Date” means 36 months after the maturity of the Fund’s asset with the longest maturity period, viz., 31 March 2039.

“Fitch” means Fitch Ratings España, S.A.

“Prospectus” or “Informative Prospectus” means the document composed of the Registration Document, the Supplemental Addendum, the Prospectus Schedule and the Glossary of Terms regulated in Regulation 809/2004.

“Fund” means GC FTPYME PASTOR 5, FONDO DE TITULIZACIÓN DE ACTIVOS [ASSET SECURITISATION FUND].

“Reserve Fund” means the Fund set up as a guarantee mechanism to protect against losses due to the defaulted loans and to allow the payments to be made by the Fund pursuant to the Payment Priority Order described in section 3.4.6 of the Supplemental Addendum.

“Reserve Fund” means the reserve fund formed on the Disbursement Date with all costs being charged to the Loan principal for an amount equal to 1.10% of the Total Amount of the Bond Issue on said Disbursement Date.

“Required Reserve Fund” means the minimum level of the reserve Fund, i.e., the minimum level that the reserve Fund must have on each Payment Date.

“Available Funds” means, on each Payment Date, the amounts allocated to meet the Fund’s payment obligations or withholdings that will have been deposited in the Amortisation Account.

“Funds Available for Amortisation” means:

- c) The balance of the Amortisation Account on the Payment Date of 19 January 2008 only.
- d) The Available Amount for Amortising withheld in the seventh order (7) of the Payment Priority Order on the corresponding Payment Date.

“Funds Available for Liquidation” means:

- a) The available Funds.
- b) The amounts that the Fund may obtain from the disposal of the assets corresponding to the loans remaining in the Payment Priority Order as provided for in section 3.4.6 of the Supplemental Addendum.

“GestiCaixa” means GestiCaixa, SGFT, S.A.

“Iberclear” means the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), with its registered address at Las Rozas (Madrid), calle Tramontana, n° 2 bis.

“Theoretical Amortisation Amount” means the positive difference on that Payment Date between (A) the sum of (i) the Net Outstanding Balance of Principal of the Bonds prior to the amortisation made on that Payment Date and (ii) the amounts drawn down and not repaid, charged to the Warrantee for payment of the principal of the A3(G) Bonds on the preceding Payment Dates, and (B) the sum of the Outstanding Balance of the non-Defaulted Loans corresponding to the last day of the month prior to the Payment Date.

“Total Amount of the Bond Issue” will be a maximum of one billion two hundred and fifty million (1,250,000,000) euros.

“Bankruptcy Act” means Law 22/2003, dated 9 July, governing bankruptcy.

“Law 2/1981” means Law 2/1981 of 25 March on the Regulation of the Mortgage Market.

“Law 24/1988” means Law 24/1988 of 28 July on the securities market, in its current wording.

“Law 19/1992” means Law 19/1992 of 7 July on the Regulation of Real Estate Investment Funds and Companies and Mortgage Securitization Funds.

“Act 2/1994” means Act 2/1994 of 30 March on Subrogation and Modification of Mortgage Loans.

“Law 3/1994” means Law 3/1994 of 14 April which adapted Spanish legislation on the subject of credit entities to comply with the Second Directive on Banking Coordination and introduced relevant changes into the financial system.

“Act 44/2002” means Act 44/2002, of 22 November, on Reform Measures of the Financial System.

“Early Settlement” means the settlement of the Fund and with it the early redemption of the Bond issue on a date prior to the Final Maturity Date under the circumstances and pursuant to the procedures established in section 4.4.3 of the Registration Document.

“Financial Brokerage Fee” means the remuneration received by Banco de Sabadell, S.A. for the process of financial brokering that allows the definitive financial transformation of the Fund’s activity, the acquisition of the Loans and the satisfactory rating granted to each one of the classes of Bonds.

“AIAF Market” means the AIAF Fixed Income Market where the securities will be admitted for trading.

“Supplemental Addendum” means the supplemental addendum of asset-guaranteed securities, the minimum disclosure requirements of which are included in Appendix VIII of Regulation 809/2004.

“Moody’s” means Moody’s Investors Services España, S.A.

“IFRS” means the International Financial Reporting Standards.

“The Minimum Level of the Reserve Fund” means the lesser of the following amounts:

- 1.10% of the Total Amount of the Bond Issue.
- 2.20% of the Outstanding Balance of Principal of the Bonds.

Under no circumstance can the Minimum Level of the Reserve Fund be less than six million eight hundred and seventy five thousand (6,875,000) euros.

“Prospectus Schedule” means the schedule of debenture securities with a unit denomination equal to or greater than 50,000 euros, the minimum disclosure requirements of which are Included in Appendix VIII of Regulation 809/2004.

“Order of 28 December 2001” means the Order dated 28 December 2001, governing Promotion Agreements of Asset Securitisation Funds to favour business financing, amended by Order ECO/1064/2003, of 29 April.

“Payment Order Priority” means the order in which the Available Funds shall be applied with respect to the payment or withholding obligations of the Fund.

“Settlement Payment Priority Order” means the order in which the Funds Available for Settlement will be applied to the payment or withholding obligations of the Fund on the Settlement Date.

“Determination Period” means the period between two Determination Dates, including the first and excluding the second.

“Interest Accrual Period” means the actual number of days between two consecutive Payment Dates, including the initial Payment date and excluding the Final Payment Date. The first Interest Accrual Period will commence on the Disbursement Date, inclusive, and will end on the first Payment Date, excluded.

“Subscription Period” means the subscription period of the Bonds, which is between 10:00 (CET time) and 13:00 (CET time) on 27 November 2006, the business day prior to the Disbursement Date.

“Interest Rate Swap” means the interest swap intended to cover the interest rate risk to which the Fund is exposed due to the fact that the Loans are subject to adjustable interest rates pegged to different indices of reference and different revision periods than those established for the Bonds. In addition, the financial swap is intended to

cover the implicit risk that the Loans could be renegotiated and that the agreed interest rates could be reduced. It is regulated in the Interest Swap Contract.

“Loan for Initial Expenses” means the loan granted by Banco de Sabadell, S.A., on the Date of Formation, to the Fund under the Loan Agreement for Initial Expenses.

“Loan for Initial Expenses” means the loan granted by Banco de Sabadell, S.A., on the Date of Formation, to the Fund under the Loan Agreement for Interest of the First Period.

“Loan for the Reserve Fund” means the loan granted by Banco de Sabadell, S.A., on the Date of Formation, to the Fund under the Loan Agreement for the Reserve Fund.

“Mortgage Loans” means the loans with mortgage guarantees selected and assigned by Banco de Sabadell, S.A. to the Fund by means of the issue of Mortgage Transfer Certificates by Banco de Sabadell, S.A. and subscription by the Fund.

“Non-Mortgage Loans” means the loans without mortgage guarantees selected and assigned by Banco de Sabadell, S.A. to the Fund. They are sold by Banco de Sabadell, S.A. and acquired by the Fund.

“Defaulted Loans” means the Loans that (a) are unpaid on a date for an amount equal to or greater than twelve (12) months of delay in the payment of the overdue amounts or (b) may be classified as in default by the Fund Manager because there is reasonable doubt about their full repayment.

“Non-Defaulted Loans” means those Loans not included in the definition given above.

“Loans” means both mortgage and non-Mortgage Loans.

“SMEs” or, singularly, “SME” means small and medium enterprises.

“Royal Decree 685/1982” means Royal Decree 685/1982, of 17 March, which developed certain aspects of Act 2/1981, of 25 March, regulating the mortgage market, and certain aspects of Royal Decree 1289/1991, of 2 August, which modified certain articles of the former decree.

“Royal Decree 926/1998” means Royal Decree 926/1998, of 14 May, which regulated asset securitisation funds and the managers of securitisation funds.

“Royal Decree 1310/2005” means Royal Decree 1310/2005, dated 4 November, which partially implements Law 24/1988, governing the Securities Market in issues of admitting securities for trading on official secondary markets, public offers for sale or subscription and the prospectus required for these purposes.

“Regulation 809/2004” means Commission Regulation (EC) number 809/2004, of 29 April 2004, pertaining to Directive 2003/71/EC of the European Parliament and of the Council as regards the information contained in prospectuses, as well as the format, incorporation by reference and publication of said prospectuses and advertising.

“Outstanding Balance” or **“Outstanding Balance of Principal”** means the total outstanding balance of principal of all bonds in a class or series on a particular date.

“Net Outstanding Principal” means the outstanding principal, on a certain payment date, of each class of bonds before the amortisation corresponding to that Payment Date, less the amount accrued on the previous Payment Dates and deposited in the Amortisation Account for amortisation of the Bonds of the Class or Series in question.

“Outstanding Balance of the Assets” means the outstanding capital of each one of the Mortgage Loans not paid into the Fund, not including default amounts.

“The Outstanding Balance of the Loans” on a specific date shall be the sum of the capital or principal pending maturity of the loans on that particular date and the capital or principal due but not yet paid to the Fund.

“Outstanding Balance of the Non-Defaulted Loans” means the sum of unmatured principal and the matured principal or capital not paid into the Fund of each one of the Non-Defaulted Loans on any given date.

“Services” means the ordinary system and procedures for the administration and management of the loans regulated by the Administration Contract.

“Series” means the Bonds of the Corresponding Series.

“Fund Manager” means GestiCaixa, SGFT, S.A.

“Early Liquidation Circumstances” are those enumerated in section 4.4.3 of the Registration Document.

“Swap” means Interest Rate Swap.

“ERR” means the early or prepaid rate of return as defined in section 4.10 of the Prospectus Schedule.

“Party B Interest Rate” means for Banco de Sabadell, S.A. for each liquidation period the average nominal interest rate of each series of the bonds, weighted by the outstanding balance, plus a margin of 0.50%.

“Interest Rate of Reference” means the three-month (3) EURIBOR, except for the first interest accrual period. Exceptionally, the Nominal Interest Rate of the Bonds of each one of the Series for the first Interest Accrual Period shall be determined by taking the EURIBOR rate at a [?] ([?]) months maturity, established at 11:00 AM (CET time) of the second (2) business day (hereinafter, **“Business Day”**) immediately following the Disbursement Date.

“Nominal Interest Rate” means the interest rate of reference plus to the margin applicable to each bond class or series.

“IRR” means the internal rate of return as defined in section 4.10 of the Prospectus Schedule.

“Multiple Title” means the security title representing the Mortgage Transfer Certificates issued by Banco de Sabadell, S.A. on the mortgage loans.