

GC FTGENCAT II

FONDO DE TITULIZACIÓN DE ACTIVOS

ASSET BACKED BONDS
950,000,000 euro

Class AG*:	706,800,000 euro	Euribor 3M + 0.11%
Class AS:	176,700,000 euro	Euribor 3M + 0.48%
Class BG*:	17,600,000 euro	Euribor 3M + 0.28%
Class BS:	17,600,000 euro	Euribor 3M + 0.70%
Class C:	31,300,000 euro	Euribor 3M + 1.45%

* Class AG and BG Bonds secured by the Guarantee of the Generalitat de Catalunya

Arrangers and Underwriters



Originating Banks

BANCO DE SABADELL, S.A.
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
BANCO SANTANDER CENTRAL HISPANO, S.A.
CAIXA D'ESTALVIS I PENSIONS DE BARCELONA
BANCO ESPAÑOL DE CREDITO, S.A.
BANCO PASTOR, S.A.
BANCO POPULAR ESPAÑOL, S.A.

Paying Agent

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA

Fund designed, formed and administered by

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

SUMMARY OF GENERAL CONDITIONS

NAME OF THE FUND

The name of the Fund is “GC FTGENCAT II, Fondo de Titulización de Activos”.

IDENTIFICATION OF THE MANAGEMENT COMPANY

GC FTGENCAT II, Fondo de Titulización de Activos shall be set up by GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., duly authorised for such purpose and to carry on the administration and legal representation of the Fund under Royal Decree 926/1988 of 14 May 1988.

SECURITIES ISSUED: ASSET BACKED BONDS

Amount of the Issue and Number of Bonds: face value of nine hundred fifty million (950,000,000) euro, composed of nine thousand five hundred (9,500) Bonds divided into five (5) Classes:

Class AG: composed of 7,068 Bonds with total face value of 706,800,000 euro
Class AS: composed of 1,767 Bonds with total face value of 176,700,000 euro
Class BG: composed of 176 Bonds with total face value of 17,600,000 euro
Class BS: composed of 176 Bonds with total face value of 17,600,000 euro
Class C: composed of 313 Bonds with total face value of 31,300,000 euro

- *Face value:* 100,000 euro per Bond.
- *Issue price:* 100,000 euro per Bond, free of taxes and subscription expenses for the subscribing investor.
- *Redemption price:* 100,000 euro per Bond, free of taxes and expenses for the bondholder.
- *Quarterly floating interest rate:* three (3) month Euribor (except for the first Interest Accrual Period, as indicated in II.10.1 c) plus a margin of 0,11% for the Class AG Bonds, of 0,48% for the Class AS Bonds, of 0,28% for the Class BG Bonds, of 0,70% for the Class BS Bonds and of 1,45% for the Class C Bonds.
- *Frequency of interest and principal payment:* quarterly, on days 25 of January, April, July and October of each year or, where applicable, the next following Business Day.
- *Final Maturity Date:* will be the same as the last maturity date (ordinary or accelerated) of the Assets.
- *Statutory Maturity Date:* will be the date marking the second (2nd) anniversary of the Final Maturity Date and, in all events, 25 July 2025 or the next following Business Day, without prejudice to the Management Company’s accelerated redemption option under section II.11.3.3 of this Prospectus.

Credit ratings assigned on a provisional basis as specified below:

- Class AG Bonds: AAA (*Fitch Ratings España, S.A.U.*); Aaa (*Moody’s Investors Service España, S.A.*)
- Class AS Bonds: AA+ (*Fitch Ratings España, S.A.U.*); Aa1 (*Moody’s Investors Service España, S.A.*)
- Class BG Bonds: AA (*Fitch Ratings España, S.A.U.*); Aa2 (*Moody’s Investors Service España, S.A.*)
- Class BS Bonds: A (*Fitch Ratings España, S.A.U.*); A1 (*Moody’s Investors Service España, S.A.*)
- Class C Bonds: BBB (*Fitch Ratings España, S.A.U.*); Baa1 (*Moody’s Investors Service España, S.A.*)

The Rating Agencies expect to assign the above provisional ratings as final prior to the start of the Bond Subscription Period. Non-confirmation of the above ratings by any of the Rating Agencies prior to the start of the Subscription Period shall be an event of termination of the Fund’s formation and of the Bonds issue.

Credit Enhancements:

- Reserve Fund. The Reserve Fund has been set up to allow the Fund to perform its payment obligations. The Reserve Fund will be deposited in the Treasury Account.
- Generalitat Guarantee Liquidity Line. The purpose of the Generalitat Guarantee Liquidity Line is to allow the Fund to pay interest on the Class AG and BG Bonds until the Generalitat de Catalunya (regional government of Catalonia) pays those amounts with a charge to the Guarantee of the Generalitat.
- Guaranteed rate accounts. The accounts opened in the Fund’s name by the Management Company (Collections Accounts opened in the Originating Banks and Treasury Account opened in the Paying Agent) bear interest at the covenanted rates so as to guarantee a minimum yield on the balances held in those accounts.

- Interest rate swap. The interest rate swap regulated in the Swap Contracts is intended to hedge the interest rate risk that arises for the Fund from the fact that the Loans are subject to floating interest rates with different benchmarks and reset and assessment periods than those established for each Class of Bonds issued against the Fund. In addition, the Interest Rate Swap Contracts seek to hedge the risk arising from possible renegotiations of the covenanted loan interest rates.
- Guarantee of the Generalitat de Catalunya for Class AG and BG Bonds. The Guarantee secures payment of principal and interest of the Class AG and BG Bonds with waiver of the right of excussio laid down in article 1830 of the Spanish Civil Code (Código Civil).
- Portfolio spread. The Assets comprised by the Fund generate interest at rates higher than those earned by the securities issued against the Fund.
- Subordinated Credit Facility. The Subordinated Credit Facility provides a security mechanism for possible losses and temporary revenue shortfalls, for the purpose of allowing the payments to be made by the Fund according to the priority order of payments established in this Prospectus.

Official secondary market where listing will be sought: the Barcelona Stock Exchange (Bolsa de Valores de Barcelona).

Record keeping for the Bonds: the securities clearing and settlement service (Servicio de Compensación y Liquidación de Valores) of the Barcelona Stock Exchange, or such other entity as may replace the same, will be responsible for keeping the accounting records, clearing and settling the transactions executed with the Bonds.

PORTFOLIO OF ASSETS

Originating Banks: Banco de Sabadell, S.A. (hereinafter, “Banco de Sabadell”), Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, indistinctly “Banco Bilbao Vizcaya Argentaria” or “BBVA”), Banco Santander Central Hispano, S.A. (hereinafter, indistinctly “Banco Santander Central Hispano” or “SCH”), Caixa d’Estalvis i Pensions de Barcelona (hereinafter, indistinctly, “Caixa d’Estalvis i Pensions de Barcelona” or “la Caixa”), Banco Español de Crédito, S.A. (hereinafter, indistinctly, “Banco Español de Crédito” or “Banesto”), Banco Pastor, S.A. (hereinafter, “Banco Pastor”) and Banco Popular Español, S.A. (hereinafter, “Banco Popular”) (hereinafter referred to collectively as the “**Originating Banks**” and each individually as an “**Originating Bank**”).

Composition of the Portfolio: credit rights against non-financial enterprises or entrepreneurs based in Catalonia, at least 50% of which must be small and medium enterprises within the meaning of European Commission Recommendation 96/280/EC of 3 April 1996 on definition of small and medium enterprises (SMEs) under loans with a remaining term to maturity of no less than 12 months as at the date of this Prospectus.

Amount of the Assets: the Fund will pool together Assets worth 950,000,000 euro, distributed amongst the Originating Banks as broken down below:

- Banco de Sabadell: 250,000,000 euro
- Banco Bilbao Vizcaya Argentaria: 225,000,000 euro
- Banco Santander Central Hispano: 225,000,000 euro
- Caixa d’Estalvis i Pensions de Barcelona: 125,000,000 euro
- Banco Español de Crédito: 60,000,000 euro
- Banco Pastor: 40,000,000 euro
- Banco Popular: 25,000,000 euro

Classification of the Loans: the Loans can be classified having regard to the accessory guarantees as follows:

1. Loans secured by a real estate mortgage guarantee, executed in a public instrument (hereinafter, the “**Mortgage Loans**”).
2. Loans not secured with a real estate mortgage guarantee, executed in a public instrument (hereinafter, the “**Non-Mortgage Loans**” and jointly with the Mortgage Loans, the “**Loans**”).

At the Fund Formation Date, the Management Company, in the name and for the account of the Fund, will execute a public deed of Issue and Subscription of Mortgage Transfer Certificates (“**Agreement for Issue and Subscription of Mortgage Transfer Certificates**”) and a public deed of assignment of Non-Mortgage Loans (“**Agreement for Assignment of Non-Mortgage Loans**”) (hereinafter, both documents jointly and indistinctly, the “**Assets Transfer Contracts**”), with the following content:

1. Issuance of mortgage transfer certificates (hereinafter, indistinctly, “**Mortgage Transfer Certificates**” or “**MTC**”) under article 18 of Spanish Act 44/2002 of 22 November 2002 on Financial System Reform Measures (Ley de Medidas de Reforma del Sistema Financiero; hereinafter, “**Act 44/2002**”), which added a new paragraph to part two of the Fifth Additional Provision of Act 3/1994 of 14 April 1994, whereby the laws on mortgage notes (participaciones hipotecarias) are applied to the issue of Mortgage Transfer Certificates insofar as applicable. The certificates are to be subscribed for by the Management Company in the name of the Fund and to be pooled in the Fund.
2. Sale purchase of Non-Mortgage Loans, for their acquisition by the Management Company in the name of the Fund and to be pooled in the Fund.

WARNINGS

Estimative nature of certain information: all information contained in this Prospectus on interest payments, repayment of principal, average lives and returns and financial flow charts are meant as mere indications for the purpose of illustrating the financial structure of the issue, and are of estimative value only.

Default and prepayment of the Assets: the risk of default and non-payment of the Assets, and of their prepayment, will be for the account of the Bondholders.

Without prejudice to the above, Class AG and BG Bonds shall be secured by the Guarantee of the Generalitat de Catalunya under the 4 February 2003 Resolution ECF/329/2003 of the Department of Economy and Finance of the Generalitat de Catalunya (the “**Resolution**”) approving the terms and conditions and documentation for obtaining the Guarantee of the Generalitat provided for in article 34.11 of the 2003 Generalitat de Catalunya Budget Act 30/2002 of 30 December 2002 (Ley de Presupuestos de la Generalitat de Catalunya para 2003).

Priority Order of Payments: the Available Funds, irrespective of the timing of their accrual, shall be applied to performance or the payment or withholding obligations on each Payment Date in the following manner:

- 1st Payment of ordinary and extraordinary expenses of the Fund, including the management fee of the Management Company and the rest of the expenses and fees for services.
- 2nd Payment of the amounts accrued under the Interest Rate Swap Contracts (excluding the amounts payable by the Fund in the event of settlement of those contracts).
- 3rd Payment of interest on Class AS Bonds due and not paid on previous Payment Dates, payment of interest on Class AG Bonds due and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of interest on the AG Bonds not refunded on previous Payment Dates (pro rata).
- 4th Payment of interest on Class AG and AS Bonds accrued during the Interest Accrual Period (pro rata).
- 5th Payment of interest on Class BS Bonds due and not paid on previous Payment Dates, payment of interest on Class BG Bonds due and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of interest on the BG Bonds not refunded on previous Payment Dates (pro rata).
- 6th Payment of interest on the Class BG and BS Bonds accrued during the Interest Accrual Period (pro rata).
- 7th Payment of interest on Class C Bonds, unless such payment is deferred as provided for further below.
- 8th Payment of interest on the Generalitat Guarantee Liquidity Line.
- 9th Payment of the Quantity Accrued for Amortisation of the Class AS Bonds owed and not paid on previous Payment Dates, payment of the Quantity Accrued for Amortisation of the Class AG Bonds owed and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of principal of AG Bonds not refunded on previous Payment Dates (pro rata).
- 10th Payment of the Quantity Accrued for Amortisation of Class AG and AS Bonds (pro rata).
- 11th Payment of the Quantity Accrued for Amortisation of Class BS Bonds owed and not paid on previous Payment Dates, payment of the Quantity Accrued for Amortisation of Class BG Bonds owed and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of principal of BG Bonds not refunded on previous Payment Dates (pro rata).
- 12th Payment of the Quantity Accrued for Amortisation of Class BG and BS Bonds (pro rata). Amortisation of Class BG and BS Bonds shall only begin after Class AG and AS Bonds have been fully amortised.
- 13th Payment of the Quantity Accrued for Amortisation of Class C Bonds. Amortisation of Class C Bonds shall only begin after the Bonds in the other Classes have been fully amortised.

- 14th Withholding of a sufficient amount to maintain the allocation to the Reserve Fund up to the Reserve Fund Minimum Amount and for Repayment of the Advances Borrowed under the Subordinated Credit Facility.
- 15th Payment in the event of termination of the Swap Contracts of the sum payable by the Fund for Settlement of those contracts.
- 16th Payment of interest on the Subordinated Loan for Formation Expenses and to cover the gap between the face value of the Bond issue and the aggregate nominal value of the Assets at the time of subscription according to the rules laid down in section V.2.1.
- 17th Payment of interest on the Subordinated Credit Facility.
- 18th Repayment of principal of the Subordinated Loan for Formation Expenses and to cover the gap between the face value of the Bond issue and the aggregate nominal value of the Assets at the time of subscription according to the rules laid down in section V.2.1.
- 19th Repayment of the Principal Borrowed under the Subordinated Credit Facility as Reserve Fund in the amount equal to the amount of the Reserve Fund.
- 20th Payment to the Originating Banks of the Administration Fee for management and administration of the Assets.
- 21st Payment of the variable Financial Intermediation Spread established in the Internal Management Agreement.

Repayment to the Paying Agent of the principal drawn under the Generalitat Guarantee Liquidity Line shall be made at the time the Generalitat de Catalunya effects payment of the guaranteed amounts without waiting until the next Payment Date.

Refund of the amounts obtained from the Generalitat de Catalunya on enforcement of the Guarantee of the Generalitat shall be done on each of the ensuing Payment Dates with a charge to the Available Funds and to the Funds Available for Amortisation, with the same rankings in the priority order of payments as payment of interest accrued and amortisation of principal of the Bonds of the guaranteed Classes.

Exceptional priority order rules for payments payable by the Fund

1. Payment of interest accrued on Class C Bonds at a Payment Date shall go from the 7th to the 13th position in the above priority order of payments (in which event, the references made herein to ordinal numbers 13th through 21st of the above priority order of payments shall be understood to refer to ordinal numbers 14th through 22nd) when on a Determination Date the Outstanding Balance of the Assets past due and pending payment (not including the Non-Performing Assets) in arrears ninety (90) days or more at the preceding Determination Date is higher than 6% of the Outstanding Balance of the Assets at that Determination Date. For these purposes, amounts overdue shall be considered to be the Amounts of the Assets past due and pending payment and not classified as Non-Performing Assets.
2. The order of priority between the payments to be made in respect of interest accrued and repayment of the principal of the Subordinated Loan for Formation Expenses, interest accrued and repayment of the amount borrowed under the Subordinated Credit Facility, Administration Fee and Financial Intermediation Spread shall be determined individually for each Originating Bank, such that those payments will be made according to the result of the Adjusted Individual Account of each Originating Bank in accordance with the terms of the Internal Management Agreement. The Adjusted Individual Account is prepared by the Management Company and sets out, with respect to each Originating Bank, the revenues and expenses attributable thereto, with the balance adjusted as provided in the Internal Management Agreement.

REMEDIES

Remedies against the obligors under the Loans

The Fund, through the Management Company, shall be entitled to pursue enforcement proceedings against the transferred debtors or obligors who default on their payment obligations under the Loans as from the Transfer Date. In all events, in relation to the Mortgage Transfer Certificates, all of the powers provided in article 66 of Royal Decree 685/1982 of 17 March 1982, which implemented certain aspects of Act 2/1981 of 25 March 1981 on regulation of the mortgage market, shall rest with the Management Company, acting in the name of the Fund.

The Fund, as holder of the Mortgage Transfer Certificates, shall be entitled to pursue enforcement proceedings against the Originating Banks, provided non-performance of their obligations is not the result of debtor payment default on the Loan in which the Fund participates. The Fund, as holder of the Non-Mortgage Loans, shall be entitled to bring declaratory proceedings against the Originating Banks for non-performance of their obligations under this Prospectus and under the Agreements governing the transaction. At the termination of the Loans, the Fund, through the Management Company, shall retain the right to bring such proceedings against the Originating Banks until their obligations have been discharged in full.

Neither the Fund, nor the Bondholders, nor the other creditors shall be entitled to any remedies against the Originating Banks or against the Management Company, respectively, other than those based on non-performance of their respective functions, and, therefore, never as a result of the existence of overdue loans or prepayments.

Liability of the Management Company

If the Management Company fails to perform its obligations, it shall bear liability to the Bondholders and to the rest of the Fund creditors for all losses arising from such non-performance.

In particular, the Bondholders shall be entitled to seek remedies against the Management Company in the event of non-performance of the latter's obligation. Such remedies shall be pursued via the type of declaratory proceedings that corresponds to the amount claimed.

Remedies in the event of non-payment of the Bonds issued against the Fund

The Bondholders shall not be entitled to seek remedies directly from the Transferred Debtors or obligors under the Loans who have defaulted on their payment obligations; the power to bring such actions shall rest with the Management Company, as representative of the Fund holding the Loan.

The Bondholders shall not be entitled to action against the Fund or the Management Company if the non-payment of the Bonds is the result of default on a Loan by the corresponding Transferred Debtor.

The Bondholders shall be entitled to no remedies against the Management Company other than actions based on non-performance of the Management Company's obligations and, therefore, never as a result of the existence of overdue Loans or Loan prepayments.

STATUS OF THIS INFORMATION

This information is considered the Full Prospectus for the purposes of Royal Decree 926/1988 of 14 May 1988 and Royal Decree 291/1992, as amended by Royal Decree 2590/1998, and is registered in the Official Registers of the Comisión Nacional del Mercado de Valores (Spanish Securities Markets Commission; hereinafter, "CNMV") as from 27 March 2003.

The Management Company, GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., which will constitute and administrate the Fund, is responsible for the content of this Prospectus (without prejudice to the responsibility assumed by the rest of the entities involved).

Registration of the Prospectus by the CNMV implies neither a recommendation to subscribe for the securities nor any pronouncement of any kind on the credit quality of the Fund or profitability of the securities issued or offered.

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CHAPTER I

PERSONS ASSUMING RESPONSIBILITY FOR THE CONTENTS OF AND SUPERVISORY BODIES FOR THE PROSPECTUS

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

I.1.1 Name, surnames, national identity document number and office or powers of the natural person or persons assuming responsibility for the content of the Prospectus on behalf of the Management Company

Mr. Xavier Jaumandreu Patxot, of legal age, holding Spanish national identity document (DNI) number 37.655.595-H, acting for and on behalf of GESTICAIXA, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A. (hereinafter, “GestiCaixa” or the “Management Company”) in his capacity as General Manager and by virtue of the resolution adopted by the Management Company Board of Directors at its meeting of 17 March 2003, hereby assumes responsibility for the content of this Prospectus.

GestiCaixa, having its registered office in Barcelona, Avenida Diagonal 621, and holding Spanish corporate taxpayer identification code (CIF) A-58481227, is the securitisation funds management company that is sponsoring GC FTGENCAT II, Fondo de Titulización de Activos (hereinafter, also, the “Fund”) and shall be responsible for its administration and legal representation.

I.1.2 Confirmation of the veracity of the content of the Prospectus and that the Prospectus does not omit any material data and is not misleading

Mr. Xavier Jaumandreu Patxot confirms the veracity of the data and information contained in this Prospectus and that the Prospectus does not omit any material data and is not misleading.

I.2 Supervisory bodies for the Prospectus

The formation of the Fund and issue of the Asset Backed Bonds (hereinafter, the “Bonds”) are subject to the requirements set out below, in accordance with the provisions of article 5 of Royal Decree 926/1988 of 14 May 1988 (“Royal Decree 926/1998”) and the applicable provisions of Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998 (both referred to hereinafter as “Royal Decree 291/1992”), and the relevant implementing provisions:

- (a) Report of the proposed formation of the Fund to the Comisión Nacional del Mercado de Valores (hereinafter, the “CNMV”).
- (b) Prior filing with and registration by the CNMV of the requisite supporting documents for the formation of the Fund and for the assets to be pooled in the Fund, together with the draft public deed of formation of the Fund.

- (c) Filing of the reports prepared by either the Management Company or by the account auditors or other duly qualified independent experts, in the judgment of the CNMV, on the assets that will constitute the Fund assets. Attached to the Prospectus, as **Schedule IV**, is the Audit Report on the Assets prepared by the firm Deloitte & Touche España, S.L, as indicated in section I.3.
- (d) Filing, where applicable, with the CNMV of the reports prepared by the agencies commissioned to perform the credit rating of the Fund liabilities. Attached to the Prospectus as **Schedule III** are the provisional rating letters from Fitch Ratings España, S.A.U. and Moody's Investors Service España, S.A., the agencies commissioned to carry out the credit rating of the Bonds.
- (e) Verification and registration by the CNMV of a prospectus on the formation of the Fund and on the liabilities that will finance the Fund.

This Prospectus on the formation of the Fund and issue of the Bonds (the "**Prospectus**") has been verified and registered in the official registers of the CNMV on 27 March 2003.

Registration of the Prospectus by the CNMV implies neither a recommendation to subscribe for the securities referred to by the Prospectus nor any pronouncement of any kind on the credit quality of the Originating Banks or profitability of the securities issued or offered.

According to article 2.2.1 of Royal Decree 926/1998 the transfers of assets to the Fund are subject, amongst other requirements, to the transferors having had their annual accounts of the last three years audited with a favourable opinion in the last.

I.3 Name, registered address and qualifications of the auditors who have verified the number, amount and characteristics or attributes of the assets securitised through the Fund

Schedule IV attached to the Prospectus contains the report on the Assets prepared by Deloitte & Touche España, S.L., with registered address in Madrid, at Calle Raimundo Fernández Villaverde 65, and registered in the Official Spanish Registry of Account Auditors (Registro Oficial de Auditores de Cuentas) under number S-0692.

The audit verification deals with a series of both quantitative and qualitative attributes of the securitisable portfolio of assets and, specifically, with the following aspects: status of the Transferred Debtor, identification of the Transferred Debtor, evidence of status as Catalan SMEs, transfer of the Loans, date the Loan was formally made and its maturity date, remaining term to maturity, interest rate (or benchmark index) and corresponding margin, interest rate applied, Loan balance, payment delays, ownership, insolvency proceedings, credit extension policy, rating of the mortgage guarantee and formalisation of the mortgage guarantee.

CHAPTER II

INFORMATION ON THE SECURITIES ISSUED AGAINST THE FUND

II.1 Information on the prerequisites and prior resolutions needed for constituting the Fund and on the securities issued against the Fund, and on the conditions of the Fund's acquisition of the Assets

II.1.1 Resolutions and legal requirements for the issue

a) Company resolutions

Resolutions to transfer the Loans

The Boards of Directors, the Executive Committee or the relevant body duly authorised for such purpose, as the case may be, of each of the Originating Banks have duly agreed to authorise transfer of the Loans to the Fund, on the terms set out in the certificates included in **Schedule I** of the Prospectus. The Loans with a real estate mortgage guarantee that meet the conditions established in article 18 of Act 44/2002, which added a new paragraph to part two of the Fifth Additional Provision of Act 3/1994 of 14 April 1994 ("**Act 3/1994**"), shall be transferred to the Fund by means of the subscription of MTC issued by the Originating Banks.

Resolution to constitute the Fund

The Board of Directors of the Management Company at its meeting of 17 March 2003 resolved to (i) form GC FTGENCAT II, Fondo de Titulización de Activos, under the provision of Royal Decree 926/1998, (ii) acquire the Assets from the Originating Banks, both directly and by subscribing for the MTC, and (iii) issue the Bonds against the Fund assets.

Attached as **Schedule II** of the Prospectus is the Certificate of the Resolutions of the Management Company Board of Directors.

b) Execution of the public deed of formation of the Fund

Once the Prospectus has been verified and registered by the CNMV, if fifteen (15) Business Days thereafter the Bond Subscription Period has not been opened, the Management Company, together with the Originating Banks, shall execute the public deed of formation of GC FTGENCAT II, Fondo de Titulización de Activos and of issue of the Bonds (hereinafter, the '**Fund Formation Deed**') and enter into the Assets Transfer Agreements and the rest of the contracts provided for in this Prospectus. The Management Company shall submit a copy of the Fund Formation Deed to the CNMV to be entered in the public registers before the Bond Subscription Period opens.

c) Agreements relating to the Guarantee of the Generalitat

Agreement between the Management Company and the Department of Economy and Finance of the Generalitat de Catalunya

On 3 March 2003 the Management Company signed with the Department of Economy and Finance of the Generalitat de Catalunya the “Collaboration Agreement between the Department of Economy and Finance of the Generalitat de Catalunya and management companies of asset securitisation funds to constitute asset securitisation funds to promote financing to Catalan SMEs” set out in Schedule 2 of the Resolution.

Master agreements for collaboration between the Originating Banks and the Department of Economy and Finance of Generalitat de Catalunya for determining the credit rights eligible for transfer to the asset securitisation funds created to promote financing to Catalan SMEs

On 3 March 2003 each of the Originating Banks signed with the Department of Economy and Finance of the Generalitat de Catalunya the ‘Master agreement for collaboration between the originating banks and the Department of Economy and Finance of Generalitat de Catalunya for determining the credit rights eligible for transfer to the asset securitisation funds created to promote financing to Catalan SMEs’ set out in Schedule 3 of the Resolution.

II.1.2 Information on the prerequisites and previous resolutions required for admission to trading on the Stock Exchange or on the official secondary market

Immediately after execution of the Fund Formation Deed and after the Bonds have been paid in, the Management Company will apply to have the Bond issue included in the Barcelona Stock Exchange (Bolsa de Valores de Barcelona). It is expected that final listing for trading will be obtained no later than ninety (90) days after the Disbursement Date. The Bonds shall be represented by book entries only. Without prejudice to the above, admission to trading of the Bonds on another secondary market may also be sought.

In the event that the Bonds are not listed for trading within the above time limit in the Barcelona Stock Exchange, the Management Company will give immediate notice thereof to the Bondholders, specifying the reasons for the non-listing, by publishing the relevant notice in a newspaper of nationwide circulation, in accordance with the terms of section III.7.5, all without prejudice to such contractual liability of the Management Company as may arise from the failure to obtain listing.

Similarly, the Management Company shall apply, on behalf and for the account of the Fund, to have the issue of Bonds included in the Securities Clearing and Settlement Service of the Barcelona Stock Exchange (Servicio de Compensación y Liquidación de Valores de la Bolsa de Valores de Barcelona; hereinafter, the “SCLBARNA”), set up by Decree 171/1992 of 4 August 1992 of the Generalitat de Catalunya, under article 54 of the Spanish Securities Exchange Act 24/1988 of 28 July 1988 (Ley del Mercado de Valores), as amended by Act 37/1998 of 16 November 1998 (hereinafter, jointly referred to as “Act 24/1988”), and of the powers for these matters conferred upon the Generalitat de Catalunya by article 9.20 of the Statute of Devolution (Estatuto de Autonomía), so that transactions involving the Bonds are cleared and settled on the terms established or which may in the future be applicable to the SCLBARNA (or such other entity as may replace it) with respect to fixed-income securities issued by Asset Securitisation Funds only listed for trading on the Barcelona Stock Exchange. If admission to trading is sought in another secondary market, the Management Company shall apply to have the Bond issue included in the relevant clearing and settlement service.

II.2 **Prior administrative authorisation for the issue**

Formation of the Fund and issue of the Bonds require prior verification and registration in the Official Registers of the CNMV, in accordance with the provisions of article 5 of Royal Decree 926/1998, of article 26 *et seq.* of Act 24/1988 and of Royal Decree 291/1992.

This Prospectus was verified and registered in the Official Registers of the CNMV on day **27 March 2003**.

No prior administrative authorisation is needed beyond the prior verification and registration of the Prospectus by the CNMV.

Registration of the Prospectus by the CNMV implies neither a recommendation to subscribe for the securities nor any pronouncement of any kind on the credit quality of the Fund or profitability of the securities issued or offered.

II.3 **Evaluation of the risk inherent in the securities issued against the Fund by a Rating Service recognised by the Comisión Nacional del Mercado de Valores**

Royal Decree 926/1998 requires that the credit risk of the Bonds issued against the Fund assets be rated by a rating agency recognised by the CNMV.

The Management Company has commissioned a credit rating of the Bonds to Moody's Investors Service España, S.A. (hereinafter, **'Moody's Investors Service España, S.A.'**), a wholly owned Spanish subsidiary of Moody's Investors Service Limited (hereinafter, **'Moody's'**) and to Fitch Ratings España, S.A.U. (**'Fitch'**, which shall hereinafter be referred to jointly with Moody's Investors Service España, S.A. as the **'Rating Agencies'**), rating services recognised by the CNMV for the purposes provided in article 2.3.b of Royal Decree 926/1998.

Rating given to the Bonds issue

On 27 March 2003 Moody's assigned a credit rating of Aaa to the Class AG Bonds, a rating of Aa1 to the Class AS Bonds, a rating of Aa2 to the Class BG Bonds, a rating of A1 to the Class BS Bonds and a rating of Baa1 to the Class C Bonds, all on a provisional basis. It expects to assign the above ratings as final before the start of the Bond Subscription Period.

On 25 March 2003 Fitch assigned a credit rating of AAA to the Class AG Bonds, a rating of AA+ to the Class AS Bonds, a rating of AA to the Class BG Bonds, a rating of A to the Class BS Bonds and a rating of BBB to the Class C Bonds, all on a provisional basis. It expects to assign the above ratings as final before the start of the Bond Subscription Period.

If one of the Rating Agencies does not confirm the provisional ratings indicated in the foregoing paragraphs prior to the start of the Subscription Period, such circumstance shall be immediately reported to the CNMV and be made public in the manner provided in section III.7.5.

Non-confirmation by one of the Rating Agencies of the above ratings prior to the start of the Subscription Period shall constitute an event of termination of the Fund's formation and of the Bond issue.

Attached hereto as **Schedule III** is a copy of the provisional rating letters from Fitch and Moody's.

Considerations on the rating

Moody's

Moody's uses the following ratings scale for long and short-term debt issues:

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

Moody's applies numerical modifiers 1, 2, and 3 in each long-term rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Given below are the meanings of the ratings assigned to the Bonds by Moody's referred to in this Prospectus:

- **Aaa:** Bonds which are rated "Aaa" are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. It is only assigned in those cases where there is exceptionally strong capacity to make the principal repayments and interest payments on the obligations in a timely manner.
- **Aa:** Bonds which are rated "Aa" are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as "high-grade" bonds. Although their capacity for timely payment is very strong, they are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.
- **A:** Bonds which are rated "A" possess many favourable investment attributes and are to be considered as "upper-medium-grade" obligations and their capacity for timely payment is strong. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.
- **Baa:** Bonds which are rated "Baa" are considered as "medium-grade" obligations. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be unreliable over any great

length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Fitch

The scale of ratings used by Fitch for long and short-term debt issues is as shown below:

Long Term	Short Term
AAA	F1
AA	F2
A	F3
BBB	B
BB	C
B	D
CCC, CC, C	
DDD, DD, D	

Fitch applies the modifiers “+” and “-“ to indicate the relative standing within the major rating category. These modifiers are not applied, for long-term ratings, to the AAA category or to CCC or lower, or, for short-term issues, to ratings other than F1.

Given below are the meanings of the ratings assigned to the Bonds by Fitch referred to in this Prospectus:

- **AAA:** Highest credit quality. “AAA” ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
- **AA:** Very high credit quality. “AA” ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
- **A:** High credit quality. “A” ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
- **BBB:** Good credit quality. “BBB” ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest “investment-grade” category.

The Rating Agencies assess the timely payment of interest on each Payment Date and payment of principal during the life of the operation and, in any event, prior to the Statutory Maturity Date of the operation on 25 July 2025. Given that the rating does not cover the timely payment of principal (on each Payment Date) and that the Guarantee of the Generalitat does so only for Classes AG and BG, there is the possibility of the need arising to enforce the Guarantee of the Generalitat to cover the Payment Shortfall, something which the Rating Agencies do not regard as a default.

The rating is an opinion of the Rating Agencies on the credit risk, on the capacity for timely payment of interest on each Payment Date and payment of the principal during the life of the operation and, in all events, prior to the Statutory Maturity Date. The rating given by the Rating Agencies takes into account the structure of the Bond issue, legal aspects of the issue and of the Fund, the characteristics of the Assets and the regularity and continuity of the operation's financial flows.

The Rating Agencies' ratings do not evaluate the likelihood of the Transferred Debtors making prepayments of principal nor the extent to which such prepayments may differ from the original projections. By no means does the rating imply any assessment of the actuarial rate of return.

The ratings assigned, along with all revisions or suspensions of those ratings:

- (i) are formulated by the Rating Agencies on the basis of numerous pieces of information they receive and as to whose accuracy or completeness the Rating Agencies do not give any assurances, such that the Rating Agencies can by no means be held liable for such accuracy and completeness; and
- (ii) do not constitute and can not in any way be construed as an invitation, recommendation or inducement to investors to carry out any type of transaction with the Bonds and, in particular, to acquire, hold, encumber or sell those Bonds.

The final ratings assigned may be revised, suspended or withdrawn at any time by the Rating Agencies on the basis of any information that comes to their knowledge. Such situations, which shall not be considered events of accelerated amortisation of the Fund, shall be immediately notified to the CNMV and to the Bondholders as provided in section III.7.5.

In carrying out the rating and monitoring process, the Rating Agencies trust in the accuracy and completeness of the information provided to them by the Management Company, auditors, lawyers and other experts.

The Management Company, on behalf of the Fund, undertakes to provide to the Rating Agencies periodic information on the situation of the Fund and the behaviour of the Assets. It shall also provide that information when reasonably requested to do so and, in all events, when there is a change in the conditions of the Fund, in the contracts entered into by the Fund through its Management Company or in the interested parties.

The Management Company shall make its best efforts to maintain the ratings of the Bonds at their respective initial levels and, in the event of a decline in those ratings, to recover those initial levels.

II.4 Status and name of the securities offered, indicating the issue or series number

The Bond issue has a total face value of nine hundred fifty million (950,000,000) euro and will be composed of nine thousand five hundred (9,500) Bonds. This nominal value is divided into five (5) Classes of Bonds:

- (i) Secured ordinary Bonds comprised by the Class AG (“**Class AG Bonds**”) with an aggregate face value of 706,800,000 euro, composed of Bonds with a face value of 100,000 euro each, represented by the book-entries system.

- (ii) Ordinary Bonds comprised by the Class AS (“**Class AS Bonds**”) with an aggregate face value of 176,700,000 euro, composed of Bonds with a face value of 100,000 euro each, represented by the book-entries system.
- (iii) Secured subordinated Bonds comprised by the Class BG (“**Class BG Bonds**”) with an aggregate face value of 17,600,000 euro, composed of Bonds with a face value of 100,000 euro each, represented by the book-entries system.
- (iv) Subordinated Bonds comprised by the Class BS (“**Class BS Bonds**”) with an aggregate face value of 17,600,000 euro, composed of Bonds with a face value of 100,000 euro each, represented by the book-entries system.
- (v) Subordinated Bonds comprised by the Class C (“**Class C Bonds**”) with a face value of 31,300,000 euro, composed of Bonds with a face value of 100,000 euro each, represented by the book-entries system.

In relation to repayment of principal and payment of interest, Class BG and BS Bonds rank behind the AG and AS Bonds, according to the terms of the priority order of payments set out in section V.6.1.2 and the exceptional rules provided in section V.6.2.

Class C Bonds, in turn, rank behind the Bonds from the rest of the Classes in respect of payment of principal and interest, according to the terms of the priority order of payments set out in section V.6.1.2 and the exceptional rules provided in section V.6.2.

Subscribing for or holding Bonds of one Class does not imply subscription for or holding Bonds of any other Class.

II.4.1 Regulatory framework for the securities, specifying the procedure assuring the certainty and enforceability of the rights of their first owner and successive holders. Implication for the financial service of each of the security Classes issued against the Fund of the obligatory relation between the calendar for payment of principal and interest of those securities and the revenue flows and collections from the Assets

The Bonds have legal status as negotiable straight, coupon-bearing fixed-income securities.

In their condition as negotiable straight fixed-income securities, the Bonds are subject to the regime laid down for such instruments in Act 24/1988 and shall be represented by means of the book-entries system.

The Bondholders shall be identified as such according to the information of record in the accounts kept by the SCLBARNA (or such other entity as may replace it), according to the terms of section II.5 of this chapter. The Bondholders shall be entitled to receive upon request, and at their cost, certificates of their standing as such, in accordance with the provisions of the fourth section of Chapter 1 of Title I of Royal Decree 116/1992 of 14 February 1992 on Representation of Securities by Book Entries and Clearing and Settlement of Stock Market Transactions (Real Decreto sobre Representación de Valores por Medio de Anotaciones en Cuenta y Compensación y Liquidación de Operaciones Bursátiles; hereinafter, “**Royal Decree 116/1992**”).

The Bonds may be freely transmitted by any legally admissible procedure and in accordance with the rules of the market where they are quoted. Ownership of each Bond shall be transferred by means of accounting transfers. Registration of the transfer to the transferee in the accounting records shall produce the same effects as transfer of title and as from that time may be relied upon as against third parties.

II.4.2 Other implications and risks which, given the legal and economic nature of the assets pooled in the Fund, could affect the financial servicing of the securities issued against the Fund as a result of the securitisation of those assets

a) Risk of default on the Assets

The holders of Bonds issued against the Fund assets shall bear the risk of default on the Assets pooled in the Fund. For Class AG and BG Bonds, however, that default risk is covered by the Guarantee of the Generalitat de Catalunya.

Consequently, the Originating Banks assume no liability whatsoever for default by the Transferred Debtors, whether in respect of principal, interest or any other sum they may owe by virtue of the Assets. Nor shall they assume any responsibility for directly or indirectly warranting the successful conclusion of the operation, or grant guarantees or security, or be affected by repurchase covenants in respect of the Assets, except for those that do not comply with the conditions and characteristics contained in section IV.2.1.3.1 of the Prospectus and in the Fund Formation Deed, in relation to which the provisions of section IV.2.2 of this Prospectus shall apply.

b) Risk of prepayment of the Assets

The risk of prepayment of the Assets is shifted to the Bondholders periodically, at each Payment Date, by means of partial redemption of the Bonds as provided in section II.11.3 of the Prospectus and in the Fund Formation Deed.

c) Limited Liquidity

There is no guarantee of any minimum frequency or volume of negotiation of the Bonds in the market.

There is no commitment by any entity to intervene in trading in the secondary market to give liquidity to the Bonds by making counterparty offers.

In no event will the Fund repurchase the Bonds from the Bondholders, although accelerated amortisation of the Bonds may be declared in the event of Accelerated Liquidation of the Fund on the terms laid down in this Prospectus.

d) Yield

The Loan prepayment rate is influenced by a variety of geographical, economic and social factors that hinder projections of that rate, such as the age of the Transferred Debtors, seasonal factors, market interest rates.

Calculation of the internal rate of return, average life and duration of the Bonds is subject, amongst other factors, to assumptions as to Loan prepayment rates which may not be fulfilled, as well as to future market interest rates, given that the nominal interest rate of each Bond Class is a floating rate.

e) Default interest

In no event shall the existence of delay in payment of interest or repayment of principal to the Bondholders entitle the latter to default interest.

f) Lack of remedies

The Fund shall not be entitled to seek any remedies against the Originating Banks other than those based on non-performance of their respective functions, and, therefore, never as a result of the existence of overdue loans or prepayments.

In addition, the Bondholders and the rest of the Fund creditors shall not be entitled to make any direct claims against the Originating Banks.

II.5 Form of representation and name and registered address of the entity responsible for bookkeeping functions in respect of the Bonds

The Bonds issued against the Fund assets shall be represented by book entries upon their registration in the SCLBARNA (or such other entity as may replace it). The Fund Formation Deed shall operate produce the effects provided in article 6 of Act 24/1988.

Pursuant to the provisions of article 6 of Royal Decree 116/1992, the name, number of units, face value and other characteristics and conditions of the Bond issue represented by book entries is as set out in the Fund Formation Deed and in this Chapter II.

The Bondholders shall be identified as such according to the information of record in the accounts kept by the SCLBARNA (or such other entity as may replace it) in collaboration with its member companies. The SCLBARNA (or such other entity as may replace it) shall be named in the Fund Formation Deed as the entity responsible for keeping the accounting records of the Bonds, so that transactions involving the Bonds will be cleared and settled on the terms established by or which may in the future be applicable to the SCLBARNA (or such other entity as may replace it) with respect to fixed-income securities issued by Asset Securitisation Funds only listed for trading on the Barcelona Stock. That appointment shall be filed for registration in the Official Registers of the CNMV.

The registered address of the SCLBARNA is in Barcelona, at Paseo de Gracia, 19.

II.6 Face value of the pool of securities issued against the Fund, number of securities involved and their numbering, broken down, if applicable, into the different Classes of securities of the issue

The total face value of the Bond issue is 950,000,000 euro, composed of five (5) Classes of Bonds:

- (i) Class AG comprising secured ordinary Bonds with a face value of one hundred thousand (100,000) euro each, and an aggregate face value of 706,800,000 euro.
- (ii) Class AS comprising ordinary Bonds with a face value of 100,000 euro each, and an aggregate face value of 176,700,000 euro.
- (iii) Class BG comprising secured subordinated Bonds with a face value of one hundred thousand (100,000) euro each, and an aggregate face value of 17,600,000 euro.
- (iv) Class BS comprising subordinated Bonds with a face value of one hundred thousand (100,000) euro each, and an aggregate face value of 17,600,000 euro.
- (v) Class C comprising subordinated Bonds with a face value of one hundred thousand (100,000) euro each, and an aggregate face value of 31,300,000 euro.

Class BG and BS Bonds rank behind the AG and AS Bonds in relation to repayment of principal and payment of interest in accordance with the terms of the priority order of payments set out in section V.6.1.2 of the Prospectus.

Class C Bonds, in turn, rank behind the Bonds from the rest of the Classes in respect of payment of principal and interest, according to the terms of the priority order of payments set out in section V.6.1.2 of the Prospectus.

Subscribing for or holding Bonds of one Class does not imply subscription for or holding Bonds of any other Class.

II.7 Face and cash values of each security, indicating, where applicable, the issue premium expressed as a percentage of the face value and in monetary units per security. Currency of denomination of each Class of securities issued against the Fund

The Bond issue is composed of five (5) Classes, AG, AS, BG, BS and C, denominated in euro.

The issue price of the Bonds in all Classes will be one hundred thousand (100,000) euro per Bond, free of taxes and subscription expenses for the subscribing investor. The Bonds are issued at 100% of their face value.

The expenses and taxes inherent in the Bond issue shall be for the account of the Fund.

The redemption price for the Bonds of all Classes shall be one hundred thousand (100,000) euro per Bond, equal to their face value, free of expenses for the bondholder and to be paid progressively at each Payment Date in accordance with the terms of section II.11.3 below.

II.8 Fees and related expenses of all kinds that must necessarily be borne by the investors upon subscribing the securities issued against the Fund

The issue price established in section II.7 above shall be free of taxes and subscription expenses for the subscribing investor.

II.9 Indication, if applicable of the existence, where such is the case, of fees payable by the holders of the securities issued against the Fund, necessarily represented by book entries, in respect of registration and maintenance of balance

The expenses of including the Bond issue in the accounting records of the SCLBARNA shall be borne by the Fund and shall not be passed on to the Bondholders. The SCLBARNA receives no fee whatsoever in respect of maintenance of balances.

The member companies with the SCLBARNA (or such other entity as may replace it) may establish, in accordance with the prevailing legislation, such fees and expenses recoverable from the Bondholders in respect of administration of securities as they freely determine from time to time and duly notify to the Bank of Spain or to the CNMV, as supervisory bodies for those entities. The maximum tariffs recoverable from the Bondholders by the member companies of the SCLBARNA (or such other entity as may replace it) shall be indicated in the respective Schedules of Tariffs, which is available to the public at the registered office and in all branches, offices and representative offices of those entities.

II.10 Interest rate clause

II.10.1 Nominal interest rate

The Bonds in all Classes shall earn a nominal annual interest rate, varying quarterly and payable quarterly, determined by applying the rules set out below.

The resulting nominal annual interest rate (hereinafter, **‘Nominal Interest Rate’**) shall be paid quarterly on each Payment Date on the Outstanding Balance of Principal of the Bonds of each Class on the preceding Determination Date, provided the Fund has sufficient liquidity according to the priority order of payments stipulated in section V.6.1.2 and the exceptional rules provided in section V.6.2.

Withholdings, advance payments on account and taxes established at present or which may be established in the future on the Bond principal, interest or income shall be for the sole account of the Bondholders and the amount thereof shall be deducted, where applicable, by the Management Company, on behalf and for the account of the Fund, through the Paying Agent, in the legally established manner.

a) Accrual of interest

The duration of this issue shall be divided into successive time periods (referred to jointly as **‘Interest Accrual Periods’** and each one of them as an **‘Interest Accrual**

Period) comprising the days actually elapsed between each Payment Date, with each Interest Accrual Period including the initial Payment Date and not including the final Payment Date.

On an exceptional basis, the first Interest Accrual Period shall not have a duration of one quarter and shall instead run from the Disbursement Date, that is 4 April 2003 (included), and the first Payment Date, that is 25 July 2003 (excluded), calculated on the basis of a 360-day year.

b) Nominal Interest Rate

The Nominal Interest Rate determined for each Interest Accrual Period will be the sum obtained by adding together:

- (i) the three (3) month Euribor reference interest rate except for the first Interest Accrual Period, which shall be the four (4) month Euribor reference interest, taking into account the number of days of the first Interest Accrual Period, or, if necessary, the substitute reference described in c) below, plus
- (ii) a margin for each one of the Bond Classes:
 - of 0.11% for Class AG Bonds
 - of 0.48% for Class AS Bonds
 - of 0.28% for Class BG Bonds
 - of 0.70% for Class BS Bonds
 - of 1.45% for Class C Bonds

The margin applicable to Bonds of each Class shall be made public on before the Disbursement Date by means of the announcement provided for in section III.7.5.

The Nominal Interest Rate thus determined shall be expressed to four (4) decimal places.

c) Determination of Euribor benchmark interest rate

- (i) The reference interest rate used as the applicable rate for the Bonds shall be the 3 (three) month Euribor or *‘Euro InterBank Offered Rate’* as calculated and published by the financial information system BRIDGE on instructions of the FBE, or *‘Federation Bancaire de l’Union Européenne’*, fixed at 11:00 in the morning CET on the Interest Rate Reset Date described below and currently published in the electronic pages “EURIBOR01” of Reuters and “248” supplied by Dow Jones Markets (Bridge Telerate) or such other page as may substitute these services.

The Euribor rate is currently the offered rate on euro-denominated interbank time deposits. This is a daily average calculated from quotes provided by a panel comprising 57 of the most active Banks in the Eurozone. The rate is based on the calculation of the calendar days to maturity and a 360-day year at 11:00 in the morning CET, expressed to three (3) decimal places.

For these purposes, the time shall be taken to be CET or *‘Central European Time’*, the official time used in the city of Brussels.

Exceptionally, the reference interest rate for the first Interest Accrual Period shall be the four (4) month Euribor, considering the number of days in the first Interest Accrual Period.

For these purposes, “four (4) month Euribor” shall be defined as the Euribor, “*Euro InterBank Offered Rate*” with four (4) months maturity calculated and published by the financial information system BRIDGE on the instructions of the FBE or “*Federation Bancaire de l’Union Européenne*”, fixed at 11:00 in the morning CET on the Interest Rate Reset Date for the first Interest Accrual Period (described in section d) below).

- (ii) If not possible to obtain the rate stipulated in section (i) above, the reference interest rate that substituted it would be the interest rate obtained from calculating the simple arithmetic average of the interbank offered rates for non-transferable euro-denominated deposits with three (3) months maturity on the Interest Rate Reset Date, provided by the banking institutions given below (hereinafter the “**Reference Banks**”), upon a simultaneous request to each of these by the Management Company via the Paying Agent.

The Reference Banks shall be:

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

If not possible to apply the above substitute reference interest rate due to a Reference Bank not supplying an offer of quotes on an ongoing basis, the interest rate used will be the simple arithmetic average of the interest rates offered by at least (2) of the other Reference Banks.

- (iii) In the absence of or if not possible to obtain the rates established in sections (i) and (ii) above, the interest rate used will be the last rate applicable in the preceding Interest Accrual Period and so on for successive Interest Accrual Periods for as long as this situation continues.

The Management Company shall keep records of the contents of the Reuters EURIBOR01 and Telerate 248 screens or, if appropriate, of the rates offered by the Reference Banks as documentary proof for the interest rate set.

d) Interest Rate Reset Date

The Nominal Interest Rate applicable to the Bonds of all Classes for the Interest Accrual Period shall be determined by the Management Company, on behalf and for the account of the Fund, at 11:00am CET on the second (2nd) Business Day prior to each Payment Date in accordance with the calendar used by TARGET (“*Trans European Automated Real-Time Gross Settlement Express Transfer System*”), except for those days that although working days in the TARGET calendar are not Business Days in accordance with the definition provided below, in which event it the next following Business Day will be used (hereinafter an “**Interest Rate Reset Date**”). This rate shall apply to the following Interest Accrual Period.

For the purposes of the Bond issue and throughout the life of these Bonds the “**Interest Rate Reset Business Days**” shall be considered as all those that are not:

- Saturdays;
- Sundays;
- Non-working days in the TARGET calendar;

The Nominal Interest Rate on Bonds of all Classes for the first Interest Accrual Period shall be determined in the manner established in section c) above, based on the reference interest rate applicable at 11:00am CET on the second (2nd) Business Day prior to the Disbursement Date indicated in this section, published before the Disbursement Date and announced as set out in section III.7.5 of the Prospectus.

The Bondholders shall be informed of the Nominal Interest Rate determined for Bond Classes for the successive Interest Accrual Periods in the time and manner established in section III.7.5 of the Prospectus.

e) Indicative performance table for the applicable reference interest rate

For purely informational purposes, data is provided below for the three (3) month Euribor rates on the dates indicated. This information is also provided for the four (4) month Euribor rate on the dates indicated, fixed as established in part b) above and used to calculate the Nominal Interest Rate for the first Interest Accrual Period (*source: Bloomberg*).

Reset Date	EURIBOR 3 month
13/09/1999	2.6930%
13/12/1999	3.4550%
13/03/2000	3.7790%
13/06/2000	4.5480%
13/09/2000	4.8460%
13/12/2000	4.9660%
13/03/2001	4.7830%
13/06/2001	4.4700%
13/09/2001	4.1650%
13/12/2001	3.3420%
13/03/2002	3.3740%
13/06/2002	3.4700%
12/09/2002	3.3150%
12/12/2002	2.9300%
13/03/2003	2.5450%

Reset Date	EURIBOR 4 month
13/03/2003	2.5140%

II.10.2 Brief indication of the ranking in the fund’s priority order of payments of interest payments on securities issued against the Fund and specific indication of the section and pages of this Prospectus establishing the priority order of payments of the Fund, particularly those concerning interest payments on these securities

The payment of the interest accrued on the Class AG and AS Bonds ranks 3rd and 4th in the priority order of payments established in section V.6.1.2 of the Prospectus.

The payment of interest accrued on the Class BG and BS Bonds ranks 5th and 6th in the priority order of payments established in section V.6.1.2 of the Prospectus.

The payment of interest accrued on the Class C Bonds ranks 7th in the priority order of payments established in section V.6.1.2 of the Prospectus, except if the interest payments pass from the 7th to 13th place in the aforesaid priority order of payments in accordance with the exceptional priority order of payments rules established in section V.6.2.1, when on a Determination Date the circumstance in said section V.6.2.1 applies.

II.10.3 Interest payment dates, places, entities and procedures

The interest on Bonds of all Classes shall be paid for complete quarters on 25 January, 25 April, 25 July and 25 October (each of these dates is a “**Payment Date**”) each year in accordance with the procedure outlined in section II.12 of the Prospectus, until the Bonds are fully redeemed.

If any of the dates stated in the preceding paragraph were not a Business Day, the Payment Date would be the next following Business Day and the interest corresponding to the Interest Accrual Period as described in section II.10.1.a) would accrue until the aforesaid next following Business Day, not inclusive.

If necessary to make a payment on the next following Business Day due to the Payment Date falling on a non-Business Day, the next Interest Accrual Period would be understood to cover the period from the day on which the corresponding payment is made (inclusive) up to the following Payment Date (that is 25 January, April, July or October, as appropriate) not inclusive. Accordingly, if a Payment Date falls on a non-Business Day, this will not require a change in the stipulated calendar of Payment Dates.

The first Payment Date for interest on the Bonds of all Classes shall be 25 July 2003 and this interest shall accrue at the corresponding Nominal Interest Rate from the Disbursement Date inclusive until 25 July 2003 not inclusive.

The interest payment to be made on each Payment Date for each Interest Accrual Period shall be calculated in accordance with the following formula:

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

Where:

I = Interest to be paid on a given Payment Date.

P = Outstanding Balance of Bond Principal on the Determination Date corresponding to the aforesaid Payment Date.

R = Nominal Interest Rate expressed as an annual percentage.

d = Actual number of days corresponding to each Interest Accrual Period.

The interest payable to the Bondholders of each Class, calculated in accordance with the above, and the amount of interest accrued and not paid shall be made public in the manner described in section III.7.5 of the Prospectus with notice of at least one (1) Business Day before each Payment Date.

Provided the Fund has sufficient cash to do so, in accordance with the priority order of payments established in section V.6.1.2 and the exceptional rules provided in section V.6.2, the interest accrued on the Bonds shall be paid on each Payment Date.

If on a Payment Date the Fund can pay part or all of the interest accrued on the Bonds of any Class, in accordance with the priority order of payments established in section V.6.1.2, the corresponding amounts not received by the Bondholders (not including the amounts available under the Guarantee of the Generalitat covering payment of interest on secured Bond Classes) shall be paid on the following Payment Date. No interest at all shall accrue in favour of the Bondholders on the delayed interest payments.

The Fund, via the Management Company, may not defer interest payments on the Bonds after 25 July 2025, the Statutory Maturity Date of the Bonds or, if this were not a Business Day, the next following Business Day.

The financial service of the Bond issue shall be carried out via the Caixa d'Estalvis i Pensions de Barcelona (hereinafter, in relation to this service, the **'Paying Agent'**). This entity shall sign the Paying Agent Contract with the Management Company, on behalf and for the account of the Fund.

To ease understanding for the subscriber of the system for setting the applicable Nominal Interest Rate and amount of interest corresponding to each Bond on each Payment Date, section II.12.a) includes a practical illustrative example and the hypothetical financial service tables for the debt securities.

II.11 Amortisation of the securities

II.11.1 Redemption price, specifying the premiums, bonuses, lots or any other financial benefit

The redemption price for the Bonds of all Classes shall be one hundred thousand (100,000) euro per Bond, equal to 100% of the face value, payable progressively on each Payment Date.

All Bonds of the same Class shall be amortised by the same amount via a reduction in the face value of each. The amount to be repaid in amortising the Bonds of each Class on each Payment Date shall be determined as stipulated in section II.11.3 of this Chapter.

II.11.2 Brief indication of the ranking in the Fund's priority order of payment of principal repayments of securities issued against the Fund and specific indication of the section and pages of this Prospectus establishing the priority order of payments of the Fund, specifically those concerning principal repayments of these securities

The principal amortisation payments of the Class AG and AS Bonds rank 9th and 10th in the priority order of payments established in section V.6.1.2.

The principal amortisation payments of the Class BG and BS Bonds rank 11th and 12th in the priority order of payments established in section V.6.1.2.

The principal amortisation payments of the Class C Bonds rank 13th in the priority order of payments established in section V.6.1.2.

II.11.3 Amortisation methods with details of dates, places, entities, procedures and their announcement

II.11.3.1 Final Redemption

The final redemption of Bonds of all Classes cannot be delayed after 25 July 2025 or, if this is not a Business Day, the next following Business Day, without prejudice to the Management Company accelerating redemption of the issue, on behalf and for the account of the Fund as established in section II.11.3.3 below, in which case the Payment Date on which this will take place would be the final redemption date of the Bonds.

II.11.3.2 Partial Amortisation

Notwithstanding the above, the Fund, via its Management Company, may proceed with the Partial Amortisation of Bonds of all Classes in accordance with the terms described below.

1. Amortisation Payment Dates

These shall coincide with the interest Payment Dates, the 25 January, April, July and October of each year or the next following Business Day if appropriate, as described in section II.10.3 above until the Bonds have been totally redeemed.

Class AG and AS Bonds

Amortisation of the Class AG and AS Bonds shall be equiproportional among these through a reduction in the face value of each Bond on each Payment Date until fully redeemed.

The first amortisation Payment Date of the Class AG and AS Bonds shall be 25 July 2003 in accordance with the rules set out in section II.10.3.

Class BG and BS Bonds

Amortisation of the Class BG and BS Bonds shall be equiproportional among these through a reduction in the face value of each Bond on each Payment Date until fully redeemed.

The amortisation of the Class BG and BS Bonds shall begin only when the Class AG and AS Bonds have been fully redeemed.

Class C Bonds

Amortisation of the Class C Bonds shall be equiproportional among these through a reduction in the face value of each Bond on each Payment Date until fully redeemed.

The amortisation of the Class C Bonds shall begin only when the Bonds of the other Classes have been fully redeemed.

2. Determination Dates and Determination Periods

The “**Determination Dates**” shall be the dates corresponding to each Payment Date on which the Management Company, on behalf and for the account of the Fund, makes the calculations necessary for distribution or retention of the Available Funds on these dates in accordance with the priority order of payments established in section V.6.1.2 of the Prospectus.

Each Determination Date shall be the fourth (4th) Business Day before each Payment Date and shall determine the successive periods between the aforesaid Determination Dates, which shall be called “**Determination Periods**”, inclusive of the first but not the last Determination Date.

Exceptionally, the first Determination Period shall be that between the Disbursement Date and the first Determination Date.

3. Outstanding Balances of Bond Principal

These shall be the outstanding balances of the Bonds (that is, the amount of principal of the Bonds not yet amortised at any given time).

4. Outstanding Balance of the Assets

The Outstanding Balance of the Assets shall be the sum of the Amount of the Assets that have not yet matured and the Amount of the Assets that have matured and not been paid, excluding Default Amounts within the meaning of V.1.4.3.2 of this Prospectus.

5. Quantity Accrued for Amortisation on each Payment Date

The Quantity Accrued for Amortisation of the Bonds of all Classes, without differentiating between these, shall equal the positive difference between the Outstanding Balances of Bond Principal and the Outstanding Balance of the Assets on the Determination Date prior to each Payment Date.

To illustrate this, we use the following practical example, which could apply to any Payment Date:

- Outstanding Balance of Bond Principal, on a specific Determination Date: + 950,000,000.00
- Outstanding Balance of the Assets, on the same date: - 904,363,815.83
- Quantity Accrued for Amortisation of the Bonds: 45,636,184.17

In this example, the Quantity Accrued for Amortisation of the Bonds would equal 45,636,184.17euro.

6. Funds Available for Amortisation on each Payment Date and Payment Shortfall

On each date, when an amortisation payment to be made for the Bonds, the intended amount for this shall equal the Funds Available for Amortisation.

The ‘**Funds Available for Amortisation**’ shall equal the lower of the following amounts: (i) the Available Funds existing once the first eight (8) types of payment have been made in the priority order of payments as established in section V.6.1.2 of the Prospectus (unless interest payments are deferred on the Class C Bonds, as provided in section V.6.2.1 below, in which case the Funds Available for Amortisation of the Class C Bonds shall be the Available Funds once the first 12 types of payment have been made in the priority order of payments); and (ii) the Quantity Accrued for Amortisation on each Payment Date.

The ‘**Payment Shortfall**’ shall be the difference, if any, between the Quantity Accrued for Amortisation and the Funds Available for Amortisation.

The previous example can be extended as shown below, assuming that after the first eight (8) types of payment have been made in the priority order of payments the Available Funds equal 44,325,184.17 euros:

- Available Funds after the first eight (8) types of payment have been made in the priority order of payments 44,325,184.17
- Quantity Accrued for the Amortisation of the Bonds - 45,636,184.17
- Payment Shortfall - 1,311,000.00

In this illustration, the Payment Shortfall would be 1,311,000.00 euro. This would be taken into account when calculating the Quantity Accrued for Amortisation of the Bonds on the subsequent Determination Date.

7. Distribution of the Quantity Accrued for Amortisation among the Bonds of each Class

The Quantity Accrued for Amortisation shall be distributed between the Bond Classes in accordance with the following rules:

- (i) The Quantity Accrued for Amortisation of the Class AG and AS Bonds (equiproportionally among the two) shall be the lower of the following amounts: (a) the total Quantity Accrued for Amortisation and (b) the Outstanding Balance of Class AG and AS Bond Principal.
- (ii) The Quantity Accrued for Amortisation of the Class BG and BS Bonds (equiproportionally among the two) shall be the lower of the following amounts: (a) the Outstanding Balance of Class BG and BS Bond Principal and (b) the remaining Quantity Accrued for Amortisation once the Class AG and AS Bonds have been fully redeemed.
- (iii) The Quantity Accrued for Amortisation of the Class C Bonds shall be the lower of the following amounts: (a) the Outstanding Balance of Class C Bond Principal and (b) the remaining Quantity Accrued for Amortisation once the Bonds of the Classes AG, AS, BG and BS have been fully redeemed.

If there is a Payment Shortfall on a Payment Date in accordance with the priority order of payments of section V.6.1.2:

- (i) The Funds Available for Amortisation of the Bonds will be used to pay the Outstanding Balance of Bond Principal in accordance with the rules established above;
- (ii) In each Class, the Funds Available for Amortisation of the Bonds will be distributed equiproportionally among the Bonds of the said Class; and
- (iii) The amounts the Bondholders do not receive due to the Payment Shortfall will be paid on the next Payment Date possible. This will not generate any right to receive additional or default interest on the amounts deferred (since they would form part of the Balance of Outstanding Bond Principal for the same Class affected, on which interest payments would be calculated in the manner established in section II.10.3).

The Management Company shall notify the Bondholders of the principal amortisation payable to them, the Outstanding Balances of Bond Principal in each Class and the Payment Shortfall, if any, in the manner established in section III.7.5.

II.11.3.3 Accelerated redemption

Without prejudice to the obligation of the Fund to amortise Bonds through the Management Company on the dates indicated in previous sections, the Management Company may, after informing the CNMV, carry out an accelerated liquidation of the Fund and an accelerated redemption of all of the Bond issue on a Payment Date when:

- (i) the amount of the Outstanding Balance of the Assets is less than ten per cent (10%) of the initial balance of the Asset portfolio. This will only be possible when the sale of the credit rights together with other amounts available to the Fund allow it to cancel all obligations to the Bondholders in accordance with the Priority Order of Payments.

- (ii) in the judgement of the Management Company there are exceptional circumstances that render it impossible or extremely difficult to sustain the financial balance of the Fund;
- (iii) a non-payment occurs indicating a serious and permanent imbalance exists or is forecast to occur in relation to the securities issued;
- (iv) due to an adverse change to the tax legislation applicable to the Fund or Bonds it becomes impossible to maintain the finances of the Fund.

The Management Company shall be authorised to determine for itself if any of the above circumstances applies upon a resolution from its management body adopted according to reasonable business and management criteria. The aforesaid eventuality shall be without prejudice to the potential responsibility of the Management Company that would result from non-performance of its responsibilities.

Without prejudice to the above, the Fund shall also be wound up if the Originating Banks exercise their Repurchase Rights on the Loans attributable to them in their respective Assets Transfer Contracts.

To the extent there are sufficient funds, the accelerated redemption of all the Bonds in the aforesaid assumptions will be made via a payment to each Bondholder of the Outstanding Balance of Principal of the Bonds they hold on the amortisation date plus interest accrued and not paid on those Bonds for the period between the preceding Payment Date and the accelerated redemption date, tax withholdings being deducted if appropriate, and the interest accrued and not paid on those Bonds on the Payment Dates preceding the last Payment Date and until the accelerated redemption date, tax withholdings being deducted if appropriate, all of which amounts shall be deemed for legal purposes to be net, due and payable.

The accelerated redemption of the Bonds in the manner described here would be carried out by the Management Company for and on behalf of the Fund through the Paying Agent and from the Available Funds at the time of the accelerated redemption.

In addition, the Bonds will be subject to accelerated redemption if the Fund is liquidated or wound up in the circumstances and manner described in section III.9 of the Prospectus.

The accelerated redemption of the Bonds would be announced in the manner described in section III.7.5.

II.12 Debt security financial service table, including both the interest payments and principal amortisation for each of the Bond Classes to be issued against the Fund

The financial service of the issue shall be conducted via "la Caixa" in its capacity as Paying Agent. The Bondholders shall be notified of the interest and amortisation payments in the manner and with the prior notice set out in each case in section III.7.5. The interest and amortisation payments shall be made through the Paying Agent based on the information included in the accounting records of the member companies of SCLBARNA (or such other entity as may replace it), which shall be designated as the entity charged with the accounting records of the Bonds.

a) Practical example of Nominal Interest Rate setting

In accordance with section II.10.3, to ease understanding for the subscriber of the system of resetting the Nominal Interest Rate and the amount of interest receivable for each Bond on each Payment Date, the calculation methods for each of these are given below. These calculations have been prepared using the following illustrative values: (i) a three month Euribor rate of 2.545% (equalling the three month Euribor rate fixed and published on 13 March 2003), (ii) the margin applicable to the Bonds as indicated in section II.10.1 b) (respectively 0.11%, 0.48%, 0.28%, 0.70% and 1.45%) and (iii) a 90-day Interest Accrual Period.

(i) Interest to be received for each Bond in Class AG

- 3 month Euribor rate: 2.545%
- Margin: 0.11%
- Amount of Interest per Bond:

Interest Accrual Period of Bond: 90 days.

Outstanding Balance of Bond Principal: 100,000 euro.

Calculation of interest accrued for the Bond:

$$100,000 \times \frac{2.655}{100} \times \frac{90}{360} = 663.75 \text{ euro}$$

On an Outstanding Balance of Bond Principal of 100,000 euro the amount of interest to be received for each Bond in Class AG would be 663.75 euro.

(ii) Interest to be received for each Bond in Class AS

- 3 month Euribor rate: 2.545%
- Margin: 0.48%
- Amount of Interest per Bond:

Interest Accrual Period of Bond: 90 days.

Outstanding Balance of Bond Principal: 100,000 euro.

Calculation of interest accrued for Bond:

$$100,000 \times \frac{3.025}{100} \times \frac{90}{360} = 756.25 \text{ euro}$$

On an Outstanding Balance of Bond Principal of 100,000 euro the amount of interest to be received for each Bond in Class AS would be 756.25 euro.

(iii) Interest to be received for each Bond in Class BG

- 3 month Euribor rate: 2.545%

- Margin: 0.28%
- Amount of Interest per Bond:

Interest Accrual Period of Bond: 90 days.

Outstanding Balance of Bond Principal: 100,000 euro.

Calculation of interest accrued for Bond:

$$100,000 \times \frac{2.825}{100} \times \frac{90}{360} = 706.25 \text{ euro}$$

On an Outstanding Balance of Bond Principal of 100,000 euro the amount of interest to be received for each Bond in Class BG would be 706.25 euro.

(iv) Interest to be received for each Bond in Class BS

- 3 month Euribor rate: 2.545%
- Margin: 0.70%
- Amount of Interest per Bond:

Interest Accrual Period of Bond: 90 days.

Outstanding Balance of Bond Principal: 100,000 euro.

Calculation of interest accrued for Bond:

$$100,000 \times \frac{3.245}{100} \times \frac{90}{360} = 811.25 \text{ euro}$$

On an Outstanding Balance of Bond Principal of 100,000 euro the amount of interest to be received for each Bond in Class BS would be 811.25 euro.

(v) Interest to be received for each Bond in Class C

- 3 month Euribor rate: 2.545%
- Margin: 1.45%
- Amount of Interest per Bond:

Interest Accrual Period of Bond: 90 days.

Outstanding Balance of Bond Principal: 100,000 euro.

Calculation of interest accrued for Bond:

$$100,000 \times \frac{3.995}{100} \times \frac{90}{360} = 998.75 \text{ euro}$$

On an Outstanding Balance of Bond Principal of 100,000 euro the amount of interest to be received for each Bond in Class C would be 998.75 euro.

b) Debt security financial service table

The main characteristic of the asset backed bonds is their periodic amortisation, by virtue of which their average life and duration depend mainly on the speed with which the Transferred Debtors decide to repay their respective Loans.

Such prepayments as that the Transferred Debtors decide to make, subject to ongoing changes but estimated in the Prospectus by using the actual or future annual prepayment rate rate, will directly affect the amortisation rate of the Loans and the average life and duration of the Bonds.

There are other variables that affect the average life and duration of the Bonds. These variables, with their values as assumed in all of the tables appearing in this section are:

- (i) the prepayment rate of the Assets in different scenarios remains constant at 0%, 5% and 10%. The Management Company, on behalf of the Fund, has estimated that this range covers the minimum and maximum probable prepayment limits;
- (ii) no Transferred Debtor defaults on their payment obligations in respect of their respective Loan during the life of the Fund.
- (iii) the Management Company exercises its accelerated redemption option established in section II.11.3.3 (i) and/or all the Originating Banks exercise their Repurchase Rights described in section IV.2.2.4;
- (iv) that the Disbursement Date is on 4 April 2003 and the Payment Dates are 25 January, 25 April, 25 July and 25 October each year (assuming these are all Business Days).

The actual modified duration of the Bonds will also depend on their interest rates, which are floating. In all the tables included in this section, these rates are assumed constant (except in the first Interest Accrual Period, for which the provisions of II.10.1 c of the Prospectus have been taken into account) at 2.655% for the Class AG Bonds, at 3.025% for the Class AS Bonds, at 2.825% for the Class BG Bonds, at 3.245% for the Class BS Bonds and 3.995% for the Class C Bonds (rates calculated based on the three month Euribor published on 13 March 2003 of 2.545% plus the maximum margin that may be set on the Formation Date in accordance with section II.10.1).

Assuming the above values and assumptions, the average life, duration and maturity of the Bonds in each of the prepayment scenarios would be as follows:

	Constant Annual Prepayment Rate		
	0%	5%	10%
Class AG			
Duration	3.796	3.560	3.042
Average Life	4.465	3.780	3.208
Maturity	25/04/2011	25/01/2011	25/07/2010
Gross I.R.R.	2.717%	2.716%	2.715%
Class AS			
Duration	3.771	3.532	3.022
Average Life	4.465	3.780	3.208
Maturity	25/04/2011	25/01/2011	25/07/2010
Gross I.R.R.	3.100%	3.100%	3.100%
Class BG			
Duration	7.176	6.982	6.580
Average Life	8.063	7.816	7.312
Maturity	25/04/2011	25/01/2011	25/07/2010
Gross I.R.R.	2.894%	2.894%	2.894%
Class BS			
Duration	7.298	7.097	6.682
Average Life	8.063	7.816	7.312
Maturity	25/04/2011	25/01/2011	25/07/2010
Gross I.R.R.	3.329%	3.329%	3.329%
Class C			
Duration	7.009	6.824	6.441
Average Life	8.063	7.816	7.312
Maturity	25/04/2011	25/01/2011	25/07/2010
Gross I.R.R.	4.111%	4.110%	4.111%

In the above table,

- “Maturity”** indicates the final maturity date of the issue in each of the accelerated redemption scenarios considered; and
- “Years”** indicates the time period elapsed between the Disbursement Date and Maturity of the Bonds, expressed in 365 day periods.
- “Average life of the Bonds”** indicates the average time for repayment the principal of these in full, calculated in accordance with the following formula:

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

Where:

- V = Average life of the Bonds, expressed in years.
P = Principal of Bonds to be amortised on each Payment Date.
d = Number of days elapsed between the Disbursement Date and the Payment Date in question.
T = Total face value of the Bonds in euro

- “Duration of the Bonds”**, is the weighted average of time periods in which a security generates given revenue streams. The weighting is the present value of each stream divided by the price of the security, calculated in accordance with the following formula (adjusted Macaulay formula):

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

Where:

D = Duration of Bonds expressed in years.

a = Time elapsed (in years) between the Disbursement Date and a given Payment Date.

VA = Present value of each of the total amounts of principal and gross interest to be paid on each given Payment Date, discounted at the internal rate of return (IRR).

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

i = Gross effective interest rate, IRR, expressed as a proportion of one.

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

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

Where:

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

A_i = Total amounts of amortisation and interest investors are due to receive.
(*A₁*.....*A_N*)

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

Lastly, the Management Company states on behalf and for the account of the Fund that the debt security financial service tables indicated here are merely hypothetical and do not represent any payment commitment, highlighting that:

- The respective prepayment rates of the Assets are assumed constant at 0%, 5% and 10% over the life of the debt security, while actual prepayment rates change continuously.
- The Outstanding Balance of Bond Principal on each Payment Date and the interest to be paid for each of these will depend on the actual prepayment rate for each Asset portfolio.
- The margins taken to calculate the interest rates of the Bonds are respectively 0.11%, 0.48%, 0.28%, 0.70% and 1.45%.
- Bond interest rates are assumed constant (except for the first Interest Accrual Period, in which the provisions of II.10.1.c were taken into account) at 2.655% for the Class AG Bonds, 3.025% for the Class AS Bonds, 2.825% for the Class BG Bonds, 3.245% for the Class BS Bonds and 3.995% for the Class C Bonds, equal to the three month Euribor published on 13 March 2003 of 2.5450% plus the (that is,

respectively 0.11%, 0.48%, 0.28%, 0.70% and 1.45%). The interest rates of the Classes, however, are floating rates.

- The hypothetical values mentioned at the beginning of this section are assumed in all cases.
- It is assumed that the Management Company, on behalf and for the account of the Fund, will exercise the accelerated redemption option established in the first paragraph of section II.11.3.3.

For the purposes of the following Financial Service Tables,

- (i) Average Rate is defined as the average interest rate of the Loans weighted by the Outstanding Balance for each of these;
- (ii) Average Life is taken to be the average term to maturity of the Loans, expressed in months, weighted by the Outstanding Balance of each of these.

FLOW OF PAYMENTS ON BOND WITH CONSTANT ANNUAL PREPAYMENT RATE OF 0%

Formation Date 28 March 2003 – Disbursement Date 4 April 2003 – 3 month Euribor: 2.545

Pay. Date	Class "AG"			Class "AS"			Class "BG"			Class "BS"			Class "C"		
	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow
25/07/03	3,385.99	816.36	4,202.35	3,385.99	931.47	4,317.46	0.00	869.24	869.24	0.00	999.91	999.91	0.00	1,233.24	1,233.24
25/10/03	2,572.13	655.53	3,227.66	2,572.13	746.88	3,319.01	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/04	2,600.45	638.07	3,238.53	2,600.45	727.00	3,327.45	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/04	2,629.08	613.69	3,242.77	2,629.08	699.21	3,328.29	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/07/04	2,658.03	596.04	3,254.07	2,658.03	679.11	3,337.14	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/04	2,687.30	584.56	3,271.85	2,687.30	666.02	3,353.32	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/05	2,716.88	566.32	3,283.21	2,716.88	645.25	3,362.13	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/05	2,746.80	535.98	3,282.78	2,746.80	610.67	3,357.47	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/05	2,777.04	523.50	3,300.54	2,777.04	596.45	3,373.49	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/05	2,807.61	510.41	3,318.03	2,807.61	581.54	3,389.16	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/06	2,838.53	491.36	3,329.89	2,838.53	559.84	3,398.36	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/06	2,869.78	461.84	3,331.62	2,869.78	526.20	3,395.98	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/06	2,901.38	447.71	3,349.09	2,901.38	510.10	3,411.48	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/06	2,933.32	432.94	3,366.27	2,933.32	493.28	3,426.60	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/07	2,965.62	413.04	3,378.66	2,965.62	470.60	3,436.22	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/07	2,998.27	384.38	3,382.65	2,998.27	437.94	3,436.21	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/07	3,031.28	368.53	3,399.81	3,031.28	419.88	3,451.17	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/07	3,064.66	352.01	3,416.67	3,064.66	401.07	3,465.72	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/08	3,098.40	331.22	3,429.61	3,098.40	377.37	3,475.77	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/08	3,132.51	306.82	3,439.33	3,132.51	349.58	3,482.09	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/07/08	3,167.00	285.80	3,452.80	3,167.00	325.63	3,492.63	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/08	3,201.87	267.45	3,469.32	3,201.87	304.72	3,506.59	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/09	3,237.12	245.73	3,482.85	3,237.12	279.97	3,517.09	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/09	3,272.77	218.90	3,491.66	3,272.77	249.40	3,522.17	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/09	3,308.80	199.37	3,508.16	3,308.80	227.15	3,535.95	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/09	3,345.23	179.11	3,524.34	3,345.23	204.07	3,549.30	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/10	3,382.06	156.41	3,538.47	3,382.06	178.21	3,560.27	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/10	3,419.30	130.56	3,549.86	3,419.30	148.76	3,568.05	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/10	3,456.94	109.06	3,566.01	3,456.94	124.26	3,581.21	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/10	3,495.01	86.81	3,581.81	3,495.01	98.90	3,593.91	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/11	3,533.49	63.09	3,596.58	3,533.49	71.89	3,605.37	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/11	5,765.36	38.27	5,803.62	5,765.36	43.60	5,808.96	100,000.00	706.25	100,706.25	100,000.00	811.25	100,811.25	100,000.00	998.75	100,998.75
Total	100,000.00	12,010.84	112,010.84	100,000.00	13,686.01	113,686.01	100,000.00	23,084.73	123,084.73	100,000.00	26,518.23	126,518.23	100,000.00	32,649.48	132,649.48

FLOW OF PAYMENTS ON BOND WITH CONSTANT ANNUAL PREPAYMENT RATE OF 5%

Formation Date 28 March 2003 – Disbursement Date 4 April 2003 – 3 month Euribor: 2.545

Pay. Date	Class "AG"			Class "AS"			Class "BG"			Class "BS"			Class "C"		
	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow
25/07/03	5,165.39	816.36	5,981.74	5,165.39	931.47	6,096.85	0.00	869.24	869.24	0.00	999.91	999.91	0.00	1,233.24	1,233.24
25/10/03	3,810.71	643.45	4,454.17	3,810.71	733.12	4,543.84	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/04	3,757.20	617.60	4,374.80	3,757.20	703.67	4,460.87	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/04	3,704.37	585.67	4,290.04	3,704.37	667.29	4,371.66	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/07/04	3,652.21	560.81	4,213.02	3,652.21	638.96	4,291.17	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/04	3,600.72	542.19	4,142.91	3,600.72	617.75	4,218.47	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/05	3,549.88	517.76	4,067.63	3,549.88	589.91	4,139.79	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/05	3,499.68	482.94	3,982.62	3,499.68	550.24	4,049.92	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/05	3,450.12	464.82	3,914.94	3,450.12	529.60	3,979.71	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/05	3,401.18	446.52	3,847.70	3,401.18	508.75	3,909.93	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/06	3,352.86	423.44	3,776.30	3,352.86	482.45	3,835.31	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/06	3,305.15	391.98	3,697.13	3,305.15	446.61	3,751.76	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/06	3,258.04	374.16	3,632.19	3,258.04	426.30	3,684.33	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/06	3,211.51	356.16	3,567.67	3,211.51	405.80	3,617.31	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/07	3,165.57	334.37	3,499.94	3,165.57	380.97	3,546.54	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/07	3,120.20	306.09	3,426.29	3,120.20	348.75	3,468.94	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/07	3,075.38	288.55	3,363.93	3,075.38	328.76	3,404.15	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/07	3,031.12	270.86	3,301.97	3,031.12	308.60	3,339.72	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/08	2,987.39	250.29	3,237.68	2,987.39	285.17	3,272.56	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/08	2,944.20	227.52	3,171.72	2,944.20	259.23	3,203.43	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/07/08	2,901.52	207.76	3,109.28	2,901.52	236.71	3,138.23	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/08	2,859.34	190.36	3,049.70	2,859.34	216.89	3,076.23	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/09	2,817.66	170.96	2,988.61	2,817.66	194.78	3,012.44	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/09	2,776.44	148.54	2,924.98	2,776.44	169.24	2,945.68	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/09	2,735.68	131.56	2,867.24	2,735.68	149.89	2,885.57	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/09	2,695.36	114.44	2,809.80	2,695.36	130.39	2,825.75	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/10	2,655.44	96.15	2,751.59	2,655.44	109.55	2,764.99	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/10	2,615.88	76.44	2,692.32	2,615.88	87.09	2,702.97	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/10	2,576.64	59.73	2,636.37	2,576.64	68.05	2,644.70	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/10	2,537.65	42.90	2,580.55	2,537.65	48.88	2,586.53	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/11	3,785.52	25.68	3,811.20	3,785.52	29.26	3,814.78	100,000.00	721.94	100,721.94	100,000.00	829.28	100,829.28	100,000.00	1,020.94	101,020.94
Total	100,000.00	10,166.04	110,166.04	100,000.00	11,584.13	111,584.13	100,000.00	22,378.48	122,378.48	100,000.00	25,706.98	125,706.98	100,000.00	31,650.73	131,650.73

FLOW OF PAYMENTS ON BOND WITH CONSTANT ANNUAL PREPAYMENT RATE OF 10%

Formation Date 28 March 2003 – Disbursement Date 4 April 2003 – 3 month Euribor: 2.545

Pay. Date	Class "AG"			Class "AS"			Class "BG"			Class "BS"			Class "C"		
	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow	Amort.Prin	Gross Int.	Total Flow
25/07/03	7,008.19	816.36	7,824.54	7,008.19	931.47	7,939.65	0.00	869.24	869.24	0.00	999.91	999.91	0.00	1,233.24	1,233.24
25/10/03	5,052.21	630.95	5,683.16	5,052.21	718.88	5,771.08	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/04	4,883.09	596.67	5,479.76	4,883.09	679.82	5,562.91	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/04	4,718.93	557.41	5,276.35	4,718.93	635.09	5,354.03	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/07/04	4,559.60	525.74	5,085.35	4,559.60	599.01	5,158.61	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/04	4,404.96	500.58	4,905.54	4,404.96	570.34	4,975.30	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/05	4,254.87	470.70	4,725.57	4,254.87	536.29	4,791.16	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/05	4,109.22	432.22	4,541.44	4,109.22	492.46	4,601.67	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/05	3,967.86	409.45	4,377.31	3,967.86	466.51	4,434.37	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/05	3,830.70	387.02	4,217.72	3,830.70	440.96	4,271.65	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/06	3,697.59	361.03	4,058.63	3,697.59	411.35	4,108.94	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/06	3,568.44	328.64	3,897.08	3,568.44	374.44	3,942.88	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/06	3,443.13	308.34	3,751.47	3,443.13	351.31	3,794.44	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/06	3,321.55	288.37	3,609.92	3,321.55	328.56	3,650.10	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/07	3,203.59	265.83	3,469.42	3,203.59	302.88	3,506.47	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/07	3,089.14	238.79	3,327.94	3,089.14	272.07	3,361.21	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/07	2,978.12	220.71	3,198.83	2,978.12	251.47	3,229.59	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/07	2,870.41	202.93	3,073.34	2,870.41	231.21	3,101.62	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/08	2,765.92	183.46	2,949.38	2,765.92	209.02	2,974.95	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/08	2,664.56	162.90	2,827.46	2,664.56	185.60	2,850.16	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/07/08	2,566.23	145.02	2,711.25	2,566.23	165.23	2,731.46	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/08	2,470.84	129.20	2,600.03	2,470.84	147.20	2,618.04	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/09	2,378.29	112.43	2,490.72	2,378.29	128.10	2,506.39	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/09	2,288.49	94.20	2,382.69	2,288.49	107.33	2,395.82	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/09	2,201.36	79.89	2,281.25	2,201.36	91.02	2,292.38	0.00	714.10	714.10	0.00	820.26	820.26	0.00	1,009.85	1,009.85
25/10/09	2,116.79	65.83	2,182.62	2,116.79	75.01	2,191.79	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/01/10	2,034.68	51.47	2,086.15	2,034.68	58.64	2,093.33	0.00	721.94	721.94	0.00	829.28	829.28	0.00	1,020.94	1,020.94
25/04/10	1,954.94	36.85	1,991.78	1,954.94	41.98	1,996.92	0.00	706.25	706.25	0.00	811.25	811.25	0.00	998.75	998.75
25/07/10	3,596.32	24.14	3,620.45	3,596.32	27.50	3,623.82	100,000.00	714.10	100,714.10	100,000.00	820.26	100,820.26	100,000.00	1,009.85	101,009.85
Total	100,000.00	8,627.14	108,627.14	100,000.00	9,830.76	109,830.76	100,000.00	20,934.59	120,934.59	100,000.00	24,048.43	124,048.43	100,000.00	29,608.84	129,608.84

II.13 Effective yield forecast for the subscriber taking into consideration the characteristics of the issue, specifying the calculation method used and the projected expenses in respect of items consistent with the real nature of the issue

II.13.1 Effective yield for the subscriber

If the annual Nominal Interest Rates applicable to the Classes, which are subject to quarterly changes, remained constant over the life of the debt security at 2.655% for the Class AG Bonds, 3.025% for the Class AS Bonds, 2.825% for the Class BG Bonds, 3.245% for the Class BS Bonds and 3.995% for the Class C Bonds (rates calculated based on the three month Euribor rate published on 13 March 2003 of 2.5450%), these rates would equal, for the subscriber, the Internal Rates of Return (“IRR”) given in the table in section II.12.b) (and repeated below for the IRR, using each of the accelerated redemption scenarios assumed), assuming in all cases the values and hypotheses included in section II.12.b) above.

	Constant Annual Prepayment Rate		
	0%	5%	10%
Class AG			
Gross I.R.R.	2.7176%	2.716%	2.716%
Class AS			
Gross I.R.R.	3.100%	3.100%	3.100%
Class BG			
Gross I.R.R.	2.894%	2.894%	2.894%
Class BS			
Gross I.R.R.	3.329%	3.329%	3.329%
Class C			
Gross I.R.R.	4.111%	4.110%	4.111%

II.14 Effective yield forecast for the Fund upon issuing the securities taking into consideration the design and distribution expenses incurred and specifying the calculation method

For illustrative purposes the effective interest rate for the Fund is presented below using the maximum margin that may be set on the Formation Date in accordance with the indications of section II.10.1, (that is, respectively 0.11%, 0.48%, 0.28%, 0.70% and 1.45%).

If the annual Nominal Interest Rates applicable to all Classes, which are subject to quarterly change, remained constant over the life of the debt security, at 2.655% for the Class AG Bonds, 3.025% for the Class AS Bonds, 2.825% for the Class BG Bonds, 3.245% for the Class BS Bonds and 3.995% for the Class C Bonds (rates calculated based on three month Euribor rate published on 13 March 2003: 2.5450%), these rates would be equivalent to the effective rates (IRR) given in the following table:

INTERNAL RATE OF RETURN FOR THE FUND			
CONSTANT ANNUAL PREPAYMENT RATE			
CAPR	0%	5%	10%
NET IRR	2.9232%	2.940%	2.9550%

The effective rate (IRR) has been calculated using the formula for calculating the internal rate of return for the Bond subscriber, adding the initial and periodic Fund expenses to the flow of payments made to the Bondholders.

The approximate forecast expenses are as follows:

Formation Expenses	
CNMV expenses (issue)	65,281.94
Barcelona Stock Exchange expenses	1,750.00
SCLBARNÀ rates	274.00
Rating Agencies, legal advisors and auditors, notary expenses and publications	444,318.81
Management Company Fee	190,000.00
Subtotal	701,624.75
Issuance and Distribution Expenses	
Underwriting and Distribution Fee	1,173,060.00
Subtotal	1,173,060.00
Total	1,874,684.75

The formation expenses shown in the above table will be paid from the Subordinated Loan for Formation Expenses described in section V.2.1, which shall also be used to finance the gap between the face value of the Bond Issue and the aggregate nominal value of the Assets at the time of the subscription to the Bonds.

II.15 Existence or absence of special guarantees on the transferred Assets pooled in the Fund or on securities issued against it, which may have been granted by any of the entities participating in the securitisation process covered by this Prospectus.

II.15.1 Absence of guarantees from the Originating Banks

In accordance with the provisions of the article 2.2.b.2 of Royal Decree 926/1998, and irrespective of the commitments by the Originating Banks described in section IV.2.2.2 (iii) of this Prospectus relating to the substitution of Assets not conforming to the characteristics described in section IV.2.1.3.1 or that have hidden defects, the Originating Banks do not under any circumstances guarantee the issue of Bonds.

II.15.2 Guarantee of the Generalitat

Via a resolution, the Generalitat de Catalunya shall grant a guarantee that secures performance of the Fund's financial obligations in respect of the principal and interest of the Class AG and BG Bonds with waiver of the right of excussio laid down in article 1830 of the Spanish Civil Code (Código Civil).

The value of the Guarantee of the Generalitat equals approximately 76.25% of the face value of the Bond issue. The total amount guaranteed is 724,000,000 euro in principal plus the interest thereon, broken down as follows:

- (i) 7,068 Class AG Bonds each with a face value of 100,000 euro for a total amount of 706,800,000 euro plus the interest thereon (approximately equal to 74.40% of the face value of the Bond issue and representing approximately 80% of the total face value of the Class AG and AS Bonds).

- (ii) 176 Class BG Bonds each with a face value of 100,000 euro for a total amount of 17,600,000 euro plus the interest thereon (approximately equal to 1.85% of the face value of the Bond issue and representing 20% of the total face value of the Class BG and BS Bonds).

Grant of the Guarantee of the Generalitat does not generate any commission for the Fund.

The validity of the Guarantee of the Generalitat remains conditional on (i) the verification and registration of the Prospectus by the CNMV; (ii) the grant of the Fund Formation Deed; and (iii) the filing with the Department of Economy and Finance of the Generalitat de Catalunya of the following documentation: (a) a copy of the letter stating the provisional and when issued definitive credit ratings of the secured Bond Classes, (b) certification of the Originating Banks relating to the conformity of the Assets with the conditions in the Master Agreement established in Schedule 3 of the Resolution and (c) a specimen of the Prospectus.

The Guarantee of the Generalitat is granted for the period of validity of the payment obligations for the Class AG and BG Bonds. In all cases, the Guarantee of the Generalitat shall expire on the Statutory Maturity Date (25 July 2025 or the following Business Day).

The Guarantee of the Generalitat may be partially enforced without limits on the number of times it is enforced or on the amounts for which it is enforced.

Each enforcement of the Guarantee of the Generalitat may be carried out for the Class AG and BG Bonds when on a Determination Date there are insufficient Available Funds to pay the interest or principal of these Bond Classes in accordance with the Priority Order of Payment set out in this Prospectus.

For the Guarantee of the Generalitat to be enforced, the Management Company shall on each occasion send a written request to the Department of Economy and Finance of the Generalitat, indicating the amounts claimed.

The amounts requested whenever the Guarantee of the Generalitat is enforced shall be paid, if appropriate, by the Department of Economy and Finance of the Generalitat, within a maximum of three (3) months from the respective enforcement date, by crediting the payment to the Treasury Account.

The Management Company shall inform the Department of Economy and Finance of the Generalitat of the outstanding balance of the Class AG and BG Bonds on each Payment Date.

The Generalitat de Catalunya shall be subrogated to the rights of the Class AG and BG Bondholders as to the amounts paid on enforcement of the Guarantee of the Generalitat, in the same ranking in the priority order of payments established in the Fund Formation Deed and this Prospectus as held by each of the aforesaid Class AG and BG Bondholders.

II.16 Law governing the circulation of securities, indicating especially if there are restrictions on their free transferability or indication that any such restrictions exist

The Bonds are not subject to any particular restrictions on their free transferability, which shall be subject to applicable legal provisions and existing rules of the market on which the Bonds are listed in accordance with section II.17 below. The ownership of each Bond shall be transferred by accounting transfer. The registration of the transfer in favour of the purchaser in the accounting records shall have the same effects as the transfer of the title and from that time on the transfer may be relied upon as against third parties.

II.17 Official secondary markets for which there is a commitment to seek admission to trading for the securities, the maximum specific time in which the request can be submitted and other documents necessary to proceed with the admission

In accordance with article 2.3.a of Royal Decree 926/1998, after the Fund Formation Deed is executed and once the payment for the Bonds has been made the Management Company shall immediately seek the listing of the issue of Bonds on the Barcelona Stock Exchange. The definitive admission to trading will take place no later than ninety (90) days after the Disbursement Date. Without prejudice to the above, the Management Company may also seek admission to trading for the Bonds on any other secondary market.

The Management Company shall also seek, on behalf and for the account of the Fund, the inclusion of the issue in SCLBARNA, such that the clearing and settlement of the Bonds takes place in accordance with the rules of operation established for SCLBARNA (or such other entity as may replace it) at present or in the future in respect of fixed-income securities issued by Asset Securitisation Funds admitted to trading only on the Barcelona Stock Exchange.

The Management Company expressly states it knows the requirements and conditions established for the admission to, continued listing on and de-listing of the securities from the Barcelona Stock Exchange in accordance with applicable legislation. The Fund accepts compliance with these through the Management Company.

If the aforesaid time limit expires without the Bonds being admitted to trading on the Barcelona Stock Exchange, the Management Company shall immediately make this known to the Bondholders, explaining the reasons for this non-performance in accordance with section III.7.5 of the Prospectus, without prejudice to the contractual responsibility of the Management Company that may result from the aforesaid non-performance.

II.18 Subscription or purchase requests

II.18.1 Target pool of investors to whom the securities are offered, explaining the reasons for their selection

The Bonds are targeted at institutional investors. For these purposes, institutional investors shall be considered as those stated in article 7.1, paragraph a) of Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities in the version, as modified by Royal Decree 2590/1998 of 7 December 1998.

II.18.2 Legal status of the Bonds

The Bonds have the following legal status:

- (a) The Bonds of the secured Classes AG and BG belonging to the secured Classes shall be considered eligible for the purposes of covering the minimum percentage of 50% of the monthly average of daily balances required from funds investing in public debt of the Generalitat de Catalunya (Fonstresor Catalunya).
- (b) The other Bonds, belonging to other unsecured Classes, shall be considered as fixed-income securities in the corresponding proportion for the purposes of calculating the investment ratios of funds investing in public debt of the Generalitat de Catalunya (Fonstresor Catalunya).
- (c) All Bonds once admitted to trading shall be eligible for:
 - (i) investments for the actuarial reserves of insurers in accordance with the Private Insurance Framework and Supervision Regulations approved by Royal Decree 2486/1998 of 20 November 1998;
 - (ii) the required reserves of Mutual Guarantee Schemes, in accordance with Act 1/1994 of 11 March 1994 and Royal Decree 2345/1996 of 8 November 1996;
 - (iii) investments of assets of pension funds in accordance with the provisions of article 34 of Royal Decree 1307/1988 on Pension Plan and Fund Regulation; and
 - (iv) calculation of investment ratios of Undertakings for Collective Investments in accordance with the provisions of the Regulations of Act 46/1984, of 26 December 1984, governing investments of Undertakings for Collective Investment.

II.18.3 Subscription or purchase dates or periods

The “**Subscription Period**” shall last two (2) hours, between 12:00 and 14:00 of the second (2nd) Business Day before the Disbursement Date, which shall be the same day as the first interest rate reset.

II.18.4 Where and with whom the subscription or purchase can be made

The subscription requests should be made via any legally permitted means during the Subscription Period, in the offices of any of the following banks:

- Depfa Bank plc;
- Banco de Sabadell, S.A.
- Banco Bilbao Vizcaya Argentaria, S.A.
- Banco Santander Central Hispano, S.A.
- Caixa d’Estalvis i Pensions de Barcelona
- Banco Español de Crédito, S.A.
- Banco Pastor, S.A.
- Banco Popular Español, S.A.

(all of them hereinafter referred to collectively as the the “**Underwriters**” and individually as the or an “**Underwriter**”).

II.18.5 Disbursement Date and procedure

The Bond subscribers shall pay the issue price (100% of the face value) of each bond allotted in the subscription to the Underwriter through which they make the subscription, on 4 April 2003 (the “**Disbursement Date**”) before 10:30am Barcelona time, value that same day.

II.18.6 Manner and place for providing subscribers with copies of allotment letters or temporary certificates, specifying their eligibility for trading and maximum periods of validity

The Underwriters shall provide the subscribers to the Bonds no later than fifteen (15) days after the Disbursement Date with documentary proof of the subscription to the Bonds allotted and the effective amount they paid for this subscription.

This documentary proof shall not be transferable and shall be valid only for verifying the subscription to the corresponding Bonds, until the entry is made in the accounting records as established in section II.5 of the Prospectus.

II.19 Distribution and allotment of the securities

The Bonds shall be distributed by the Underwriters, which shall freely accept or reject the subscription applications received, ensuring in all cases that there is no discriminatory treatment of applications with similar characteristics. The Underwriters may, however, give priority to applications from those of its clients that it objectively considers the most appropriate.

If in the Subscription Period not all the Bonds are allotted, after the Subscription Period ends, the Underwriters undertake to subscribe in their own name the amount of Bonds necessary to reach the value corresponding to their underwriting commitment as determined in sections II.19.1 and II.19.3 of the Prospectus.

II.19.1 Entities participating in the underwriting, distribution and marketing, giving an indication and specific description of their respective responsibilities. Aggregate fees agreed between the different distributors and the Management Company

The Underwriters shall distribute the total amount of Bonds issued, as specified in the following breakdown:

UNDERWRITER	ASSET BACKED BONDS					TOTAL BONDS
	AG	AS	BG	BS	C	
BANCO SABADELL	0.00	46,500,000.00	4,600,000.00	4,600,000.00	8,300,000.00	64,000,000.00
BBVA	167,400,000.00	41,800,000.00	4,200,000.00	4,200,000.00	7,400,000.00	225,000,000.00
BSCH	167,400,000.00	41,800,000.00	4,200,000.00	4,200,000.00	7,400,000.00	225,000,000.00
LA CAIXA	0.00	23,300,000.00	2,300,000.00	2,300,000.00	4,100,000.00	32,000,000.00
BANESTO	0.00	11,200,000.00	1,100,000.00	1,100,000.00	2,000,000.00	15,400,000.00
BANCO PASTOR	29,800,000.00	7,500,000.00	700,000.00	700,000.00	1,300,000.00	40,000,000.00
BANCO POPULAR	0.00	4,600,000.00	500,000.00	500,000.00	800,000.00	6,400,000.00
DEPFA BANK	342,200,000.00	0.00	0.00	0.00	0.00	342,200,000.00
TOTAL	706,800,000.00	176,700,000.00	17,600,000.00	17,600,000.00	31,300,000.00	950,000,000.00

The responsibilities assumed by each of the Underwriters are independent and joint but not several. If an Underwriter fails to fulfil its underwriting commitment, therefore, the other Underwriters shall not be obliged to cover the shortfall.

In accordance with the Underwriting Agreement mentioned in section V.2.4.2 of the Prospectus, the Underwriters shall receive the following Underwriting Fees:

- 0.135% of the total face value of the Class AG Bonds they underwrite;
- 0.09% of the total face value of the Class AS Bonds they underwrite;
- 0.09% of the total face value of the Class BG Bonds they underwrite;
- 0.09% of the total face value of the Class BS Bonds they underwrite;
- 0.09% of the total face value of the Class C Bonds they underwrite.

The Management Company shall pay the Underwriting Fees on behalf and for the account of the Fund, on the Disbursement Date or, at the discretion of the Underwriters, this amount shall be set off against the amounts paid as subscriptions for the Bonds, to which the Management Company shall agree on behalf of the Fund in the Fund Formation Deed and the Underwriting Agreement.

II.19.2 Issue Arrangers

The following banks:

- Depfa Bank plc;
- Banco de Sabadell, S.A.
- Banco Bilbao Vizcaya Argentaria, S.A.
- Banco Santander Central Hispano, S.A.
- Caixa d'Estalvis i Pensions de Barcelona
- Banco Español de Crédito, S.A.
- Banco Pastor, S.A.
- Banco Popular Español, S.A.

are each participating jointly as Arrangers responsible for distributing the Bonds in the market (the “**Arrangers**” and each individually the “**Arranger**”), for an amount equal to the Bonds they are underwriting in their capacity as Underwriter according to the itemisation set out in II.19.1 above.

Included as **Schedule V** of the Prospectus is a photocopy of letters from the Arrangers, signed by persons with sufficient representative powers, containing the statements required by current securities market legislation, the content of which is reproduced here:

a) DEPFA BANK plc

Mr. José Manuel Casares Niño, for and on behalf of DEPFA BANK plc, with registered address for these purposes at Bárbara de Braganza, 2, 2º B, 28004 MADRID, duly authorised for the purposes hereof under a special power of attorney issued by notary public of Dublin Mr. Patrick J.A. Kelly on 26 March 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARES

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

b) BANCO DE SABADELL, S.A.

Mr. Rafael José García Nauffal, for and on behalf of Banco de Sabadell, S.A., with registered address for these purposes in Sabadell, at Plaza de Catalunya 1, duly authorised for the purposes hereof by virtue of the resolutions adopted by the Board of Directors at its meeting held in Sabadell on 20 February 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARES

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- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

c) BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Mr. Juan Gortázar Sánchez-Torres and Mr. Juan Maximiliano de Ortueta Monfort, for and on behalf of Banco Bilbao Vizcaya Argentaria, S.A., with registered address for these purposes at Plaza de San Nicolás nº 4, Bilbao, duly authorised for the purposes hereof by virtue of the resolutions adopted by the Standing Delegate Committee at its meeting of 29 May 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARE

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

d) BANCO SANTANDER CENTRAL HISPANO, S.A.

Mr. Javier Pazos Aceves, for and on behalf of Banco Santander Central Hispano, S.A., with registered address for these purposes at Paseo de la Castellana, 75, Madrid, duly authorised for the purposes hereof by means of a power of attorney attested by notary public of Madrid Mr. Antonio Fernández-Golfin on 20 March 2003 under number 791 of his notary record, and by virtue of the resolutions adopted in the Executive Committee on 17 March 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARES

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

e) CAIXA D'ESTALVIS I PENSIONS DE BARCELONA

Mr. José Escolano Cebolla, for and on behalf of Caixa d'Estalvis i Pensions de Barcelona ("la Caixa"), with registered address for these purposes in Barcelona, at Avda. Diagonal, 621-629, duly authorised for the purposes hereof by virtue of the resolutions adopted by the Board of Directors at its meeting of 20 February 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARES

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

f) BANCO ESPAÑOL DE CREDITO, S.A.

Mr. Justo Gómez López, for and on behalf of Banco Español de Crédito, S.A., with registered address for these purposes in Madrid, at Avda. Gran Vía de Hortaleza nº 3, duly authorised for the purposes hereof under a resolution approved by the Board of Directors of Banco Español de Crédito, S.A. at the board meeting held on 13 March 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARES

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

g) BANCO PASTOR, S.A.

Mr. José Angel Naya Rodríguez, for and on behalf of Banco Pastor, S.A., with registered address for these purposes in A Coruña, duly authorised for the purposes hereof under the resolution adopted by the Board of Directors at its meeting of 27 February 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARES

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

h) BANCO POPULAR ESPAÑOL, S.A.

Mr. Francisco Joaquín Safont Marco and Mr. Josep Lluís Gorchs Valdeoriola, for and on behalf of Banco Popular Español, S.A., with registered address for these purposes in [], duly authorised for the purposes hereof by virtue of the resolution adopted by the Executive Committee on 25 March 2003, in relation to the formation of GC FTGENCAT II, Fondo de Titulización de Activos and issue of Bonds against that Fund in the amount of nine hundred fifty million (950,000,000) euro, whose notification for verification by and registration in the Comisión Nacional del Mercado de Valores was registered on 20 March 2003, in accordance with Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, as amended by Royal Decree 2590/1998 of 7 December 1998,

DECLARE

- I. There have been conducted the necessary checks to ensure the veracity and comprehensiveness of the information in the Prospectus; and
- II. That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus That, as a result of these checks, there have not been detected any circumstances that contradict or alter the information contained in the Prospectus.

II.19.3 The underwriters of the issue, with descriptions of the characteristics of the Underwriting Agreement or relationship, guarantees required by the Issuer or Offeror, types of risk assumed, type of consideration which the underwriter undertakes to provide in the event of non-fulfilment and other relevant factors

The Management Company, on behalf and for the account of the Fund, will execute an Underwriting Agreement for the Bond Issue with the Underwriters, whereunder the latter will carry out the free allocation of the entire Bond issue, and, after the close of the Subscription Period, subscribe in their own name the number of Bonds still pending subscription up to the full amount underwritten by each of them according to their respective underwriting commitment..

The Underwriters undertake the obligations contained in the Underwriting Agreement, which are basically as follows: 1) commitment to subscribe for the Bonds that have not been subscribed for at the close of the Subscription Period, up to the stipulated amounts; 2) payment to the Fund prior to 11:00am of the Disbursement Date, for value that same day, of the total underwritten amount of the issue, minus, as applicable, the amount of the Underwriting Fee and, where such is the case, the Arrangement Fee; 3) payment of the default interest covenanted in the Underwriting Agreement in the event of late payment of the amounts owed, and 4) delivery to the subscribers of a document evidencing their subscription.

The obligations of the parties resulting from the Underwriting Agreement shall be absolutely null and void if before the Subscription Period begins one of the Rating Agencies does not confirm the provisional ratings given to the Bonds as indicated in section II.3, with the subsequent winding-up of the Fund in accordance with section III.9.1.

II.19.4 Pro rata allotment in the Distribution and its procedures and dates, the manner of publishing the results and, if appropriate, the refund to the subscribers of amounts paid in excess of the value of securities allotted as well as remuneration for such interest as to which they may be entitled

Not applicable.

II.20 Projected time limit and manner for delivering to subscribers the certificates or documents proving subscription to the securities

The Bonds, as represented by book entries, shall be constituted as such by virtue of their entry in the corresponding accounting records, in accordance with the provisions of Royal Decree 116/1992, with the usual time limits and procedures of the entity responsible for this service, SCLBARNA.

The Underwriters shall deliver to the Bond subscribers documentary proof of their subscription to the Bonds allotted and the effective amount they paid for this subscription no later than fifteen (15) days after the Disbursement Date.

II.21 National legislation under which the securities are constituted and indication of the competent courts in the event of litigation

The formation of the Fund and issuance of the Bonds shall be subject to Spanish legislation in accordance with the provisions of Royal Decree 926/1998, Act 19/1992, Act 24/1988, the provisions of Royal Decree 291/1992, as well as the Order of 12 July 1993 on Prospectuses and other legislation implementing Royal Decree 291/1992 of 27 March 1992, Circular 2/1994 of 16 March 1994 of the CNMV and Circular 2/1999 of 22 April of the CNMV, approving certain forms for prospectuses used in public offerings or issues of securities. In addition, the formation of the Fund and issue of Bonds shall be subject to the 4 February 2003 Resolution ECF/329/2003 of the Department of Economy and Finance of the Generalitat de Catalunya (the “**Resolution**”), and article 34.11 of the 2003 Generalitat de Catalunya Budget Act 30/2002 of 30 December 2002.

All issues, disputes, lawsuits and claims that may result from the constitution, administration and legal representation by the Management Company of GC FTGENCAT II, Fondo de Titulización de Activos and the Bonds issued against its assets shall be heard and judged by the competent Spanish courts.

The Fund Formation Deed and contracts that the Management Company signs on behalf and for the account of the Fund shall be governed by and interpreted in accordance with Spanish law.

II.22 Personal income tax on income received from the securities offered, differentiating between resident and non-resident subscribers

A short summary of tax legislation, applicable to the investments forming the present offer is provided below. For this purpose only current Spanish national legislation and the aspects of a general nature that could affect the investors have been considered. Investors should therefore take into account their particular tax circumstances and applicable local regulations as well as current legislation at the time the income is obtained and declared.

Since the current offer will be represented by book entries and admission for trading and listing is to be sought on an official Spanish secondary securities market (Barcelona Stock Exchange), and these are relevant factors when determining taxation, it has been assumed that these two conditions will be fulfilled.

In addition, it has been assumed that on issue the Bonds shall be considered financial assets bearing coupon interest.

The withholdings, contributions and taxes that currently or may in future exist on the principal, interest or income of the Bonds shall be payable by the holders and these amounts shall be deducted in the legally established manner.

During the life of the Bonds, the tax system to which these shall be subject shall be at all times determined by the prevailing legislation.

Lastly, it is highlighted that the tax treatment analysed here is of a general character and therefore does not include income obtained through tax-transparent entities subject to income allocation rules.

II.22.1 Resident natural or legal persons in Spain.

a) Personal Income Tax.

The income obtained by Bondholders subject to Personal Income Tax (“Renta de las Personas Físicas”, or IRPF), both in the form of interest and from the transfer, redemption or amortisation of these shall be considered as unearned investment income from assignment of own funds to third parties, within the meaning of article 23.2 of Act 40/1998, of 9 December 1998, on Personal Income Tax and other Tax Regulations (hereinafter, Act 40/1998).

This income shall form part of the tax base of the recipient for Personal Income Tax purposes in accordance with the rules of valuation, inclusion and setoff regulated by Act 40/1998.

The income obtained in the form of interest shall be subject to 15% withholding on account for the recipient for Personal Income Tax in accordance with the provisions of Act 40/1998.

There is no obligation to withhold taxes on the income resulting from the transfer or redemption of the Bonds since they are represented by book entries and should be traded on a Spanish secondary securities market, except for the part of the price equivalent to the coupon accrued in transfers within thirty days prior to the due date for the coupon when (i) the purchaser is a person or entity non-resident in Spain or is subject to Corporate Income Tax and (ii) there is no obligation to retain withholding tax on the coupon paid for this type of purchaser.

b) Corporate Income Tax.

The income obtained in the form of coupon interest or from the transfer, redemption or amortisation of the Bonds obtained by entities considered subject to Corporate Income Tax shall form part of their tax base in the manner provided in IV of the Corporate Income Tax Act 43/1995, of 27 December 1995.

In accordance with the provisions of article 57.q of Royal Decree 537/1997 of 14 April 1997, approving the Corporate Income Tax Regulations, the aforesaid income shall be exempt from withholding tax, conditional on compliance with the legal procedures established in the Ministerial Order of 22 December 1999.

II.22.2 Persons or entities non-resident in Spain.

The income obtained by Bondholders considered subject to Non-Resident Income Tax in the form of coupon interest or from the transfer, redemption or amortisation of these shall be considered as income obtained in Spain with or without permanent establishment in accordance with article 11 of Act 41/1998 of 9 December 1998 on Non-Resident Income Tax and Tax Regulations.

a) Income obtained through a permanent establishment

The income from Bonds obtained via a permanent establishment in Spain shall be taxed in accordance with the rules of Chapter III of the aforesaid Act 41/1998, without prejudice to the provisions of double taxation treaties signed by Spain. The aforesaid income shall be subject to withholding tax on account for Non-Residents Income Tax in the same circumstances and conditions as mentioned for those entities subject to Corporate Income Tax in Spain.

b) Income obtained without a permanent establishment

The income from Bonds obtained by persons or entities non-resident in Spain and operating without a permanent establishment shall be taxed in accordance with the rules of Chapter IV of the aforesaid Act 41/1998. Without prejudice to the provisions of double taxation treaties signed by Spain that may provide for tax exemption of the corresponding income or, as the case may have it, reduced tax rates, the following points may be highlighted in relation to this legislation:

- The tax base shall be quantified as the entire amount of income obtained, calculated in accordance with the rules of Act 40/1998, without the reductions contained in this Law being applicable for this purpose.
- In the event of transfer, redemption or amortisation, the additional expenses incurred in the purchase and disposal that can be adequately verified shall be taken into account in calculating the income. Each total or partial amount of income accrued and subject to taxation shall be taxed separately, with no setoff there between allowed.
- The Tax shall be calculated by applying the rate of 15 per cent to the tax base corresponding to the coupon interest and income obtained from the Bonds.
- The income derived from the Bonds in the form of coupon interest or from the transfer, redemption or amortisation of these by persons or entities non-resident in Spain acting for this purpose without a permanent establishment shall be exempt when the recipient is resident in another member state of the European Union.
- This exemption shall in no circumstances be applicable when the income is obtained via countries or territories legally classified as tax havens.
- Income obtained from the transfer of the said securities via a Spanish official secondary securities market by persons or entities non-resident without permanent establishment in Spain shall also be exempt when paid to residents of a State that has signed a double taxation treaty with Spain that includes information sharing provisions.
- The application of any exemption or reduced tax rate in accordance with internal Spanish law or in a Treaty that Spain has signed shall require due proof of the tax residence of the investor in the prescribed manner.

II.22.3 Indirect tax on the transfer of the Bonds.

The transfer of the transferable securities is exempt from Capital Transfer Tax and Stamp Duty and Value Added Tax.

II.22.4 Wealth Tax.

Persons subject to this tax under an *ad personam* obligation that are holders of the Bonds on 31 December each year shall include these Bonds in the Tax Base of this Tax at their average quoted price in the fourth quarter of each year.

Non-resident persons subject to the Tax under an *in rem* obligation shall also be subject to Wealth Tax save as provided in double taxation treaties. However, for the Bonds on which income is exempt for Non-Resident Income Tax purposes, as explained above, residents of other European Union countries shall be exempt.

II.22.5 Inheritance and Gift Tax.

The transfer of the Bonds *mortis causa* or by way of gift is subject to the general Inheritance and Gift Tax rules. In the event the beneficiary is a Company, such income as may be obtained will be taxed in accordance with Corporate Income Tax rules.

II.23 Purpose of the operation

II.23.1 Financing of Catalan small and medium enterprises

In the aim of financing Catalan small and medium enterprises, the 2003 Generalitat de Catalunya Budget Act 30/2002, of 30 December 2002 establishes in article 34.11 the possibility of securitising credit rights on Catalan SMEs via asset securitisation funds guaranteed by the Generalitat de Catalunya.

The aforesaid article 34.11 of Act 20/2002 was implemented by the Resolution establishing the bases for obtaining the Guarantee of the Generalitat de Catalunya to which Law 30/2002 refers. These are detailed briefly below:

- (i) The requirements that must be fulfilled by asset securitisation funds that enable financing of small and medium enterprises to be improved shall be the following:
 - a) Inclusion of credit rights against Catalan non-financial enterprises or entrepreneurs transferred by entities that have signed the Master Agreement in Schedule 3 of the Resolution, a minimum 50% of which shall be credit rights against small and medium enterprises as defined in accordance with the European Commission Recommendation 96/280/EC, of 3 April 1996 on the definition of small and medium enterprises (SMEs).
 - b) The management companies agree to sign and respect the model agreement provided in Schedule 2 of the Resolution.

- (ii) Credit enhancements that reduce the risk of the secured Bonds should exist such that they receive a minimum credit rating of A/A2 or similar or AA/Aa2 or similar. This rating should be obtained before the guarantee is definitively granted.
- (iii) All securities belonging to a secured series or class and issued by the securitisation fund should be listed on the Barcelona Stock Exchange, even if the guarantee only concerns one Class of a series or class.

The Fund has been promoted by the Management Company, in the framework of an asset securitisation operation under the Resolution, which provides for grant of a guarantee by the Generalitat de Catalunya.

When all requirements are fulfilled and all procedures required by the aforesaid Resolution are verified, the Class AG and BG Bonds shall be guaranteed by the Guarantee of the Generalitat.

II.23.2 Use of the net issue proceeds

All of the net proceeds of the Bond issue will be used to pay the price of the acquisition of the Transferred Assets forming the Fund assets from the Originating Banks.

II.24 Entities that, if applicable, have committed themselves to participating in secondary trading and providing liquidity through counterparty offers, indicating the scope of their participation and the manner in which it shall be conducted

No entities have committed themselves to participating in secondary trading and providing liquidity through counterparty offers.

II.25 Natural or legal persons that have participated significantly in the design or advised in the formation of the fund or in any of the relevant information contained in the Prospectus, including, if applicable, the underwriting of the distribution

- a) The financial design of the Fund and Bond issue was prepared by GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A.
- b) The legal design of the fund and Bond issue was prepared by GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. with Cuatrecasas Abogados S.R.L. as independent legal advisors.
- c) Banco de Sabadell, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander Central Hispano, S.A., Caixa d'Estalvis i Pensions de Barcelona, Banco Español de Crédito, S.A., Banco Pastor, S.A. and Banco Popular, S.A. were the Originating Banks of the Transferred Assets sold to the Fund on its formation.

Included as **Schedule VI** to the Prospectus is a copy of the Declarations of the Originating Banks signed by persons with sufficient representative powers to act for and on behalf thereof.

- d) Depfa Bank, Banco de Sabadell, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander Central Hispano, S.A., Caixa d'Estalvis i Pensions de Barcelona, Banco Español de Crédito, S.A., Banco Pastor, S.A. and Banco Popular, S.A. are acting as Underwriters in accordance with the terms and conditions established in the Prospectus and Underwriting Agreement.
- e) Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", is participating as Paying Agent.
- f) Banco de Sabadell, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander Central Hispano, S.A., Caixa d'Estalvis i Pensions de Barcelona, Banco Español de Crédito, S.A., Banco Pastor, S.A. and Banco Popular Español, S.A. are acting as Arrangers on the terms and conditions set out in the Prospectus.

Included as **Schedule V** to the Prospectus is a copy of the Declarations of the issue Arrangers, signed by persons with sufficient representative powers to act for and on behalf thereof.

II.26 Declaration of the person of the Management Company responsible for the Prospectus regarding any knowledge they may have of any type of relation or financial interests of the experts, advisors and/or other participating entities with the Management Company and with the former owners of the assets purchased by the Fund

Included as **Schedule VI** is the declaration of the person responsible for the Prospectus regarding the existence of any links between the entities participating in the operation.

“Don Xavier Jaumandreu Patxot, acting for and on behalf of GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., with registered office in Barcelona, Avenida Diagonal 621, in relation to the formation of the fund GC FTGENCAT II, FONDO DE TITULIZACIÓN DE ACTIVOS, for the amount of nine hundred and fifty million euro (950,000,000 Euro), the submission of which was made on 20 March 2003 for verification and registration by the CNMV, in compliance with the provisions of section II.25.2. of Circular 2/1994 of 16 March 1994 of the CNMV approving the prospectus forms for the formation of [mortgage securitisation funds] (implementing the Order of 12 July 1993, which in turn implements Royal Decree 291/1992 of 27 March 1992),

DECLARES

- I.** *That Caixa d'Estalvis i Pensions de Barcelona, through the company CaixaHolding, S.A., has an indirect holding of 96.4% of the share capital (providing it with control) of GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A.*
- II.** *That there is no other type of relation (voting rights, employment, family and so on) or financial interest between the Management Company itself and/or the Originating Banks and the experts, advisors and/or other entities that have participated in the design of or advised in the formation of the Fund or other significant information contained in the Prospectus other than that which is strictly professional.”*

CHAPTER III

GENERAL INFORMATION ON THE FUND

III.1 Name and regulatory framework

The Fund will be called GC FTGENCAT II, Fondo de Titulización de Activos, and be subject to the rules laid down in Resolution ECF/329/2003 of 4 February 2003 of the Department of Economy and Finance of the Generalitat de Catalunya, article 34.11 of the 2003 Generalitat de Catalunya Budget Act 30/2002 of 30 December 2002 (Ley de Presupuestos de la Generalitat de Catalunya para 2003), Royal Decree 926/1998 and such other provisions as may be dictated implementing that Royal Decree; to Act 19/1992 insofar as applicable to matters not provided for in Royal Decree 926/1998; to Act 24/1988 in relation to its supervision, inspection and penalties and other aspects not regulated by the above provisions; and to the rest of the legal and regulatory provisions applicable thereto from time to time.

The Fund shall be set up pursuant to the resolution adopted by the Board of Directors of the Management Company on 17 March 2003, and upon the CNMV's verification and registration of this Prospectus on 27 March 2003; it shall be considered a separate estate, without legal personality, such that it cannot become subject to suspension of payments or bankruptcy, although it may be wound up and liquidated in the events provided for in article 11 of Royal Decree 926/1998. In accordance with the Fifth Additional Provision of Act 3/1994 adapting Spanish laws on credit institutions to the Second Banking Coordination Directive and introducing other modifications relating to the financial system, in the event of bankruptcy or suspension of payments of the Originating Banks, the transfer of the Assets to the Fund may only be challenged under the second paragraph of article 878 of the Spanish Code of Commerce (Código de Comercio) through an action brought by the bankruptcy Trustees demonstrating the existence of fraud, with the Fund enjoying an absolute right of separation within the meaning of articles 908 and 909 of the Code of Commerce

III.1.1 Tax status of the Fund

In accordance with the terms of part 2 of article 1 of Royal Decree 926/1988 of 14 May 1988 regulating asset securitisation funds and their management companies, article 5.10 of Act 19/1992, article 7.1.h) of the Spanish Corporate Income Tax Act 43/1995 of 24 December 1995 (Ley del Impuesto sobre Sociedades), article 20.18 of the Spanish Value Added Tax Act 37/1992 of 28 December 1992 (Ley del Impuesto sobre el Valor Añadido) and article 57.k of Royal Decree 537/1997 of 14 April 1997 approving the Corporate Income Tax Regulations (Reglamento del Impuesto sobre Sociedades), the regulatory tax regime for the Fund has the following characteristics:

- (a) Formation of the Fund is exempt from the "corporate transactions" category of the Capital Transfer Tax and Stamp Duty (Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados).
- (b) The Fund is subject to Corporate Income Tax, at the general rate prevailing from time to time, which is currently 35%.

- (c) The Management Company's administration of the Fund is exempt from the Value Added Tax (Impuesto sobre el Valor Añadido).
- (d) Income from the Mortgage Transfer Certificates, Loans and such other credit rights as may come to generate revenues for the Fund shall not be subject to any withholding or advance tax payment obligation.

III.2 Fund legal status and assets and liabilities composition

III.2.1 Legal status of the Fund

The Fund shall constitute a separate estate, with no legal personality, and be considered a closed vehicle within the meaning of article 3 of Royal Decree 926/1998, and shall be formed by virtue of a public deed.

III.2.2 Fund Assets

The Fund Assets shall be composed of:

1. At the time of the Fund's formation:
 - (a) the Assets;
 - (b) the Fund formation and Bond issuance expenses; and
 - (c) the amount destined for financing the gap between the face value of the Bond Issue and the aggregate nominal value of the Assets at the time of the subscription of the Bonds.
2. As from the close of the Disbursement Date and as a result of the Fund's operation:
 - (a) the Outstanding Balance of the Assets;
 - (b) the balance from time to time of the accounts opened in the name of the Fund, that is, the Treasury Account (including the Reserve Fund and, where applicable, the amounts received with a charge to the Guarantee of the Generalitat and/or the amounts borrowed under the Generalitat Guarantee Liquidity Line) and the Collections Accounts;
 - (c) the unamortised Fund formation and Bond issuance expenses; and

- (d) in relation to the Assets, all amounts, properties or assets received as payment of principal or interest of the Assets, by means of court or out-of-court enforcement of the mortgage guarantees or disposal or operation of the real estate awarded to the Fund on foreclosure of the mortgage guarantees, or by way of interim administration and possession of the real estate (during enforcement proceedings), acquisition at the foreclosure auction price or amount determined by court order, and, in general, such properties as may be awarded to the Fund as a result of a possible eventual enforcement of the guarantees granted securing any of the Assets up to the limit of the principal, ordinary interest and all other justified expenses owed to the Fund in relation to the Loan foreclosed, with any surplus being returned to the appropriate Originating Bank.

III.2.3 Fund Liabilities

The Fund liabilities, in turn, shall be composed of:

1. At the time of the Fund's formation:
 - (a) the amount payable as consideration for transfer of the Assets, hereinafter referred to as the "**Transfer Price**";
2. As from the close of the Disbursement Date and as a result of the Fund's operation:
 - (a) the Outstanding Balance of Bond Principal;
 - (b) the outstanding principal of the Subordinated Loan for Formation Expenses and to cover the initial gap between the principal and the Balance Borrowed under the Subordinated Credit Facility.
 - (c) in the event of enforcement of the Guarantee of the Generalitat under section V.1.4.3, the Fund liabilities shall also include the enforced amount of the Guarantee of the Generalitat, along with the amounts borrowed under the Generalitat Guarantee Liquidity Line.

III.3 Formation and verification

III.3.1 Fund formation requirements

The formation of the Fund and issue of Bonds against its assets are subject to the requirements stated in section I.2 of the Prospectus and, in particular, to the prior verification and registration by the CNMV of this Prospectus.

III.3.2 Formation

The Management Company, as sponsor and manager of the Fund, and the Originating Banks, as Originating Banks that transferred the Assets and as Administrators of the Assets, shall execute the Fund Formation Deed in accordance with the provisions of Royal Decree 926/1998.

The following table shows the approximate Fund formation and Bond issue procedure calendar, as from verification and registration of this Prospectus by the CNMV:

Date	Procedure
27 March 2003	Verification and Registration of this Prospectus by the CNMV
28 March 2003	Execution of the Fund Formation Deed and formalisation of the Assets Transfer Contracts and other contracts referred to in this Prospectus
2 April 2003	Open and close of the Subscription Period and determination of the First Interest Rate
3 April 2003	Publication of the Fund formation and Bond issue announcement
4 April 2003	Disbursement of Bonds; Payment of Asset Price

The calendar shown in the above table is given merely for purposes of illustration, so the dates on which the procedures are actually carried out may differ from those stated.

III.4 Companies Registry

In accordance with article 5.4 of Royal Decree 926/1998, it is hereby stated that neither the Fund formation nor Bonds issued against it shall be registered in the Spanish Companies Registry.

III.5 Fund Formation Deed and its modifications

The Fund shall be formed by virtue of the Fund Formation Deed.

The Fund Formation Deed may be modified in extraordinary circumstances provided this is legally possible, given the existence of requirements that may be legally established for the aforesaid change, and when such a modification does not result in a downgrade of the ratings assigned to the Bonds nor harm the interests of the Bondholders. In all events, such modifications shall require the prior approval from the Rating Agencies.

Any modification of the Fund Formation Deed shall require execution of the corresponding public deed of modification. The CNMV must be notified of this in order for the information to be made publicly available as a significant event or via the verification and registration of a Supplement to this Prospectus, as appropriate.

III.6 Places where the documentation may be consulted

This Prospectus has been verified and was registered in the Official Registers of the CNMV on 27 March 2003. It is available to the public free of charge at the headquarters of the Management Company. It may also be consulted at the CNMV, in Madrid, at Paseo de la Castellana N° 15 and at the Sociedad Rectora de la Bolsa de Valores de Barcelona S.A. in Barcelona, at Paseo de Gracia N° 19, as well as at the head offices of each of the Underwriters and Arrangers.

The entry of this Prospectus in the registers of the CNMV implies only that it includes all the information required by the rules governing its contents. In no circumstances does it imply responsibility of the CNMV for any lack of veracity in the information it contains.

After the Fund Formation Deed is executed and before the Bond Subscription Period begins, the Management Company shall provide the CNMV with an authorised copy of the Fund Formation Deed. In addition the Management Company, SCLBARNA (or such other entity as may replace it) or such member company as to which it may delegate its functions and the Sociedad Rectora de la Bolsa de Valores de Barcelona S.A. shall at all times keep a copy of the Fund Formation Deed available to the public for consultation.

III.7 Management and representation of the Fund

The Management Company, GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., which is the Fund sponsor, shall be responsible for the management and representation of the Fund. The Management Company is authorised to form Asset Securitisation Funds and consequently to manage and represent them in accordance with the provisions of Royal Decree 926/1998, by virtue of authorisation from the Spanish Ministry of Economy and Finance of 9 May 2002, granted in accordance with the requirements of the Single Transitional Provision of said Royal Decree 926/1998.

The Management Company shall be responsible for representing and defending the interests of the owners of the Bonds issued against the Fund as well as the rest of the Fund creditors in its capacity as authorised administrator of non-proprietary businesses, in accordance with the provisions of the applicable legislation.

III.7.1 General obligations of the Management Company

The Management Company shall represent and defend the interests of the Bondholders and rest of the Fund creditors. For this purpose, it must:

- (i) manage the Fund such that its net assets equal zero at all times;
- (ii) be responsible for financial management of the Assets with diligence and rigour and without prejudice to the management responsibilities assumed by the Originating Banks under the Administration Agreement, and keep its accounts, ensuring due separation between the Management Company and the Fund;
- (iii) manage the Fund Assets for the benefit of the Bondholders in the understanding that in order to achieve this objective, and given the risk that the value of the Assets could deteriorate or change in such a way as to affect the financial balance of the Fund, the Management Company shall be entitled to dispose of those Assets, provided such disposal involves all of the Assets, in the most favourable conditions possible in the aim of keeping the finances of the Fund balanced to the extent it is able. In any case, the Management Company, for and on behalf of the Fund, shall do all it can to ensure the Assets are, if appropriate, disposed of at a price at least equal to the outstanding unamortised principal of the Asset in question plus interest accrued on this since the preceding interest payment date;
- (iv) avoid taking any steps that could reduce the rating of the Bonds and achieve the adoption of all measures reasonably within its reach to prevent the rating of the Bonds being negatively affected at any time;

- (v) sign the contracts established in the Fund Formation Deed and this Prospectus, or those necessary in the future for the account of the Fund in relation to its assets and liabilities, taking into account, however, that signing any contract not provided for in the Fund Formation Deed or this Prospectus for the account of the Fund shall only be done (i) if it does not imply a negative impact on the rating of the Bonds, and (ii) on an exceptional basis, with the necessary authorisations from and notice to the CNMV;
- (vi) comply with its formal, documentation and reporting obligations towards the CNMV, any other supervisory body and the Rating Agencies;
- (vii) name and, if appropriate, dismiss and revoke Fund auditors;
- (viii) if the short-term debt rating of the Paying Agent drops below P-1 (Moody's) or F1 (Fitch), within a maximum of thirty (30) Business Days after the Management Company becomes aware of this situation it must (a) close the Fund accounts open with this institution and (b) transfer their balance to other accounts opened for this purpose by the Management Company at other credit institutions whose unsubordinated and unsecured short-term debt has a credit rating of not less than P-1 (Moody's) and F1 (Fitch), unless the aforesaid Paying Agent can provide a sufficient guarantee securing performance of its obligations;
- (ix) if the short-term credit rating of an Originating Bank drops below P-1 (Moody's) or F1 (Fitch), the Management Company will transfer the balances of the Collection Account of the Originating Bank that has had its rating downgraded to the Treasury Account of the Fund each week until the aforesaid credit rating is restored, whereupon the transfer will be made quarterly.
- (x) if the short-term credit rating of an Originating Bank drops below P-1 (Moody's) or F1 (Fitch), the Management Company will draw down all the Amount Available under the Subordinated Credit Facility at that time in a maximum period of thirty (30) Business Days after the downgrade, allocating the amount borrowed to increase the Reserve Fund by crediting it to the Treasury Account.
- (xi) engage such third-party services as are necessary to manage the Fund adequately without incurring expenses that are unreasonable or diverge significantly from market prices. Only administrative functions may be subcontracted, but in no event the functions of representing or managing the Fund.
- (xii) take appropriate decisions relating to the liquidation of the Fund, including the decision for accelerated liquidation of the Fund and accelerated maturity of the Bonds, in accordance with the provisions of the Fund Formation Deed and this Prospectus.

III.7.2 Level of diligence required of the Management Company

a) Level of diligence

The Management Company shall conduct its business in accordance with the requirements of Royal Decree 926/1998. It shall represent the Fund and defend the interests of the Bondholders and the rest of the Fund creditors as if they were its own interests. It shall be demanding in its procedures, information and defence of interests of the aforesaid parties and avoid potential conflicts of interest. It must give higher priority to the interests of the Bondholders and the rest of the Fund creditors than its own interests. The Management Company shall be liable to the Bondholders and the rest of the Fund creditors for all damages they may incur due to non-performance of its responsibilities. It shall also be liable in accordance with the disciplinary framework applicable in Act 19/1992.

b) Availability of resources

The Management Company shall avail itself of the necessary resources, including adequate information technology for carrying out the administration functions of the Fund in accordance with Royal Decree 926/1998.

c) Code of Conduct

The Management Company shall comply with the applicable code of conduct.

The Management Company has established an Internal Code of Conduct in accordance with the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993 on procedural rules for security markets and obligatory records. The code has been filed with the Comisión Nacional del Mercado de Valores.

d) Absence of conflicts of interest

The Management Company may act as Management Company of the Fund as well as any other Securitisation Fund without the concurrent management of these representing a breach of its diligence duties as Management Company of the Fund and other Securitisation Funds.

III.7.3 Fund administration and management obligations

a) Financial administration of the Fund

The Management Company shall be responsible for the Fund financial administration functions. The measures taken by the Management Company to perform the Fund administration and legal representation functions are given below. They are merely illustrative and without prejudice to the other procedures provided for in the Fund Formation Deed. The Management Company shall:

- (i) Open the following accounts in the name of the Fund:

- Treasury Account: it shall open a bank account with the Paying Agent (the “**Treasury Account**”) into which it shall transfer each quarter the amounts paid in by the Originating Banks as Collections into the Collections Accounts set out below, in accordance with the terms of the Administration Agreement.
 - Collections Accounts: it shall open a bank account (each of these being a “**Collections Account**”) with each of the Originating Banks. The amounts paid in by the Originating Banks shall be deposited temporarily In these Collections Accounts as Collections of any type until their quarterly transfer to the Treasury Account in accordance with the Administration Agreement.
- (ii) If at any time during the life of the Bonds, the short-term credit rating of the Paying Agent drops under P-1 (Moody’s) or F1 (Fitch), in a maximum period of thirty (30) Business Days from becoming aware of this circumstance the Management Company shall transfer the amounts on deposit in the Treasury Account into another account opened at another credit institution that has at least the aforesaid short-term credit rating (that is P-1 (Moody’s) and F1 (Fitch)), unless the Paying Agent obtains a first demand joint and several guarantee from a credit institution with said credit rating as guarantee of its obligations. If the above is not possible, the Management Company will replace the Paying Agent with another credit institution that has a short-term credit rating on unsubordinated unsecured debt of at least P1 (Moody’s) and F1 (Fitch), and the Management Company will seek the highest return possible on the Treasury Account balance in doing so.
 - (iii) If at any time during the life of the Bonds, the short-term credit rating of an Originating Bank drops under P-1 (Moody’s) or F1 (Fitch), the Management Company will transfer the balance of the Collections Account of the downgraded Originating Bank to the Fund Treasury Account each week.
 - (iv) Keep principal and interest or any other amount received from the Originating Banks and belonging to the Fund on deposit in the Treasury Account.
 - (v) Keep the balances forming the Reserve Fund at all times to on deposit in the Treasury Account.
 - (vi) Ensure the amounts deposited in the Treasury Account and Collections Accounts yield the interest established in the Guaranteed Interest Deposit Contract.
 - (vii) Calculate the Nominal Interest Rate applicable to the Bonds on each Interest Rate Reset Date with respect to the following Interest Accrual Period and make this information public in the manner described in section III.7.5 below.
 - (viii) Calculate on each Determination Date the principal of the Bonds to be amortised, where applicable, making this information public, together with the interest accrued on the Bonds, in the manner established in section III.7.5 below.

- (ix) Allocate the Available Funds and any other amount available in the Treasury Account on each Payment Date to the payment and withholding obligations of the Fund, on the terms and in the priority order of payments established in section V.6.1.2 of the Prospectus, taking into account any applicable extraordinary rules provided for in section V.6.2.
- (x) Exercise the rights inherent to ownership of the Assets purchased by the fund and generally take all administrative and organisational steps necessary to carry out the Fund administration and legal representation correctly.
- (xi) Verify that the revenues the Fund actually receives correspond to the amounts it should receive as established in the Loan conditions and Assets Transfer Contracts.
- (xii) Enforce the Guarantee of the Generalitat at the earliest opportunity, if appropriate, to disburse the amounts owed to the holders of the Class AG and BG Bonds.
- (xii) Appoint and if appropriate dismiss Fund auditors.
- (xiii) Seek the admission to trading for the Bonds on the Barcelona Stock Exchange and possibly any other secondary market.
- (xiv) Draw on the Subordinated Credit Facility, if appropriate.
- (xv) Draw on the Generalitat Guarantee Liquidity Line, if appropriate.

b) Subcontracting

The Management Company shall be authorised to subcontract or delegate the provision of any service it provides as legal representative of the Fund (only administrative functions and in no event the functions of representing and managing the fund) to third parties of recognised expertise and capacity, in accordance with the provisions of the Fund Formation Deed and this Prospectus, provided the subcontractor or delegated representative waives the right to claim any liability from the Fund. In any case, the subcontracting or delegation of any service shall (i) not produce any additional cost or expense for the Fund, (ii) be legally admissible, (iii) not cause a downgrade of the credit rating of the Bonds and (iv) be notified to the CNMV, with prior authorisation from this body if legally required. Any subcontracting or delegation, however, shall not exonerate or release the Management Company by virtue of the act of subcontracting or delegating from any obligations assumed in the Fund Formation Deed and this Prospectus or that by law rest with or are enforceable against it.

c) Relinquishment of its functions

The Management Company may request to relinquish its administration and legal representation functions in accordance with the requirements of article 18 of Royal Decree 926/1998. This shall be done via a written document submitted to the CNMV, designating the management company replacing it and accompanied by a written document from the new securitisation fund management company declaring itself willing to accept this function, duly authorised and registered in the Special Register of the CNMV. The Management Company shall not cease to exercise its functions and must continue to do so, if resignation from those functions could have a negative impact on the credit rating of the Bonds and, in all events, until all the requirements and procedures for the appointment of its replacement have been completed and its replacement has effectively assumed its role as new management company of the Fund. Expenses resulting from the replacement shall be borne by the Management Company and may in no circumstances be charged to the Fund.

d) Mandatory replacement of the Management Company

If the Management Company is declared in suspension of payments or bankruptcy, it will have to find a management company to replace it in accordance with article 19 of Royal Decree 926/1998 in a maximum period of four (4) months from the event requiring the substitution. After this period, if a new management company has not been found, the Fund will be subject to accelerated liquidation in accordance with the provisions of the Fund Formation Deed and this Prospectus.

III.7.4 Annual Accounts

Before 30 April of each year, the Management Company shall provide the CNMV with its annual accounts and the Fund audit report for the preceding year. For this purpose, the accounting period of the Fund is noted to be one (1) calendar year, ending 31 December each year. The Management Company shall, in addition, file the annual accounts of the Fund with the Companies Registry.

III.7.5 Reporting procedures

The Management Company, in strict fulfilment of the issue conditions, undertakes to make the reporting described below, in accordance with the periodicity required for each of these.

III.7.5.1 Ordinary periodic reporting

The Management Company shall make all documentation and information required by the Fund Formation Deed available to the public.

1. In the period between the Interest Rate Reset Date and what will be at most three (3) Business Days before the Payment Date, the Management Company shall inform the Bondholders of the resulting Nominal Interest Rates for each Bond Class for the following Interest Accrual Period.

2. Quarterly, with prior notice of at least one (1) Business Day before each Payment Date, the Fund shall inform the Bondholders of the resulting interest payments for the Bonds of each Class and the amortisation payments for each of these, as appropriate, through its Management Company as well as the:
 - i) Loan prepayment rates in the Preceding Determination Period;
 - ii) residual life of the Bonds estimated on the assumption that the aforesaid actual prepayment rate remains constant;
 - iii) Outstanding Balances of Principal after amortisation paid on the Bonds of each Class on each Payment Date, as well as the percentages of the initial face value of the Bonds that these Outstanding Balances of Principal represent;
 - iv) if appropriate, amortisation and interest payments accrued and not paid due to insufficient Available Funds, in accordance with the priority order of payments.

SCLBARNA (or such other entity as may replace it) shall also be notified of the above information at least two (2) Business Days before each Payment Date.

3. In the three (3) months after the end of each accounting period, the Management Company shall issue an annual report containing:
 - i) A statement of the portfolio of Assets pooled in the Fund, of the balances of the Collections Accounts and the Treasury Account, the balance sheet, the profit and loss account and a schedule specifying the accounting principles applied.
 - ii) Management information including the:
 - a) Nominal outstanding balance of the Assets.
 - b) Percentage of Assets prepaid.
 - c) Changes that have occurred in the prepayment rate.
 - d) Total of overdue Assets.
 - e) Amount of Non-Performing Assets and the percentage they represent in the total.
 - f) Average life of the Asset portfolio.
 - g) Average interest rate of the Asset portfolio.
 - h) Outstanding balance of Bonds.
 - i) Percentage of Bonds pending maturity.
 - j) Amount of interest accrued and not paid on the Bonds, if appropriate.

- k) Outstanding Balance of the Subordinated Loan for Formation Expenses and for covering the initial principal gap, as well as the situation of the Subordinated Credit Facility.
 - l) Amount borrowed and total available in the Generalitat Guarantee Liquidity Line.
 - m) Detailed analysis of Fund developments and the factors that have affected its results.
 - n) Amount of and changes in the management fees in the accounting period.
4. Each quarter, in the month after the end of the quarter, the Management Company shall provide the CNMV, the Barcelona Stock Exchange and the Rating Agencies with a report on the performance of the Fund Assets, as well as the balances of the Collections Accounts and the Treasury Account, and the relevant information on the Fund and Assets included.

All public Fund information shall be available from the head offices of the Management Company, the Underwriters, the headquarters of the Barcelona Stock Exchange and in the Register of the CNMV.

III.7.5.2 Extraordinary reporting

1. Once the Fund Formation Deed is executed and in order to form the Fund and issue the Bonds, the Management Company shall on behalf and for the account of the Fund, in accordance with the contents of this Prospectus and in the manner stated in section III.7.5.3. point 2, proceed with publication of the formation of the Fund and issue of the Bonds, as well as the Nominal Interest Rates applicable to the Bond classes in the first Interest Accrual Period, which shall be the time between the Disbursement Date and the first Payment Date. This information may be published on any day of the calendar, whether or not a Business Day.
2. The Management Company, on behalf and for the account of the Fund, shall inform the Bondholders of any significant event that may occur in relation to the Assets, the Bonds, the Fund and the Management Company that may significantly influence the trading of the Bonds and generally of any significant modification to the assets or liabilities of the Fund. The Management Company, on behalf and for the account of the Fund, shall inform the Bondholders of any possible accelerated redemption decision for the Bonds, for any of the reasons provided for in the Prospectus, and, in such event, shall forward the Notary Certificate of Liquidation referred to in section III.9.2 to the CNMV.

III.7.5.3 Procedure

All reporting by the Management Company about the Fund to the Bondholders should be made as follows:

1. For the ordinary periodic reporting referred to in section III.7.5.1 above (paragraphs 1 and 2), through publication in either the daily bulletin of the Barcelona Stock Exchange or another publication with similar characteristics or via the publication in a daily newspaper widely circulated in Spain, whether a financial daily or a general news daily.
2. For the extraordinary reporting referred to in section III.7.5.2 above, through publication in a financial or general news daily newspaper widely circulated in Spain.

It may make the above reporting through publication, in addition, through other general media channels.

For these purposes, the reporting date shall be considered as the date of publication. This may be any day of the year, whether or not a Business Day.

III.7.5.4 Reporting to the CNMV

The Management Company, on behalf and for the account of the Fund, shall inform the CNMV of the extraordinary and ordinary periodical reporting it makes as established above as well as any other information requested by the CNMV apart from the above.

III.8 Expenses and taxes

III.8.1 Expenses

Payment by the Management Company of management and administration expenses shall be charged to the Fund. By way of illustration only, the Management Company shall pay the following expenses:

- (a) Prior to or at the time of the Fund formation: expenses resulting from the formation, verification and registration of the Fund, acquisition of the Assets, issuance of the Bonds and admission to trading as stated in section II.14 of the Prospectus and defined as Formation Expenses.

The Management Company shall pay these expenses, in the name of the Fund, from the Subordinated Loan for Formation Expenses. If any of these expenses has to be paid prior to the Fund formation, the Management Company will pay them and be reimbursed from the Subordinated Loan for Formation Expenses after formation of the Fund.

- (b) After the Fund formation: expenses for the account audit of the Fund, for maintaining the credit rating of the Bonds from the Rating Agencies, for keeping the accounting records for the Bonds and for their continued listing on organised secondary markets, for the announcements and reporting plus fees and expenses from contracting the financial operations and services agreed.

III.8.2 Value Added Tax

Value Added Tax paid by the Fund in current expenses will be considered deductible for Corporate Income Tax purposes.

III.9 Winding-up of the Fund

The Fund shall be wound up for the reasons provided in Royal Decree 926/1998 and Act 19/1992.

III.9.1 Normal Grounds for Winding-up

The Management Company shall proceed to wind up the Fund in the following events:

- (i) If before the subscription period opens, one of the Rating Agencies does not confirm the provisional rating they had given to the Bonds;
- (ii) When the Assets are repaid in full. Merely by way of illustration, this may include the case of all of the Originating Banks exercising the Repurchase Rights on the Assets under the Assets Transfer Contracts;
- (iii) In all events, on 25 July 2025 or, if this is not a Business Day, the next following Business Day.

If any of the situations described above arises, the Management Company will inform the CNMV and begin the appropriate procedures for winding up the Fund.

The CNMV shall immediately be notified of the cancellation of the Fund formation on the aforesaid grounds, as soon as it is confirmed. This information shall be made public in the manner set out in section III.7.5. One (1) month after the event causing the cancellation of the formation of the Fund, the Management Company shall execute a notary deed that it shall submit to the CNMV declaring the winding-up of the Fund.

III.9.2 Liquidation of the Fund

The Management Company will carry out the winding-up of the Fund due to its liquidation in the following events:

- (i) Where the Management Company exercises its accelerated redemption option on the issue under section II.11.3.3. The Management Company may choose to carry out accelerated redemption of the issue in the following circumstances:
 - (a) if all the Bonds have been fully redeemed;
 - (b) if the Outstanding Balance of the Assets is less than 10% of the initial balance of the Asset portfolio;
 - (c) if in the judgement of the Management Company extraordinary factors render it impossible or extremely difficult to sustain the financial balance of the Fund;
 - (d) if there occurs or there is expected to occur a default indicating that serious and permanent imbalance exists in relation to the securities issued;
 - (e) if due to an adverse change in the tax legislation applicable to the Fund or Bonds it becomes impossible to maintain the finances of the Fund;

- (f) in all events, on 25 July 2025 or, if this is not a Business Day, the next following Business Day;
 - (g) if the Management Company is declared in liquidation, in suspension of payments, bankrupt or its authorisation was rescinded and no new management company is appointed in accordance with section III.7.3.d.
- (ii) Where two (2) years have elapsed after the last (ordinary or accelerated) maturity date of the Assets.

If the Fund is liquidated, either because the Outstanding Balance of the Assets is less than 10% of the initial balance of the Management Company shall proceed to dispose of the Fund Assets. The Management Company shall conduct the disposals in the most favourable conditions possible and take whatever measures it can to dispose of the Assets at a price at least equal to the Outstanding Balance of the Assets plus interest accrued thereon since the preceding interest payment date.

The Fund shall be liquidated by applying the assets of the Fund according to the priority order of payments established in section V.6.1.2 of the Prospectus, except in relation to the Reserve Fund, which, in the event of liquidation, shall not be set aside, and to the Subordinated Loan for Formation Expenses, which shall be allocated in an amount equal to the outstanding principal under that loan.

If there is any remainder when liquidating the Fund after making all payments by distributing the Available Funds in accordance with the priority order of payments established in section V.6.1.2 of the Prospectus, this remainder will be paid to the Originating Banks in accordance with the provisions of the Internal Management Agreement.

If the remainder is illiquid, because it includes Assets awaiting resolution of legal or notary proceedings initiated following default on the Transferred Assets, the amounts of which could be recovered in the future, these amounts will be allocated to the entity from which the Assets were purchased.

The Management Company shall not proceed with the winding-up of the Fund and subsequent cancellation of its registration in the corresponding administrative registers until the remaining assets of the Fund have been liquidated (with limit date the Statutory Maturity Date of the Fund), and its Available Funds distributed according to the priority order of payments, except the appropriate reserve for meeting the final winding-up costs,

Six (6) months after the liquidation of the remaining Fund assets and distribution of the Available Funds, the Management Company shall execute a notary deed, which it shall forward to the CNMV, declaring (i) the winding-up of the Fund and the grounds on which it was wound up, (ii) the procedure used for informing the Bondholders and the CNMV and (iii) the distribution of the Available Funds in accordance the priority order of payments established in section V.6.1.2 of the Prospectus, which it shall announce in a nationally circulated daily newspaper, while complying with the other applicable administrative procedures.

III.10 Fees

III.10.1 Fees of the Management Company

The Management Company shall form, represent and manage the Fund in accordance with Royal Decree 926/1998. As remuneration for these services, the Fund shall pay the Management Company a Management Fee comprising (i) an Initial Fee and (ii) a quarterly Periodic Fee.

The Fund Formation Deed establishes that the Management Company shall be entitled to an Initial Fee payable once only on the Disbursement Date, equal to 0.02% of the value of Bonds issued on the Fund Formation Date.

The Fund Formation Deed also establishes that the Management Company shall be entitled to receive a Fixed Periodic Management Fee of 8,400 euro on each Payment Date. In addition, it shall receive a Variable Periodic Management Fee calculated in accordance with the Balance of the Bonds on the preceding Payment Date. This variable remuneration shall on each Payment Date equal an annual 0.015% of the Outstanding Balance of the Bonds on the previous Payment Date pro rata to the number of days in the Interest Accrual Period.

The Management Fee shall be considered part of the current expenses of the Fund and hence rank 1st in the priority order of payments, in accordance with section V.6.1.2.

Notwithstanding the above, if GestiCaixa, S.G.F.T., S.A. is replaced as Management Company of the Fund by another securitisation fund management company, the quarterly Periodic Management Fee received by the new Management Company will be determined at the time of the replacement, taking into account the reasonable market rate.

III.10.2 Administration Fee

For carrying out the administration functions established in the Administration Agreement, the Administrators of the Loans shall receive from the fund a fee equal to 0.01% per annum, VAT included, on the Outstanding Balance of the Assets corresponding to each Administrator on the last day of the month in progress prior to the Payment Date (the “**Administration Fee**”). This shall include VAT if no exemption is applicable.

The Administration Fee shall be paid for complete quarters on each Payment Date.

The Administration Fee shall rank 20th in the priority order of payments.

III.10.3 Paying Agent Fee

For services rendered under the Paying Agent Contract, the Paying Agent shall receive from the Fund a fee equal to 0.002% per annum of the Outstanding Balance of Bond Principal on the previous Payment Date (hereinafter, the “**Paying Agent Fee**”).

The Paying Agent Fee shall be paid for complete quarters on each Payment Date.

The Paying Agent Fee shall be considered part of the current expenses of the Fund and hence rank first in the priority order of payments, in accordance with section V.6.1.2.

III.10.4 Financial Intermediation Spread

In accordance with the provisions of the Internal Management Agreement, on each Payment Date the Originating Banks shall be paid a Financial Intermediation Spread. This shall equal the positive difference, if any, between the Available Funds of the Fund and the amounts to be paid under the first twenty (20) items in the priority order of payments of the Prospectus (inclusive) on each Payment Date.

III.11 Tax status of the Fund

The Fund shall be subject to the general Corporate Income Tax rules in accordance with the provisions of Act 43/1995, of 27 December 1995. In addition, pursuant to the provisions of the Tax Regulations (Royal Decree 537/1997 of 14 April 1997), income from the Loans and other credit rights representing income for the Fund shall not be subject to withholding tax.

In addition, the formation of the Fund shall be exempt from the “corporate transactions” category of the Capital Transfer Tax and Stamp Duty.

In the event of the future introduction of any direct or indirect tax, duty or withholding on amounts payable to the Fund, these shall be for the account of the Originating Banks and will be transferred to them if the Fund recovers them.

CHAPTER IV

INFORMATION ON THE ACTIVITY AND THE ASSETS OF THE FUND

IV.1 Purpose behind the formation of the Fund

The Fund is constituted for the purpose of securitising certain credit rights carried on the balance sheet of the Originating Banks, defined in this Prospectus as the Assets.

Accordingly, the Fund assets shall be composed of the Assets assigned by the Originating Banks and acquired by the Management Company, in the name and for the account of the Fund, under the Assets Transfer Contracts described in section IV.2.2 below.

In order to finance the acquisition of the Assets, the Management Company, in the name and for the account of the Fund, shall issue Bonds with a charge to the Fund assets on the terms described in Chapter II of the Prospectus.

IV.2 Fund Assets

IV.2.1 Maximum amount of Fund assets and identification of the assets pooled in the Fund

IV.2.1.1 Amount of Fund assets

The Fund shall pool together Assets worth 950,000,000 euro (the “**Amount of the Assets**”) transferred by the Originating Banks as broken down below:

○ Banco de Sabadell:	250,000,000	euro
○ Banco Bilbao Vizcaya Argentaria:	225,000,000	euro
○ Banco Santander Central Hispano:	225,000,000	euro
○ Caixa d’Estalvis i Pensions de Barcelona:	125,000,000	euro
○ Banco Español de Crédito:	60,000,000	euro
○ Banco Pastor:	40,000,000	euro
○ Banco Popular:	25,000,000	euro

The governing bodies of the Originating Banks have approved the transfer of the Assets to the Fund on the terms set forth in the certificates attached as **Schedule I** to the Prospectus.

IV.2.1.2 Asset Classes

The Assets transferred by the Originating Banks to the Fund will pool together credit rights under the loan agreements (the “**Loans**”) granted by the Originating Banks to non-financial enterprises or entrepreneurs based in Catalonia, at least 50% of which must be in respect of small and medium enterprises within the meaning of the European Commission Recommendation 96/280/EC of 3 April 1996 on definition of small and medium enterprises (SMEs) or such rule as may replace it in the future (the “**Transferred Debtors**”). In the Prospectus the credit rights under the Loans, whether their transfer is structured as a sale-purchase of credit rights or as an issue and subscription of Mortgage Transfer Certificates, shall be referred to collectively as the “**Assets**”.

IV.2.1.3 Description of the characteristics of the different types of Assets

IV.2.1.3.1 Description of the Loans

The Loan portfolio is composed as at 27 February 2003 of 10,864 Loans from the Originating Banks' portfolios of long-term loans to Catalan non-financial enterprises and entrepreneurs, with term to maturity of not less than 12 months. A Transferred Debtor may be transferred in respect of more than one Loan.

The Loans can be classified having regard to the accessory guarantees into:

1. Loans secured by a real estate mortgage guarantee, executed in a public instrument (hereinafter, the "**Mortgage Loans**").
2. Loans not secured with a real estate mortgage guarantee, executed in a public instrument (hereinafter, the "**Non-Mortgage Loans**" and jointly with the Mortgage Loans, the "**Loans**").

Some 90.48% of the Loans are made to Small and Medium Enterprises ("**SMEs**"), within the meaning of the 3 April 1996 Recommendation of the European Commission.

The Audit Report on the Assets, which is attached as **Schedule IV** of the Prospectus, refers to the whole of the Loans subject to securitisation.

a) Representations of the Originating Banks

Each Originating Bank represents to the Management Company, in the latter's capacity as representative of the Fund, that:

- (i) it is a credit institution duly formed and in existence under the applicable laws and is registered in the Companies Registry and in the Bank of Spain's Register of Credit Institutions;
- (ii) at the date of verification of this Prospectus, it is not in a state of insolvency, suspension of payments or bankruptcy;
- (iii) its company bodies have validly adopted all resolutions needed for transfer to the fund of the Assets transferred by each of them and for valid grant of the Fund Formation Deed, the contracts and supplementary commitments undertaken;
- (iv) its accounts for the last three years have been audited, with a favourable opinion in the last year or, if the audit report contained qualifications, none of them refers to circumstances that imply impairment of its credit quality or capacity.
- (v) it has signed a Master agreement for collaboration with the Department of Economy and Finance of the Generalitat de Catalunya, substantially in the form of Schedule 3 of the Resolution.

In addition, each Originating Bank, as owner of the Loans until their transfer to the Fund, likewise represents to the Management Company, in the latter's capacity as representative of the Fund, in relation to the Loans it has transferred that:

- (i) the Loans exist and are valid and enforceable according to the applicable laws, except in those cases where their enforceability is limited by a future insolvency proceeding;
- (ii) the data included in the Prospectus regarding the Loans give an exact view of their situation at the portfolio construction date and are accurate;
- (iii) the whole of the Loans are set out in a Public Deed or in an Official Form (*Póliza*) attested by a notary public or chartered commercial broker;
- (iv) the remaining term to maturity at the Transfer Date shall be no less than twelve (12) months;
- (v) no provision or clause of the Loans has been modified, waived or altered with respect to the conditions communicated to the Management Company as Fund representative;
- (vi) it is full owner of the Loans and the Loans are freely transferable to the Fund according to the rules applicable thereto and according to the respective loan agreements, and such requirements as may exist for the transfer shall be fulfilled;
- (vii) on the Transfer Date for transferring the Assets to the Funds, the Loans shall not be in arrears;
- (viii) at the time the Loans were granted all Loans complied with the credit extension or subrogation policies of each of the Originating Banks with respect to the Loans transferred by each;
- (ix) as from the time of their grant or subrogation, as the case may be, the Loans have been and are being administrated by the Originating Bank according to their customary procedures;
- (x) at the Transfer Date there shall not exist lawsuits of any kind in relation to the Loans capable of impairing their validity or enforceability and none of the Transferred Debtors shall have raised objections, at that date, to payment of the Loans, including by setoff;
- (xi) it is not aware that any Transferred Debtor under the Loans transferred by each of them is party to any insolvency proceedings;
- (xii) all of the Loans are loans made to non-financial enterprises or entrepreneurs based in Catalonia, at least 50% of which must be in respect of small and medium enterprises within the meaning of the European Commission Recommendation 96/280/EC of 3 April 1996;
- (xiii) the payments by Transferred Debtors under the Loans are not subject to any tax withholding or deduction;

- (xiv) it is not aware of any circumstance whatsoever impeding enforcement of the guarantees granted as security for the Loans.
- (xv) none of the Loans will mature later than 25 July 2023.
- (xvi) all of the Loans have been made in euro.
- (xvii) the reference interest rates for the Loans may be fixed as well as floating rates.

The Originating Banks agree that if a Transferred Debtor holds a credit right against any of them and exercises such right by setting it off against a Loan, then the Originating Bank involved shall pay into the Fund Treasury Account an amount equal to the sum to which the Fund would have been entitled had such setoff not occurred.

In addition, each Originating Bank, as issuer of Mortgage Transfer Certificates (“MTC”) subscribed for by the Fund, likewise represents to the Management Company, in the latter’s capacity as representative of the Fund, in relation to the Mortgage Transfer Certificates it has issued that:

- (i) its company bodies have validly adopted all resolutions needed for issuing the MTC.
- (ii) the data on the Mortgage Loans and on the MTC which refer to those loans, represented in one multiple registered certificate for each Originating Bank, give an exact view of the current situation of those Mortgage Loans and MTC and are accurate.
- (iii) the MTC are issued in accordance with article 18 of Spanish Act 44/2002 of 22 November 2002 on Financial System Reform Measures (Ley de Medidas de Reforma del Sistema Financiero), which added a new paragraph to part two of the fifth additional provision of Act 3/1994, and the rest of the applicable legal provisions and therefore comply with the requirements laid down for issuance of MTC.
- (iv) all of the Mortgage Loans corresponding to the MTC of reference are executed in public deeds and all of the mortgages are duly constituted and registered in the relevant Land Registries. The registration of the mortgages properties remains in force and without any contradiction whatsoever.
- (v) the Mortgage Loans corresponding to the MTC of reference are not executed in any credit instruments, be they registered, to the order of or bearer instruments, other than the MTC issued to be subscribed for by the Fund.
- (vi) after the issue of the MTC, the Mortgage Loans to which the MTC refer are not subject to any issue of mortgage-backed bonds, mortgage participating units (*participaciones hipotecarias*) or mortgage transfer certificates other than the issue of the MTC, and, as from the issue of the latter, the Mortgage Loans to which the MTC refer shall not be affected by any issue of mortgage-backed notes (*cédulas hipotecarias*), mortgage-backed bonds (*bonos hipotecarios*), mortgage participating units (*participaciones hipotecarias*) or other MTC.

d) Documentation of the Loans

The Loans are documented in one of the following forms:

- (i) public deed; or
- (ii) official form (*póliza*) attested by a notary public or certified commercial broker.

In any event, the Originating Bank concerned maintains, as the case may have it, the first copy of the public deed or a counterpart of the attested official form.

e) Legislation governing assignment of the Loans

The transfer of the Loans is subject to the general laws of Spain.

General Spanish legislation is the law naturally applicable to the transfer of the Loans. According to the applicable general laws of Spain, the validity of the Originating Banks' transfer of the Loans to the Fund is subject to fulfilment of the following conditions:

- (i) the Loan in question must not prohibit its transfer or, otherwise, the consent of the Transferred Debtor has been obtained along with any other consent that may be needed;
- (ii) there must be fulfilled all conditions or requirements established in the relevant Loan for such transfer or, otherwise, the consent of the Transferred Debtor has been obtained along with any other consent that may be needed.

According to article 1527 of the Spanish Civil Code, debtors who pay the creditor prior to learning of the transfer shall be released from the obligation. For these purposes, under the Assets Transfer Contracts the Originating Banks must give notice (directly or via notary public) of the transfer, where necessary or required according to the terms of the relevant Loan, to the Transferred Debtors within five (5) Business Days following execution of the Assets Transfer Contract, or at any time thereafter if so requested by the Management Company. Once notice of the transfer has been given to the Transferred Debtors, the latter shall be released of their obligations by means of payment to the collections manager named by the Management Company. According to article 1198 of the Civil Code, Transferred Debtors who have given consent to the transfer cannot invoke against the Fund the right of setoff to which they would have been entitled vis-à-vis the Originating Banks.

In the event that the Management Company revokes the mandate conferred upon any of the Originating Banks under the Assets Administration Agreement, the Management Company may instruct the outgoing Originating Bank to notify the Transferred Debtors of the transfer of their respective Non-Mortgage Loans to the Fund and issue of the MTC, and that the payments arising thereunder shall only have discharging effect if made to the account designated by the Management Company. If the Originating Bank fails to comply with the Management Company's request within five (5) Business Days following receipt of the instructions, the Management Company will proceed to make the above notification, without prejudice to the contractual liability in which the non-complying Originating Bank may bear as a result of such failure.

In relation to the transfer of Mortgage Loans, general Spanish law is the law naturally applicable to such transfer, carried out by means of the Originating Banks issuing Mortgage Transfer Certificates to be wholly subscribed for by the Fund, in accordance with article 18 of Spanish Act 44/2002 of 22 November 2002 on Financial System Reform Measures (“Act 44/2002”), which added a new paragraph to part two of the fifth additional provision of Act 3/1994 of 14 April 1994; with the Mortgage Market Regulatory Act 2/1981 of 25 March 1981 (Ley de Regulación del Mercado Hipotecario); Royal Decree 685/1982 of 17 March 1982 implementing certain aspects of the Mortgage Market Regulatory Act 2/1981 of 25 March 1981; and the rest of the regulations in force from time to time on the transferability and acquisition of mortgage market instruments.

IV.2.1.3.2 Loan Portfolio

1. Historical information on the loan books of the Originating Banks.

No information is included on the evolution of prepayment rates in the portfolio of Credit Rights, given that the information that can be obtained on the overall portfolio of the bank is not applicable to the portfolio selected for securitisation. The Management Company does not have historical prepayment information on the type of portfolios of Credit Rights pooled in the Fund.

2. Stratified analysis tables of the Loan Portfolio

There follow a series of tables giving a stratified analysis of the portfolio of securitisable assets of the Originating Banks, composed of 10,864 loans with an Outstanding Balance as at 27 February 2003 of 1,347,837,354.83 euro. The portfolio has been audited by the firm of Deloitte & Touche España, S.L.

For purposes of the following stratified analysis tables, all of the weighted averages are calculated by weighting each datum against the Outstanding Balance of the Assets.

a) Distribution by Originating Bank

The following table shows the distribution of the Loans according to the Originating Bank that originally made the Loan.

Loan Portfolio at 27 February 2003 Classification by Originating Bank				
Originating Bank	Transactions		Outstanding Principal	
	Number	%	Amount	%
BANCO SABADELL	2,299	21.16%	348,409,916.14	25.85%
BBVA	1,979	18.22%	310,307,076.59	23.02%
BSCH	3,114	28.66%	345,333,162.74	25.62%
LA CAIXA	1,987	18.29%	175,652,501.61	13.03%
BANESTO	835	7.69%	79,887,069.55	5.93%
BANCO PASTOR	448	4.12%	52,923,676.13	3.93%
BANCO POPULAR	202	1.86%	35,323,952.07	2.62%
Total Portfolio	10,864	100.00%	1,347,837,354.83	100.00%

b) Distribution by Nominal Interest Rate

The following table shows the distribution of the Loans according to the interest rate in effect as at 27 February 2003, in percentage intervals.

Loan Portfolio at 27 February 2003				
Classification by Nominal Interest Rate				
Interest Interval (%)	Transactions		Outstanding Principal	
	Number	%	Amount	%
1.50 to 1.99	1	0.01%	216,712.87	0.02%
2 to 2.49	1	0.01%	12,000.00	0.00%
2.50 to 2.99	18	0.17%	8,210,298.80	0.61%
3 to 3.49	700	6.44%	124,954,150.56	9.27%
3.50 to 3.99	1251	11.52%	241,473,878.90	17.92%
4.50 to 4.99	2064	19.00%	321,124,260.17	23.83%
5 to 5.49	2642	24.32%	335,475,675.93	24.89%
5.50 to 5.99	2413	22.21%	210,200,068.01	15.60%
6 to 6.49	1046	9.63%	76,665,580.17	5.69%
6.50 to 6.99	280	2.58%	15,419,450.59	1.14%
7 to 7.49	151	1.39%	6,458,342.19	0.48%
7.50 to 7.99	98	0.90%	2,941,533.36	0.22%
8 to 8.49	73	0.67%	2,086,982.00	0.15%
8.50 to 8.99	46	0.42%	1,039,251.23	0.08%
9 to 9.49	33	0.30%	629,818.07	0.05%
9.50 to 9.99	21	0.19%	493,732.43	0.04%
10 to 10.49	19	0.17%	328,209.32	0.02%
10.50 to 10.99	3	0.03%	58,227.31	0.00%
> 10.99	4	0.04%	49,182.92	0.00%
Total Portfolio	10,864	100.00%	1,347,837,354.83	100.00%
Weighted Average Interest:			4.34%	
Minimum Interest:			1.60%	
Maximum Interest:			13.50%	

c) Distribution by Reference Interest Rate

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

Loan Portfolio at 27 February 2003				
Classification by Referent Interest Rate Index				
Benchmark Index	Loans		Outstanding Principal	
	Number	%	Amount	%
FIXED RATE	309	2.84%	8,372,110.66	0.62%
OVERNIGHT EURIBOR	2,227	20.50%	419,722,225.51	31.14%
OFFICIAL EURIBOR	3,620	33.32%	500,013,762.45	37.10%
IRMH RATE	1,092	10.05%	80,874,162.19	6.00%
IRPH SAVINGS BANKS RATE	1,192	10.97%	102,651,176.96	7.62%
FLOATING ICO-SMES	469	4.32%	47,824,366.65	3.55%
IRPH BANKS MORTGAGE RATE	33	0.30%	2,442,069.86	0.18%
OFFICIAL MIBOR	1,509	13.89%	147,540,311.00	10.95%
BANK OF SPAIN MIBOR	404	3.72%	38,042,218.85	2.82%
VPO SPANISH MIN. OF PUBLIC WORKS	9	0.08%	354,950.70	0.03%
Total Portfolio	10,864	100.00%	1,347,837,354.83	100.00%

d) Distribution by Loan Contract Date

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

Loan Portfolio at 27 February 2003 Classification by Loan Contract Date					
Interval of Dates		Loans		Outstanding Principal	
		Number	%	Amount	%
01/01/1989	30/06/1989	1	0.01%	39,144.15	0.00%
01/07/1989	31/12/1989	4	0.04%	299,690.40	0.02%
01/01/1990	30/06/1990	3	0.03%	128,273.11	0.01%
01/07/1990	31/12/1990	1	0.01%	40,739.27	0.00%
01/01/1991	30/06/1991	1	0.01%	114,721.14	0.01%
01/07/1991	31/12/1991	7	0.06%	453,292.45	0.03%
01/01/1992	30/06/1992	15	0.14%	647,632.12	0.05%
01/07/1992	31/12/1992	19	0.17%	1,100,416.95	0.08%
01/01/1993	30/06/1993	14	0.13%	886,850.29	0.07%
01/07/1993	31/12/1993	23	0.21%	1,110,287.40	0.08%
01/01/1994	30/06/1994	39	0.36%	2,486,268.77	0.18%
01/07/1994	31/12/1994	43	0.40%	2,945,869.78	0.22%
01/01/1995	30/06/1995	52	0.48%	3,190,180.78	0.24%
01/07/1995	31/12/1995	45	0.41%	3,549,051.87	0.26%
01/01/1996	30/06/1996	54	0.50%	3,800,574.86	0.28%
01/07/1996	31/12/1996	115	1.06%	7,994,045.99	0.59%
01/01/1997	30/06/1997	193	1.78%	13,589,394.40	1.01%
01/07/1997	31/12/1997	320	2.95%	26,533,279.71	1.97%
01/01/1998	30/06/1998	412	3.79%	34,216,274.57	2.54%
01/07/1998	31/12/1998	433	3.99%	39,903,158.56	2.96%
01/01/1999	30/06/1999	517	4.76%	46,554,930.84	3.45%
01/07/1999	31/12/1999	627	5.77%	73,442,525.60	5.45%
01/01/2000	30/06/2000	837	7.70%	88,618,095.19	6.57%
01/07/2000	31/12/2000	771	7.10%	85,728,257.68	6.36%
01/01/2001	30/06/2001	1,142	10.51%	129,853,645.46	9.63%
01/07/2001	31/12/2001	1,281	11.79%	178,017,179.13	13.21%
01/01/2002	30/06/2002	2,012	18.52%	301,375,168.36	22.36%
01/07/2002	31/12/2002	1,822	16.77%	286,551,607.27	21.26%
01/01/2003	30/06/2003	61	0.56%	14,666,798.73	1.09%
Total Portfolio		10,864	100.00%	1,347,837,354.83	100.00%

e) Distribution by Final Due Date

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

Loan Portfolio at 27 February 2003 Classification by Final Due Date				
Year Loan Falls Due	Transactions		Outstanding Principal	
	Number	%	Amount	%
2004	315	2.90%	25,910,279.95	1.92%
2005	861	7.93%	76,633,777.79	5.69%
2006	840	7.73%	76,004,949.50	5.64%
2007	1,524	14.03%	161,600,525.67	11.99%
2008	657	6.05%	61,284,478.66	4.55%
2009	727	6.69%	92,018,478.29	6.83%
2010	724	6.66%	81,567,096.80	6.05%
2011	768	7.07%	111,939,625.08	8.31%
2012	1,020	9.39%	158,545,794.37	11.76%
2013	623	5.73%	105,005,965.26	7.79%
2014	716	6.59%	132,138,261.99	9.80%
2015	442	4.07%	56,133,830.26	4.16%
2016	449	4.13%	52,745,128.38	3.91%
2017	425	3.91%	71,681,002.02	5.32%
2018	113	1.04%	14,415,143.98	1.07%
2019	135	1.24%	13,788,929.34	1.02%
2020	141	1.30%	13,225,797.35	0.98%
2021	189	1.74%	17,677,736.17	1.31%
2022	178	1.64%	23,719,619.81	1.76%
2023	17	0.16%	1,800,934.16	0.13%
Total	10,864	100.00%	1,347,837,354.83	100.00%
Weighted Average Final Maturity			8.72 years	14/11/2011
Minimum Maturity			1.18 years	01/05/2004
Maximum Maturity			20.34 years	25/06/2023

f) Distribution by Outstanding Principal

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

Loan Portfolio at 27 February 2003					
Classification by Intervals of Outstanding Principal					
Intervals of Principal		Transactions		Outstanding Principal	
Euro		Number	%	Amount	%
0.00	49,999.99	4,131	38.02%	127,106,124.35	9.43%
50,000.00	99,999.99	3,261	30.02%	234,803,261.60	17.42%
100,000.00	149,999.99	1,496	13.77%	182,579,174.00	13.55%
150,000.00	199,999.99	646	5.95%	110,462,953.71	8.20%
200,000.00	249,999.99	359	3.30%	79,776,415.48	5.92%
250,000.00	299,999.99	229	2.11%	62,778,964.28	4.66%
300,000.00	349,999.99	140	1.29%	45,305,355.96	3.36%
350,000.00	399,999.99	86	0.79%	32,173,499.28	2.39%
400,000.00	449,999.99	79	0.73%	33,271,127.50	2.47%
450,000.00	499,999.99	54	0.50%	25,483,897.80	1.89%
500,000.00	549,999.99	45	0.41%	23,639,525.64	1.75%
550,000.00	599,999.99	41	0.38%	23,619,793.61	1.75%
>600,000.00		297	2.73%	366,837,261.62	27.22%
Total		10,864	100.00	1,347,837,354.83	100.00%
Average Outstanding Principal:				124,064.56	
Minimum Outstanding Principal:				6,000.00	
Maximum Outstanding Principal:				7,311,394.96	

g) Geographical distribution by province

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

Loan Portfolio at 27 February 2003					
Geographical Classification by Catalan Province					
Province	Loans		Outstanding Principal		
	Number	%	Amount	%	
Barcelona	7,699	70.87%	1,024,671,526.23	76.02%	
Girona	1,098	10.11%	123,468,063.55	9.16%	
Tarragona	1,135	10.45%	115,257,286.02	8.55%	
Lleida	932	8.58%	84,440,479.03	6.26%	
Total Portfolio	10,864	100.00%	1,347,837,354.83	100.00%	

h) Overdue Loan rate

The following table shows the distribution of loans with overdue repayments of principal. At the Transfer Date the Loans shall not be in arrears.

Loan Portfolio at 27 February 2003					
Classification by Overdue Principal Payments					
Originating Bank	Outstanding Principal		Overdue Principal		
	Amount	%	Amount	%	
SABADELL	348,409,916.14	25.85%	628.65	0.0002%	
BBVA	310,307,076.59	23.02%	29,472.66	0.0095%	
BSCH	345,333,162.74	25.62%	162,742.61	0.0471%	
CAIXA	175,652,501.61	13.03%	61,435.48	0.0350%	
BANESTO	79,887,069.55	5.93%	28,796.89	0.0360%	
PASTOR	52,923,676.13	3.93%	109,181.67	0.2063%	
POPULAR	35,323,952.07	2.62%	1,734.41	0.0049%	
Total Portfolio	1,347,837,354.83	100.00%	393,992.37	0.0292%	

i) Distribution by Type of Borrower (industry)

The following table shows the distribution of the Loans according to the industry in which the respective Transferred Debtors do business (according to the Spanish CNAE classification).

Loan Portfolio at 27 February 2003					
Classification by CNAE Type					
CNAE	No.	%	Outstanding Prin.	%	CNAE Definition
70	1,373	12.64%	241,065,925.50	17.89%	REAL ESTATE SECTOR
51	909	8.37%	126,403,903.18	9.38%	WHOLESALE COMMERCE
45	1,019	9.38%	107,360,083.19	7.97%	CONSTRUCTION
52	1,272	11.71%	103,192,944.63	7.66%	RETAIL COMMERCE
74	879	8.09%	103,176,634.50	7.65%	OTHER BUSINESS ACTIVITIES
55	802	7.38%	92,393,205.74	6.85%	HOTEL, RESTAURANT & CATERING
15	287	2.64%	43,482,214.12	3.23%	FOOD INDUSTRY
50	345	3.18%	42,989,711.02	3.19%	SALE-MAINTENANCE OF VEHICLES
60	548	5.04%	41,759,813.15	3.10%	GROUND TRANSPORT
28	272	2.50%	40,540,820.12	3.01%	MANUFACTURE OF METAL PRODUCTS
85	294	2.71%	34,913,471.75	2.59%	HEALTHCARE
24	106	0.98%	28,808,998.19	2.14%	CHEMICAL INDUSTRY
25	112	1.03%	25,378,151.76	1.88%	MANUFACTURE OF RUBBER PRODUCTS
17	224	2.06%	25,329,459.12	1.88%	TEXTILE MANUFACTURING
29	166	1.53%	21,815,580.60	1.62%	CONSTRUCTION MACHINERY IND.
22	170	1.56%	20,408,833.28	1.51%	GRAPHIC ARTS
93	284	2.61%	20,168,994.60	1.50%	PERSONAL SERVICES ACTIVITIES
21	44	0.41%	19,507,669.19	1.45%	PAPER AND PULP INDUSTRY
92	154	1.42%	18,626,294.81	1.38%	RECREATIONAL ACTIVITIES
63	98	0.90%	18,565,450.49	1.38%	AUX. TRANSPORT ACTIVITIES
36	143	1.32%	16,173,556.23	1.20%	FURNITURE MANUFACTURING
26	81	0.75%	15,609,581.07	1.16%	MANUF. OTHER MINERAL PRODUCTS
20	121	1.11%	13,288,710.04	0.99%	CORK WOOD INDUSTRY
31	77	0.71%	12,494,710.19	0.93%	MANUFACTURE ELECTRICAL MATERIALS
12	101	0.93%	11,576,831.29	0.86%	URANIUM MINING
18	90	0.83%	11,295,863.76	0.84%	FUR GOODS MANUFACTURING
14	74	0.68%	10,113,026.57	0.75%	MINING OF NON-METALLIC MINERALS
11	145	1.33%	9,169,834.55	0.68%	PETROLEUM-GAS DRILLING
27	65	0.60%	8,070,543.29	0.60%	METALLURGY
80	65	0.60%	7,677,462.17	0.57%	EDUCATION
99	135	1.24%	7,273,020.11	0.54%	NON-REGIONAL OFFICIAL BODIES
91	29	0.27%	6,211,523.00	0.46%	ASSOCIATIONAL ACTIVITIES
34	32	0.29%	5,816,608.79	0.43%	MOTOR VEHICLE MANUFACTURING
67	45	0.41%	4,213,482.39	0.31%	FINANCIAL INTERMED. AUXILIARY ACT.
72	42	0.39%	3,989,900.40	0.30%	INFORMATION TECHNOLOGY ACTIVITIES
71	39	0.36%	3,623,404.97	0.27%	MACHINERY RENTAL
32	26	0.24%	3,375,599.72	0.25%	MANUFACTURE ELECTRONIC MATERIALS
40	20	0.18%	3,216,714.84	0.24%	ENERGY PRODUCTION AND DISTRIBUTION
33	23	0.21%	2,029,758.33	0.15%	MANUFACTURE OF MEDIAL EQUIPMENT
64	25	0.23%	2,013,886.46	0.15%	POSTAL-TELECOMMUNICATIONS
41	10	0.09%	1,967,835.99	0.15%	WATER DEVELOPMENT AND TREATMENT
75	5	0.05%	1,926,980.59	0.14%	GOVERNMENT ADMINISTRATIONS
65	9	0.08%	1,723,302.62	0.13%	CENTRAL BANK-MONETARY INTERMED.
35	9	0.08%	1,402,217.89	0.10%	MANUF. OTHER TRANSPORT MATERIALS
19	16	0.15%	1,305,636.97	0.10%	LEATHER INDUSTRY
13	20	0.18%	1,170,143.09	0.09%	IRON ORE MINING
62	3	0.03%	1,023,264.22	0.08%	AIR TRANSPORT
37	9	0.08%	732,695.45	0.05%	RECYCLING
90	8	0.07%	698,502.01	0.05%	SANITATION ACTIVITIES
66	7	0.06%	566,616.52	0.04%	INSURANCE
73	7	0.06%	481,627.14	0.04%	RESEARCH-DEVELOPMENT
30	4	0.04%	439,984.67	0.03%	MANUF. OFFICE MACHINES-COMPUTERS
61	4	0.04%	412,964.75	0.03%	MARITIME TRANSPORT
10	4	0.04%	212,220.72	0.02%	ANTHRACITE-COAL MINING
16	3	0.03%	194,226.77	0.01%	TOBACCO INDUSTRY
0	7	0.06%	342,906.05	0.03%	NOT CODIFIED
95	3	0.03%	114,052.27	0.01%	HOUSEHOLD DOMESTIC SERVICE
	10,864	100.00%	1,347,837,354.83	100.00%	

j) Distribution by type of Borrower (SME)

The following table shows the distribution of the Loans according to the SME or non-SME status of the Transferred Debtors (according to the definition given in European Commission Recommendation 96/280/EC of 3 April 1996 of small and medium enterprises).

Loan Portfolio at 27 February 2003 Classification by SME Operations				
Type of Operation	Transactions		Outstanding Principal	
	Number	%	Amount	%
SME	10,147	93.40%	1,219,543,186.30	90.48%
NON-SME	717	6.60%	128,294,168.53	9.52%
Total Portfolio	10,864	100.00%	1,347,837,354.83	100.00%

k) Distribution by type of security

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

Loan Portfolio at 27 February 2003 Classification by Type of Security				
Type of Security	Transactions		Outstanding Principal	
	Number	%	Amount	%
MORTGAGE	7,101	65.36%	908,051,077.26	67.37%
NON-MORTGAGE	3,763	34.64%	439,786,277.57	32.63%
Total Portfolio	10,864	100.00%	1,347,837,354.83	100.00%

IV.2.2 Assets Transfer Contracts

The Management Company will execute a public deed of Issue and Subscription of Mortgage Transfer Certificates and a public deed of Sale Purchase of Non-Mortgage Loans, each with all of the Originating Banks, with the following content:

(i) The issue and subscription of the Mortgage Transfer Certificates, whereunder the Fund will subscribe for an as yet undetermined number of Mortgage Transfer Certificates issued by the Originating Banks as instrument for effecting the transfer of the Mortgage Loans. The Mortgage Loans include both those that comply and those that do not comply with the requirements laid down in Section II of Act 2/1981. The transfer to the Fund shall be carried out by virtue of the instruments envisaged in Act 2/81 and/or Act 44/2002.

The Mortgage Transfer Certificates will be represented in one multiple registered certificate issued by each Originating Bank, containing the minimum indications stipulated in article 64 of Royal Decree 685/1982 of 17 March 1982, as modified by Royal Decree 1289/1991 of 2 August 1991, and, in particular, the registry particulars of the real estate collateral of the Mortgage Loans.

The Mortgage Transfer Certificates will be transferable by means of a written declaration in the same certificate and, in general, by any legally admissible procedure. The transfer of the Mortgage Transfer Certificates and the registered address of the new holder must be notified by the transferee to the certificate issuer.

In the event that a Mortgage Transfer Certificate has to be substituted, as provided in section IV.2.2.2.(iii), or that the Management Company, on behalf and for the account of the Fund, must proceed to enforce a Mortgage Loan for a certain Mortgage Transfer

Certificate, as provided in section IV.2.3, or that, in connection with accelerated liquidation of the Fund in the events and with the conditions set out in section III.9.2, the said Mortgage Transfer Certificates must be sold, then the Originating Banks undertake to split up, where applicable, any multiple certificate into as many individual or global certificates as needed to replace it or to achieve the above purposes.

The Originating Banks, as issuers of the certificates, shall keep a special ledger in which they shall record the Mortgage Transfer Certificates issued and the changes of address notified to them by the holders of the Mortgage Transfer Certificates, also noting (i) the Mortgage Loan contract and maturity date, the amount of the Mortgage Loan and the liquidation procedure; and (ii) the registry particulars of the mortgage securing the Mortgage Loan.

(ii) The sale-purchase of credit rights executed in a public deed, whereunder the Fund shall acquire from the Originating Banks an as yet undetermined number of Non-Mortgage Loans.

The terms and conditions of the sale of the Transferred Assets are as follows:

IV.2.2.1 Subject matter

The subject matter of the Assets Transfer Contracts is the transfer for valuable consideration to the Fund by the Originating Banks of ownership of the rights under the Loans.

IV.2.2.2 Terms and conditions of the transfer of the Assets

The Assets will be transferred, according to the Assets Transfer Contracts, in the following conditions:

(i) The transfer of the Assets to the Fund under the Assets Transfer Contracts will be full and unconditional and cover the whole of the remaining term to maturity of those Assets.

By virtue of the Assets Transfer Contracts, the transfer shall comprise:

- (a) all payments made by the Transferred Debtors in respect of principal (by ordinary repayment, prepayment or accelerated amortisation) and ordinary interest on the Loans; as well as
- (b) all of the accessory rights (except for default interest, fees for claims of unpaid bills, subrogation charges, fees for accelerated amortisation/cancellation, and any other fee or expense) and guarantee rights (including the rights of administration and legal defence) and causes of actions against third parties on the basis of the Assets.

The expenses incurred in respect of any registrations in the relevant registers shall be considered a Fund expense.

The effective date of transfer of the Loans to the Fund, on which the Fund shall be subrogated to the creditor position of the Originating Banks in those Loans (the “**Transfer Date**”), shall necessarily be the same as the Fund Formation Date.

The Originating Banks, according to article 348 of the Spanish Code of Commerce (Código de Comercio) shall be liable to the Fund for the existence and legitimacy of the Assets, for the representations made in section IV.2.1.3.1.a and for the conditions and qualities of the Assets indicated in section IV.2.1.3.2 of the Prospectus, as well as in the Assets Transfer Contracts and in the Fund Formation Deed, but shall bear no liability for the solvency of the Transferred Debtors and therefore assume no liability for default by the Transferred Debtors, whether on the principal, on interest or any other sums owed under the Loans.

- (ii) In the event of default on a Loan, the Originating Bank managing its collection in accordance with section IV.3.1 below shall apply the measures it would have applied had it not transferred the Loan, ultimately including pursuit of the available remedies for the account of the Management Company so that the Transferred Debtors perform their payment obligations under the Loans, and shall to that effect enforce insofar as necessary all Guarantees established for payment of the amount owed.

In the event that (a) the Management Company takes legal actions in its own, (b) the Originating Bank concerned (i) fails to perform its obligations as Administrator, (ii) is in a situation of suspension of payments or bankruptcy or the object of administrative takeover or (iii) sees its capital adequacy ratio drop below the minimum level required by the banking regulations prevailing from time to time, then the Originating Bank concerned shall submit to the Management Company all such documents as necessary for pursuit of the relevant actions to collect on the Loans. Toward this end, the Originating Banks expressly undertake to provide the relevant certificate evidencing the amount owed by the Transferred Debtor, and the Management Company, as representative of the Fund, shall notify, if the Originating Bank concerned has not already done so, the Transferred Debtors as to the transfer of their respective Loans to the Fund and that payments made under the Loans will only have discharging effect if made to the if made to the account designated by the Management Company.

- (iii) If any of the securitised Loans or MTC does not fulfil at the Transfer Date the characteristics set out in section IV.2.1.3.1 above or are affected by hidden defects, the Management Company shall so notify the Originating Banks in order for them, where possible, to remedy such circumstance, including by replacing the Loan or MTC by another of the same characteristics (with the Originating Banks obliged to declare that the new Loan or MTC complies with the representations made in section IV.2.1.3.1.a), within five (5) Business Days after such notification.

The substitution shall be carried out by means of simultaneous termination of the Loan transfer or cancellation of the MTC involved and transfer to the Fund of the substitute Loan or issue and subscription by the Fund of the substitute MTC. The new Loan, where such is the case, will be selected by agreement between the Management Company, in the name and on behalf of the Fund, and the Originating Bank concerned from amongst the portfolio of loans presented to the Originating Bank for such purpose and upon prior verification of the characteristics of the new Loan by an auditor.

If the existence of a hidden defect is not remedied within the time limit given above or is not capable of remedy, and it is not possible to replace the Loan or, as applicable, the Mortgage Transfer Certificate, the Management Company, for the account of the Fund, shall terminate the transfer of the Loan involved, or accelerate the redemption of the non-substituted MTC involved, as the case may have it, and the Originating Bank concerned shall return the Face Value attributed thereto as at that time. “**Face Value**” shall be understood to mean the outstanding principal and/or the principal past due and not paid plus the interest accrued during the period under way.

- (iv) The Originating Banks shall assume no repurchase obligation in respect of the Assets.

IV.2.2.3 Price and Payment

The purchase price of the Assets shall be their nominal or face value. Consequently, the price payable by the Fund to the Originating Banks on the Disbursement Date shall be equal to the Outstanding Balance of the Transferred Assets on the Fund Formation Date.

After receiving written confirmation of payment of the price, the Originating Banks shall acknowledge receipt of the funds by issuing a receipt of payment to the Fund with full discharging effect.

The calculation of the Assets transfer price has not taken into account the amounts to which the Originating Banks are entitled in respect of ordinary interest accrued on the transferred Loans between the last interest assessment date for each Loan and the Disbursement Date (the “**Interest Accrued**”), which will be paid at the time it is received. The amounts owed to the Originating Banks in respect of such interest may, at the discretion of the Management Company, either be paid or taken from the balances previously paid by the by the Originating Banks by means of direct debit in the Collections Account.

All collections and payments arising under the Assets Transfer Contracts between the Originating Banks and the Management Company, for the account of the Fund, shall be made:

- (i) if owed to the Originating Banks, in the account they specify from time to time (except for the Interest Accrued through the Disbursement Date which, where applicable, may be directly debited by the Originating Banks to the Collections Account on the terms indicated above); and
- (ii) if owed by the Originating Banks, in the Collections Account held in the name of each Originating Bank at Management Company.

If the Fund and the Transfer of the Assets and other contracts are terminated because of non-confirmation by a Rating Agency of the provisional ratings assigned to the Bonds prior to the start of the Subscription Period, the obligation to pay Assets acquisition Price to the Originating Banks shall be extinguished.

IV.2.2.4 Repurchase Right

a) Grant of the repurchase right

The Fund shall grant to the Originating Banks a right to repurchase (the “**Repurchase Right**”) all of the Assets transferred to the Fund. The said right may be exercised provided that each and every one of the following conditions are met:

- (i) if at any time the Outstanding Balance of the Assets falls below ten percent (10%) of the Amount of the Assets at the Transfer Date;
- (ii) if exercise of the Repurchase Right is unanimously agreed by the Originating Banks and the latter have previously obtained all administrative authorisations and permits that may be needed for such purpose.

Exercise of the Repurchase Right shall in all events take place on a Payment Date and affect all of the Assets. Consequently, no partial exercise of the Repurchase Right will be possible.

In any event, each Originating Bank will only exercise the Repurchase Right over the Assets it has transferred to the Fund.

b) Repurchase Right exercise price

The price payable by the Originating Banks to the Fund as a result of exercise of the Repurchase Right (the “**Repurchase Price**”) will be equal to the sum of the Repurchase Price of each Loan. The repurchase price for each Loan will be:

- i) for Loans with no Overdue Amounts or Default Amounts: their Outstanding Principal as at the Payment Date on which the Repurchase Right is exercised, together with the ordinary interest accrued and not yet due as at that Payment Date; and
- ii) for Loans with Overdue Amounts and/or Default Amounts: the price indicated by a third party designated by mutual agreement between the Originating Banks and the Management Company and approved by the Rating Agencies, having regard to the expectation of recovering those amount.

In any event, the price paid by the Originating Banks to the Fund on exercising the Repurchase Right must be sufficient so that the Fund can fully discharge all of its payment obligations at that time to the Bondholders in accordance with the Priority Order of Payments.

c) Exercise of the Repurchase Right

After the Repurchase Right has been exercised, the exercising Originating Banks shall be subrogated to the position of the owner of the repurchased Assets and shall be entitled to receive all amounts accruing in respect thereof as from that time.

The Originating Banks must give notice to the Management Company of their intention to exercise the Repurchase Right at least thirty (30) days in advance of the Payment Date on which they propose to exercise that right.

The Management Company, by virtue of the Assets Transfer Contracts, undertakes to grant the repurchase documents in respect of the Assets in question in the name and on behalf of the Fund, and the expenses of granting those documents shall be for the account of the Originating Banks in the proportion corresponding to each.

Exercise of the Repurchase Right by all of the Originating Banks shall give rise to the winding-up of the Fund according to the terms of section III.9 of the Prospectus.

IV.2.3 Remedies in the event of default on the Assets

IV.2.3.1 Remedies that rest with the Fund

The Fund, through the Management Company, as owner of the Assets, shall be entitled to the pursuit of all legal actions that rest with the owner of the Assets under the applicable laws and, in particular, those indicated below:

a) Enforcement proceedings against the Transferred Debtors

The Administrators shall apply the same diligence and proceedings to claim the amounts owed and not paid under the Loans as for the rest of their loan portfolio, and, specifically, shall pursue the relevant enforcement proceedings if, at the expiry of the customary internal time limits for measures aimed at obtaining payment satisfactory to the interests of the Fund, such measures have not achieved the desired result, and, in all events, will initiate enforcement proceedings if the Management Company, as Fund representative, and upon prior analysis of the specific circumstances of the case, deems appropriate with the approval of the Administrators.

In addition, the Administrators undertake to give the Management Company, as Fund representative, a monthly report on the defaults, prepayments and modifications of interest rates; and to timely report the demands for payment, certified notices to the debtor, court actions and any other circumstance affecting the Loans. The Administrators shall likewise provide to the Management Company all documents reasonably requested by the latter in relation to those Loans and, especially, the documents needed for the Management Company to initiate court actions.

1. In the event of non-payment by a mortgage debtor, the Fund, through its Management Company, shall have the following powers under article 66 of Royal Decree 685/1982 of 17 March 1982, as modified by Royal Decree 1289/91 of 2 August 1991:

- (i) To compel the Administrators to initiate foreclosure of the mortgage.
- (ii) To participate with the same rights as the Administrators in the enforcement proceedings pursued by the latter against the Transferred Debtors, with the right to appear toward such end in any enforcement proceedings initiated by the Administrators and to receive a share of the auction proceeds pro rata to its percentage in the enforced credit right.
- (iii) If the Administrators do not initiate the proceedings within sixty (60) calendar days after the notary notice demanding payment of the debt, in the case of the Mortgage Loans, the Management Company, as Fund representative, will have secondary standing to pursue mortgage loan foreclosure actions in the amount corresponding to its percentage participation, in respect both of principal and of interest.
- (iv) If the proceedings pursued by the Administrators are halted, the Fund, duly represented by the Management Company, may be subrogated to the position of the Administrators and continue the enforcement proceedings without having to wait until expiry of the time limit indicated above.

In the events provided for in paragraphs (iii) and (iv) above, the Management Company, as Fund representative, may petition the competent court to initiate or continue the mortgage foreclosure proceedings, submitting with its petition the original version of the Mortgage Transfer Certificate duly itemised, the notary demand provided for in paragraph (iii) above and a Registry Certification of the mortgage's registration and continued existence, in the case of Mortgage Transfer Certificates, and the document evidencing the balance claimed.

If legally required, for the purposes provided in articles 581.2 and 686.2 of the Spanish Civil Procedure Act 1/2000 of 7 January 2000 (*Ley de Enjuiciamiento Civil*), the Administrators will grant in the Fund Formation Deed itself an irrevocable power of attorney, as ample and sufficient as legally required, so that the Management Company, acting for and on behalf of the Administrators, can serve a notary demand for payment of debt on the mortgage debtor under any of the Mortgage Loans.

The Fund, in its capacity as holder of the Mortgage Transfer Certificates, may likewise, through the Management Company, participate with equal rights with the Administrators in the enforcement proceeding and, in this regard, may, on the terms provided in articles 691 *et seq.* of the Civil Procedure Act, apply for award of the mortgage collateral as payment of its credit rights. The Management Company shall proceed to sell the properties thus awarded as soon as possible in market conditions.

In any of the events described in this section 1 involving enforcement, any amounts recovered under such proceedings shall revert to the Fund to cover the debts past due and unpaid. Any surplus proceeds shall be returned to the Originating Banks.

2. In the event of default on their payment obligation by the debtors under the Non-Mortgage Loans and, in accordance with the provisions of articles 517 and 520 of the Spanish Civil Procedure Act 1/2000 of 7 January 2000, the Fund, acting through the Management Company, shall be entitled to pursue enforcement proceedings against the Transferred Debtors.

Such costs and advances of funds as may required in respect of the enforcement proceedings described above shall be for the account of the Fund.

b) Enforcement proceedings against the Administrators

The Management Company, as Fund representative, shall be entitled to bring enforcement proceedings against the Administrators to collect when due the payment of principal and ordinary interest of the Mortgage Loans, provided the default on these obligations is not the result of lack of payment by the debtor under a Loan in which the Fund participates.

The Management Company, as Fund representative, shall likewise be entitled to bring declaratory proceedings against the Administrators for non-performance of their obligations under the Prospectus and under the Agreements governing the operation.

At the termination of the Loans, the Fund, through its Management Company, shall retain the right to bring such proceedings against the Administrators until their obligations have been discharged in full.

c) Liability assumed by the Originating Banks

In accordance with the provisions of Royal Decree 926/1998 and of Act 19/1992, the risk of default on the Loans shall be borne by the Bondholders. Consequently, the Originating Banks shall bear no liability whatsoever for non-payment by the Transferred Debtors, whether in respect of the principal or interest they may owe under the Mortgage Loans and/or the Non-Mortgage Loans.

The Fund, as holder of the Mortgage Transfer Certificates, shall be entitled to pursue enforcement proceedings against the Originating Banks, provided non-performance of their obligations is not the result of debtor payment default on the Loan in which the Fund participates. The Fund, as holder of the Non-Mortgage Loans, shall be entitled to bring declaratory proceedings against the Originating Banks for non-performance of their obligations under this Prospectus and under the Agreements governing the transaction. At the termination of the Loans, the Fund, through the Management Company, shall retain the right to bring such proceedings against the Originating Banks until their obligations have been discharged in full.

Neither the Fund, nor the Bondholders, nor the other creditors shall be entitled to any remedies against the Originating Banks; the right to pursue such actions shall rest with the Management Company as representative of the Fund holding the Assets.

IV.3 Rules on administration, custody and management of the Assets and their replacement

Each Originating Bank shall administrate, hold in custody and manage the Assets transferred by it to the Fund, in accordance with the final indent to article 2.2.b) of Royal Decree 926/1998.

The Management Company shall carry on the financial administration of the Fund, without prejudice to the functions performed by the Originating Banks, in their capacity as Administrators under the Assets Transfer Contracts and the Administration Agreement.

IV.3.1 Administration Agreement

Under an agreement for administration of the Assets (the “**Administration Agreement**”), each Originating Bank (hereinafter referred to insofar as related to that agreement as the “**Administrators**”) shall accept the mandate received from the Management Company, for the account of the Fund, to carry on the custody, administration and management of collections (the “**Administration Functions**”) of the Assets it has transferred to the Fund. The mandate given to the Originating Banks to manage collection of those Assets shall be revocable.

As mere administrators of the Assets, the Administrators may only renegotiate with the Transferred Debtors the terms and conditions of the Assets with the prior written consent of the Management Company, except as provided in section IV.3.1.2.5 and on the terms described in el Administration Agreement.

IV.3.1.1 Diligence, liability and guarantees of the Administrators

Each Administrator shall administrate, hold custody and manage the Assets with the same diligence as if they were its own assets.

The Administrators undertake to act in the custody, administration and management of the Assets with all due diligence and shall be liable to the Management Company and to the Fund for any harm occasioned thereto as a result of grave negligence of the Administrators.

The Administrators shall indemnify the Fund, through the Management Company, for any damage, loss or expenses it may incur as a result of non-performance of the Administration Functions or due to their wilful misconduct or grave negligence in the discharge of those functions or to non-performance of any other obligations under the Administration Agreement. The Administrators do not assume any responsibility for guaranteeing directly or indirectly the successful outcome of the operation.

IV.3.1.2 Administration

1. Determining the interest rate applicable to the Assets

Each Administrator shall calculated, according to its customary procedures, the interest rate of the Assets it has transferred according to the terms of the related Loan agreements and shall notify the Transferred Debtors within the time limits specified in those agreements as to the nominal interest rate prevailing for the ensuing period.

Each Administrator shall likewise give the Transferred Debtors who so request and to the Management Company the information on the resulting interest rate.

2. Cancellation of the Guarantees and Receipts of Payment

In relation to the Assets it has transferred to the Fund, each Administrator shall cancel, according to its customary procedures, the mortgage guarantees established to secure those Assets which have been repaid in full.

The Administrators shall be authorised on the same terms to issue the relevant receipts of payment for any amounts received by the Transferred Debtors as payment of their debts under the Loans.

3. Disclosure duties

The Administrators must report to the Management Company the information requested by the latter in relation to (a) the individual characteristics of each one of the Assets, (b) the performance by the Transferred Debtors of their obligations in respect of the Assets, and (c) overdue payments on the Assets and to the modifications made in their characteristics, as well as in relation to the steps taken in the event of default and auctions of collateral, and conserve in their records the related notifications. The Administrators shall likewise inform the Management Company of any hidden defects affecting the Assets as soon as they learn of such defects.

The Administrators shall prepare and deliver to the Management Company reasonable additional information requested by the latter in relation to the Assets or to the rights arising under the Assets.

4. Actions in the event of non-payment of the Assets by the Transferred Debtors

The Administrators undertake:

- (i) In relation to the Mortgage Transfer Certificates, to carry out all necessary acts for the enforceability and proper conclusion of the Loans.
- (ii) In relation to the Non-Mortgage Loans, to act with the same diligence as with loans in their own portfolio, whether in or out of court, all such actions as are customary for maintaining or enforcing such real or personal guarantees as may have been established as security for the Assets.

Toward such end, the Management Company, acting as Fund representative, grants in the Fund Formation Deed and in the Administration Agreement a power of attorney as ample and sufficient as legally necessary to the Administrators so that, each one of them, acting through their representatives duly authorised for such purpose, can request in the name and on behalf of the Fund that any Transferred Debtor who has failed to perform its payment obligations under the Assets make those payments, and to pursue against those Transferred Debtors the relevant court actions.

5. Renegotiations of the Assets

In accordance with the Administration Agreement, any renegotiation entered into by an Administrator of the terms and conditions regulated in the Loans shall only be effective if the prior written consent of the Management Company has been obtained. Nevertheless, the Management Company gives a general authorisation to the Administrators to carry on renegotiations of the interest rate of the Assets by reason of the existence of the Swap Contracts that assure a fixed margin for the Fund.

Notwithstanding the provisions of the preceding paragraph, an Administrator shall no longer be authorised to conduct future renegotiations of the interest rates for the Loans it administers if on a given Determination Date the weighted average interest rate of the Assets is less than the three (3) month Euribor plus 1% per annum.

In the event of any renegotiation of the Assets under the provisions of this section, the Administrator involved shall give immediate notice to the Management Company of the conditions agreed in each renegotiation.

Renegotiations that allow postponing maturity of the Assets beyond 25 July 2023 shall not be permitted.

6. Subrogation

The Administrators shall be authorised to permit subrogation to the position of the Transferred Debtor in the loan agreements comprised by the Assets, provided that (i) the characteristics of the new Transferred Debtor comply with the loan concession policy of the Administrators, (ii) the new Transferred Debtor complies with the terms of the Resolution regarding the Transferred Debtors and (iii) the expenses arising in respect of the subrogation are wholly for the account of the new Transferred Debtors. Any subrogation effected under this paragraph shall be immediately notified to the Management Company by the Administrators.

In the event that the new Transferred Debtor requests, when the subrogation takes place, renegotiation of the terms and conditions of the Loan in question, the general rules set out above shall apply.

IV.3.1.3 Management of Collections

Each administrator, as Administrator of collections of the Loans it has transferred to the Fund, shall receive, for the account of the Fund, all amounts paid by the Transferred Debtors under the Loans, whether voluntarily or involuntarily, whether in respect of principal (whether by ordinary repayment, prepayment or accelerated amortisation), ordinary interest and irrespective of the reason it receives such amounts, as Fund representative, owed under the Loans and shall deposit the same, with an itemisation of the reasons for which they were received and with the same valuation as applied to the assets that generated the receipt, in the relevant Collections Account. The deposit shall be made according to the terms of the Management Agreement.

The Management Company shall be responsible for ordering the quarterly transfer of the balances of the Collections Accounts to the Treasury Account, two business days before the Determination Date .

The amounts receivable from the Transferred Debtors in respect of principal, ordinary interest, prepayments under the Loans, shall in no event be paid in advance by the Administrators responsible for receiving them, and only be deposited with the Fund, in the Collections Account, according to the terms of the Management Agreement.

IV.3.1.4 Custody of documents

Each Administrator shall act as custodian of the documents (both physical and electronic documents) relating to the Loans comprised by the Assets and of all other relevant documents, waiving the rights conferred upon it by law in this regard and, in particular, to those provided in articles 1730 and 1780 of the Spanish Civil Code (retention of deposited items as pledge), article 276 of the Spanish Code of Commerce (guarantee similar retention of deposited item as pledge) and Act 19/2002 of 5 July 2002 on Real Security Interests (which regulates the right of retention in Catalonia).

As Fund representative, the Management Company may examine, and the Administrator shall be obliged to provide, the original of the deeds or official forms in which the Loan were executed that are on deposit with each Administrator, whenever the Management Company deems necessary, and it may request to be given a copy of any of those documents, free of expenses for the Administrator (with a charge to the Fund) within no more than five (5) Business Days. The Administrators shall proceed in the same manner in the event of requests for information by the auditors of the Fund.

IV.3.1.5 Compensation

As consideration for the Management Functions, the Administrators shall be entitled to receive on each Payment Date an Administration Fee equal to 0.01% per annum, including VAT, of the Outstanding Balance of the Assets corresponding to each Administrator on the last day of the month prior to the current Payment Date, provided this is appropriate according to the Adjusted Individual Account of that Administrator subject to the terms of the Internal Management Agreement.

The Administration fee shall be paid quarterly in arrears on each Payment Date.

In the event that the Fund does not have sufficient liquidity to pay the Administration Fee, the amounts earned and not paid shall be carried forward with the Administration Fee payable on the next Payment Date.

The Administration Fee ranks twenty (20) in the priority order of payments described in section V.6.1.2 of the Prospectus.

Each Administrator shall likewise be entitled, on each Payment Date, to be reimbursed for all exceptional expenses incurred in relation to the management, administration, claim and enforcement of the Loans, upon prior justification of such expenses. In addition, the Administrators may, with a view to initiating and pursuing court actions against a Transferred Debtor in the event of non-payment by the latter of any sum owed under an Asset, request a reasonable advance of funds, which shall be disbursed by the Management Company on behalf and for the account of the Fund. In the event that upon the conclusion of the court proceedings which gave rise to the request for an advance surplus funds remain from that advance, the surplus shall be immediately paid to the Fund by means of deposit in the relevant Collections Account.

IV.3.1.6 Duration

Each Administrator, in relation to the Assets it has transferred to the Fund, shall perform the Administration Functions until (i) all of the Assets it has transferred to the Fund have been amortised, (ii) all obligations assumed by the Administrator in relation to those Assets have been discharged or (iii) the conclusion of the Fund's liquidation and/or winding-up.

In addition, the Administration Agreement may be terminated by the Management Company in the following events: (i) where an Administrator is declared in suspension of payments or bankruptcy or is the object of administrative takeover or its capital adequacy ratio is equal to or less than the minimum level required by the banking regulations in force from time to time and (ii) where an Administrator defaults on any of the obligations assumed by virtue of the Administration Agreement.

In the event of revocation of the mandate of an Administrator, the Management Company will have to find a new collections Administrator to replace the outgoing one within a maximum of thirty (30) Business Days. If the Management Company fails to find a new Administrator within that time limit, it must assume the Administration Functions in respect of the Assets of that Administrator. Until the time limit for finding the substitute expires, the outgoing Administrator will continue performing the Administration Functions, unless it cannot do so legally, in which event the Management Company will assume those functions directly until a suitable substitute is found.

Similarly, in the event of an Administrator: i) being declared in suspension of payments or bankruptcy or the object of an administrative takeover; ii) generally and or gravely defaulting on its obligations under the Administration Agreement, the said Administrator shall be replaced by another with a credit rating considered sufficient by the Rating Agencies.

IV.3.2 Substitution of Assets

No substitution shall be made of any of the Assets in the event of accelerated amortisation thereof, or for any other reason, except where there are securitised Loans that at the Transfer Date do not fulfil the characteristics set forth in section IV.2.1.3.1 or the Assets are affected by hidden defects (as described in section IV.2.2.2).

CHAPTER V

INFORMATION ON THE ECONOMIC-FINANCIAL OPERATIONS OF THE FUND

V.1 Economic and financial structure of the Fund

V.1.1 Composition of the Fund assets and liabilities

At the close of the Disbursement Date, the Fund shall have the following balance sheet:

Balance Sheet (in euro 000's)			
Assets		Liabilities	
Fixed Assets	951,557	Bond Issue	950,000
Assets	950,000	Bonds	950,000
Formation and Issuance expenses	1,875	Other Long-Term Debts	3,932
Current Assets	2,375	Subordinated Loan	1,875
Treasury (including Reserve Fund)	2,375	Borrowed Sub. Credit Facility	2,375
Total Assets	954,250	Total Liabilities	954,250
Memorandum Accounts	983,375		
Available Sub. Credit Facilities	21,375		
Available Guarantee Liquidity Line	12,000		
Interest Rate Swaps	950,000		

Throughout the life of the Fund, its Assets will be composed of the following:

- (i) the Outstanding Balance of the Assets (described in Chapter IV of the Prospectus);
- (ii) the balance from time to time of the Collections Accounts and the Treasury Account (including the Reserve Fund and, where applicable, the amounts received against the Guarantee of the Generalitat and/or the amounts borrowed under the Generalitat Guarantee Liquidity Line) that are described in section V.1.2 below;
- (iii) the unamortised amount of the Fund formation and issuance expenses; and
- (iv) such properties as may be awarded to the Fund as a result of enforcement of the guarantees granted to secure any of the Assets.

The Fund liabilities shall be composed over the life of the Fund of the following:

- (i) the Outstanding Balance of Bond Principal (described in Chapter II of the Prospectus)

- (ii) the outstanding balance of the Subordinated Loan for Formation Expenses and to finance the initial gap between the face value of the Bond Issue and the aggregate nominal value of the Assets at the time of the subscription of the Bonds (described in section V.2.1 below);
- (iii) the Amount borrowed under the Subordinated Credit Facility (described in section V.2.2 below).

In the event the Guarantee of the Generalitat is enforced under section V.1.4.3, the Fund's liabilities shall also include the amount enforced under the Guarantee of the Generalitat, as well as the amounts drawn on the Generalitat Guarantee Liquidity Line.

The net assets of the Fund shall be equal to zero at all times.

The amount of the Fund's assets and liabilities shall gradually diminish over the life of the Fund as a result of the payment of the Assets and the consequent progressive amortisation by the Management Company, for the account of the Fund, of the Bonds, of the Generalitat Guarantee Liquidity Line and of the Subordinated Loans, according to the priority order of payments established in section V.6.1.2 of the Prospectus.

The Assets will be acquired by the Fund for the purchase Price mentioned in section IV.2.2.3. At the Disbursement Date the Management Company, for the account of the Fund, shall pay each Originating Bank the Price of the Assets thereby transferred to the Fund with a charge to the funds available in the Treasury Account.

V.1.2 Fund Accounts

Given in the following sections is a schematic description of the purpose and use of the bank accounts opened by the Management Company in the name of the Fund.

V.1.2.1 Collections Accounts

The Management Company will open, in the name and for the account of the Fund, a Collections Account in each of the Originating Banks in their capacity as Administrators. The main purpose of these funds, which will be regulated by the terms of the Administration Agreement, will be to receive the amounts paid by the Transferred Debtors, voluntarily or involuntarily, for any amounts owed (for principal, interest or any other item) in respect of the Assets (hereinafter, the "**Collections**"). These collections must be deposited in the Collections Account immediately upon receipt by the Originating Banks or monthly, as determined by the Internal Management Agreement. The Originating Banks that transfer revenues from the Loans to the Collections Account monthly must make such transfers immediately if their credit rating is downgraded below P-1 (Moody's) or F-1 (Fitch).

The Collections Accounts will be subject to the relevant current account contracts and bear interest at the reference interest rate for the Bonds (the three (3) month Euribor determined as described in section II.10 of the Prospectus) for the interest assessment period in question minus twenty-five (25) basis points. This interest will be calculated on the basis of the average daily balance (until the last day of each month, inclusive) and be paid monthly.

If the short-term debt rating of any of the Originating Banks is downgraded below P-1 (Moody's) or F1 (Fitch), the Management Company shall make weekly transfers to the Fund Treasury Account of the amounts held in the Collections Account of the Originating Bank whose rating has been downgraded. For so long as the short-term debt rating of an Originating Bank remains below P-1 (Moody's) or F-1 (Fitch), the transfer to the Fund's Treasury Account of the amounts in the Collections Account of the Originating Bank in question shall be done monthly.

V.1.2.2 Treasury Account

The Management Company will open, in the name and for the account of the Fund, a treasury account (the "**Treasury Account**") with the Paying Agent for the purpose of centralising Fund collections and payments.

The Treasury Account will be regulated according to the terms of the Guaranteed Interest Deposit Contract described in section V.2.3 below, and shall bear the same interest as the Collections Accounts.

According to the terms of the Guaranteed Interest Deposit Contract, the following shall be paid into the Treasury Account:

- (i) all amounts paid to the Fund as Collections of any kind, which will be transferred from the relevant Collections Accounts;
- (ii) any other amounts paid to the Fund by virtue of the Assets;
- (iii) all amounts paid to the Fund under the guarantees;
- (iv) where applicable, the amounts payable to the Fund under the Interest Rate Swap Contracts;
- (v) the amounts held from time to time in the Reserve Fund described in V.1.3 below;
- (vi) the income earned on the balance of the Treasury Account and on the other amounts deposited in accounts opened by the Fund in each Originating Bank.
- (vii) The amounts borrowed under the Liquidity Line described in section V.2.4.1.
- (viii) The amount of the formation and issuance expenses.
- (ix) The amount to cover the initial gap between the face value of the Bond Issue and the aggregate nominal value of the Assets at the time of the Bond subscription.

According to the Guaranteed Interest Deposit Contract, the Paying Agent guarantees that the balance held from time to time in the Treasury Account will bear a minimum interest equal to the three (3) month Euribor reference interest rate minus 25 basis points (0.25%). The reference interest rate for the Bonds is established at the interest rate reset date prior to the quarter in question. The quarterly variations in the Treasury Account interest rate shall take place with effect as from the first day of the calendar month following immediately after the month in which a Payment Date takes place.

If the short-term debt rating of the Paying Agent is downgraded below P-1 (Moody's) or F1 (Fitch), the Management Company shall transfer within thirty (30) Business Days the amounts deposited in the Treasury Account to another account opened in another credit institution whose short-term debt has that rating (P-1 (Moody's) and F1 (Fitch)), unless the Paying Agent obtains a first demand joint and several guarantee securing performance of its obligations from a credit institution with the said rating. In the case of transfer of the amounts deposited to another Treasury Account, the Management Company shall attempt to contract the highest possible yield on the new account.

V.1.3. Reserve Fund

As a security mechanism in the event of possible losses and short-term revenue shortfalls and for the purpose of allowing the payments payable by the Fund according to the priority order of payments described in section V.6.1.2 of this Prospectus, a Reserve Fund shall be established.

The Reserve Fund shall be initially set up on the Disbursement Date, with a charge to the Subordinated Credit Facility Initially Drawn, in an amount equal to 0.25% of the Initial Balance of Bond Principal.

At each Payment Date an allocation shall be made, where applicable, to the Reserve Fund until it reaches the Reserve Fund Minimum Amount, with the funds available for such purpose at each Payment Date in accordance with the priority order of payments described in section V.6.1.2. of this Prospectus.

The Reserve Fund Minimum Amount shall be equal to 0.25% of the initial balance of the amount of the issued bonds plus the amount allocated as a result of downgrade below the minimum credit rating.

The amounts held in the Reserve Fund will be deposited in the Fund Treasury Account.

Where the credit rating given by one of the Rating Agencies to an Originating Bank for its short-term unsecured and unsubordinated debt is downgraded below P-1 or F-1 (according to the Moody's or Fitch rating scale, respectively), the Management Company, within a maximum of thirty (30) Business Days after the downgrade, shall draw an advance equal to the Amount Available under the Subordinated Credit Facility that corresponds to the downgraded Originating Bank, and use the advance to increase the Reserve Fund, which shall be deposited in the Treasury Account.

V.1.4 Operating procedure

The operating procedure to be followed by the Management Company in relation to the main payment flows generated by the Fund's financial structure shall be as summarised in the following sections.

V.1.4.1 Collections and payments on the Disbursement Date

At the Disbursement Date there shall be deposited in the Treasury Account the amount of the Subordinated Loan for Formation Expenses and to cover the initial gap between the face value of the Bonds and the aggregate nominal value of the Assets at the time of the Bond subscription, as well as the amount borrowed under the Subordinated Credit Facility.

At the Disbursement Date there shall be deposited in the Treasury Account all funds obtained from the issue of the Bonds.

On the same Disbursement Date, with a charge to the funds deposited in the Treasury Account (including the aforementioned amount obtained from the issue of the Bonds), the Management Company will pay to the Originating Banks the Price of the Assets and pay the Underwriting and Distribution Fee.

V.1.4.2 Collections and payments after the Disbursement Date

According to the terms of the Administration Agreement, each quarter two (2) business days before the Determination Date the Management Company will order a transfer from the Collections Account to the Treasury Account of all Collections arising from the Loans administered by each Originating Bank.

On each Payment Date, the Management Company shall apply the funds available in the Treasury Account to payment of the Fund's obligations in the priority order of payments stipulated in section V.6.1.2 of the Prospectus.

V.1.4.3 Default by the Transferred Debtors

V.1.4.3.1 Overdue Amounts

Any amounts owed under the Assets by a Transferred Debtor and not paid when due shall be considered overdue (the "**Overdue Amounts**").

V.1.4.3.2 Default Amounts

Overdue Amounts shall be considered in default (the "**Default Amounts**") where:

- (i) the Transferred Debtor concerned has been declared bankrupt or, as the case may have it, insolvent, or
- (ii) the Management Company believes, on the basis of the information given to it by the Administrator concerned that there are no reasonable expectations of recovering those amounts; or, in any event, where
- (iii) the amounts remain unpaid during eighteen (18) months.

Where a Loan has Default Amounts ("**Non-Performing Asset**"), such Loan shall be considered to have fallen due in full for its Outstanding Balance plus the interest thereon and shall be removed from the Fund Assets. The amount of the Non-Performing Asset shall form part of the Quantity Accrued for Amortisation of the Bonds.

V.1.4.3.3 Enforcement of the Guarantee of the Generalitat

The Guarantee of the Generalitat will be enforced if, on a Payment Date, the Available Funds (within the meaning of section V.6.1.2.1 of the Prospectus) are not sufficient to cover payment of the interest and/or principal obligations under Bonds of the secured Classes AG and BG.

Enforcement of the Guarantee of the Generalitat shall be carried out by means of a written notice sent by the Management Company to the Department of Economy and Finance evidencing the occurrence of the situation described in the preceding paragraph and specifying the amounts claimed, where such is the case, in respect of interest and/or principal. The notice of enforcement must be accompanied by the relevant certificate of the balances available at that date in the Treasury Account and in the Collections Accounts.

The Department of Economy and Finance will release the amounts requested under each enforcement of the Guarantee of the Generalitat by means of payment of those amounts into the Treasury Account within no more than three (3) months after the date on which the corresponding quantity should have been paid to the Bondholders of the secured Bond Classes.

In order to be able to pay Bondholders of the secured Classes the amounts owed in respect of interest on the relevant Payment Date, the Management Company has contracted the Generalitat Guarantee Liquidity Line with the "la Caixa". The characteristics of this facility are described in section V.2.4.1 of the Prospectus.

Once the amount requested from the Generalitat de Catalunya has been obtained through enforcement of the Guarantee the Management Company shall repay to "la Caixa" the amounts drawn under the Generalitat Guarantee Liquidity Line without waiting until the next Payment Date.

Repayment of the amounts drawn with a charge to the Guarantee of the Generalitat shall be made on each of the ensuing Payment Dates, and shall be made out of the Available Funds and the Funds Available for Amortisation, subject to the same payment priority ranking as occupied by the payment of interest accrued and amortisation of principal of the secured Bond Classes, according to the priority order of payments contained in section V.6.1.2 of the Prospectus.

V.2 Financing of the Fund

The Fund will be financed by means of (a) the Bond issue, on the terms described in Chapter II of the Prospectus, (b) the Subordinated Loan for Formation Expenses, (c) the Subordinated Credit Facility, (d) where applicable, the Generalitat Guarantee Liquidity Line, on the terms described below in relation to these four financing sources, and (e) the Guarantee of the Generalitat.

The composition of the Fund's liabilities will not vary over the life of the Fund. As required by article 1.1 of Royal Decree 926/1998, the financing with a charge to the Bonds will be more than 50% of the Fund's liabilities. Notwithstanding the above, it may occur that during the life of the Fund the rate at which the Bonds are amortised is faster than the amortisation of the Subordinated Loan and Subordinated Credit Facility referred to in sections V.2.1 and V.2.2, although, in any event, financing with a charge to the Bonds will at the time of their issue be greater than the aforesaid 50% threshold.

The sections that follow give a succinct description of financing operations other than the Bond issue which the Management Company will contract for the account of the Fund to solidify its financial structure and achieve the greatest possible coverage for the risks inherent in the issue.

In order to achieve fulfilment of the Fund's operating procedures on the terms set out in the Fund Formation Deed, in this Prospectus and in the laws applicable from time to time, the Management Company, acting for the account and on behalf of the Fund, may extend or modify the contracts it has entered into in the name of the Fund, replace each of the providers of services to the Fund under those contracts and, if necessary, even enter into additional contracts; all subject to the laws in force from time to time, to the prior authorisation, if required, of the CNMV or competent administrative body, and to notification thereof to the Rating Agencies, provided that such acts do not harm the interests of the Bondholders.

V.2.1 Contract for the Subordinated Loan for Formation Expenses and to finance the initial principal gap

The Management Company will, on behalf and for the account of the Fund, enter into with the Originating Banks (acting as such, the "**Lenders**"), a subordinated loan Contract for a maximum of (i) 2,225,000 euro to be used to finance the Fund formation and Bond issuance expense; and (ii) the difference between the Outstanding Balance of the Assets at the Formation Date and 950,000,000 euro in the sub-tranche used to finance the initial gap between Outstanding Balance of Bond Principal and the Outstanding Balance of the Assets transferred as at the Disbursement Date.

Release by the Lenders of the total amount of the Subordinated Loan for Formation Expenses and to cover the initial principal gap will be done in a single drawdown on the Disbursement Date (the "**Subordinated Loan for Formation Expenses Drawdown Date**") before 10:00am, for value that same day, by means of payment into the Treasury Account.

The Subordinated Loan for Formation Expenses and to cover the initial principal gap and to cover the initial principal gap shall earn, as from the Subordinated Loan for Formation Expenses Drawdown Date, a floating nominal annual interest rate set quarterly, equal to the Nominal Interest Rate applicable in the interest assessment period for Class C Bonds (calculated as described in section II.10 of the Prospectus).

The interest on the Subordinated Loan for Formation Expenses and to cover the initial principal gap will be payable on each Payment Date for the Bonds (that is, quarterly on 25 January, 25 April, 25 July and 25 October of each year), in accordance with the priority order of payments stipulated in section V.6.1.2 of the Prospectus and with the exceptional rules provided in section V.6.2.

This interest shall be paid only if the Fund has sufficient liquidity according to the priority order of payments stipulated in section V.6.1.2 of the Prospectus. The accrued interest payable on a given Payment Date shall be determined on the basis of: (i) the actual number of days in each Interest Accrual Period and (ii) a year composed of three hundred sixty days (360) days. The interest shall be distributed amongst the Originating Banks according to their participation in the loan principal in each interest accrual period of the Subordinated Loan for Formation Expenses.

In no event shall lack of payment of the loan interest be deemed an event of accelerated termination of the Contract for the Subordinated Loan for Formation Expenses and to cover the initial principal gap (nor of the interest payment obligation provided therein) if such non-payment is due to lack of sufficient liquidity according to the priority order of payments as indicated in the preceding paragraph.

The part of the Subordinated Loan for Formation Expenses shall be repaid as the formation and issuance expenses are amortised according to the official accounting of the Fund and, in all events, until the earliest of the following dates:

- (i) Date of cancellation of the Subordinated Loan for Formation Expenses on application of the Available Funds in the priority order of payments.
- (ii) Winding-up or liquidation under sections III.9.1 and III.9.2, respectively.
- (iii) Statutory Maturity Date.

The part of the Subordinated Loan used to finance the initial gap between the face value of the Bond Issue and the aggregate nominal value of the Assets at the time of the Bond subscription shall be repaid in full on the first Payment Date after the Disbursement Date, that is, on 25 July 2003. The amounts thus repaid shall be distributed amongst the Originating Banks by the Management Company according to the terms of the Internal Management Agreement.

The Subordinated Loan for Formation Expenses and to cover the initial principal gap, given its subordinated status, will rank behind the Bondholders and the rest of the Fund's common creditors, except as refers to the Subordinated Credit Facility, in accordance with the priority order of payments stipulated in section V.6.1.2.

The Subordinated Loan for Formation Expenses and to cover the initial principal gap shall remain in force until the fifth anniversary of the Fund's formation.

V.2.2. Subordinated Credit Facility Agreement

The Management Company, on behalf and for the account of the Fund, shall execute with the Originating Banks a Subordinated Credit Facility Agreement intended as a security instrument in the event of possible losses and temporary revenue shortfalls and for the purpose of permitting the payments to be made by the Fund in accordance with the priority order of payments established in section V.6.1.2 of this Prospectus.

The total amount of the Subordinated Credit Facility ("Total Amount of the Subordinated Credit Facility") shall be equal to the sum of the Amount Initially Drawn under the Subordinated Credit Facility and the Amount Available under the Subordinated Credit Facility for each Originating Bank. Consequently, the Total Amount of the Subordinated Credit Facility shall initially be 23,750,000 euro, distributed amongst the Originating Banks as indicated in the following table:

Originating Bank	Amount Initially Drawn	Total Amount
Banco Sabadell	781,867.59	7,818,675.89
BBVA	492,465.42	4,924,654.15
BSCH	422,060.28	4,220,602.77
la Caixa	234,477.93	2,344,779.31
Banesto	206,422.92	2,064,229.25
Banco Pastor	175,164.69	1,751,646.90
Banco Popular	62,541.17	625,411.73
Total	2,375,000.00	23,750,000.00

The Originating Banks shall in no event be obliged to increase the Total Amount of the Subordinated Credit Facility.

In the event that the losses and temporary revenue shortfalls of an Originating Bank exceed the limit of its participation in the Total Amount of the Subordinated Credit Facility, the Fund may draw the Total Amount of the Subordinated Credit Facility corresponding to any of the other Originating Banks, in accordance with the terms of the Subordinated Credit Facility. This event shall not apply if the Fund cannot borrow the part of the Total Amount of the Subordinated Credit Facility corresponding to an Originating Bank due to default by the latter.

The Amount Available under the Subordinated Credit Facility shall be equal to the difference between the Total Amount of the Subordinated Credit Facility and the Amount Borrowed under the Subordinated Credit Facility. The Amount Borrowed under the Subordinated Credit Facility shall be composed of the Amount Initially Drawn under the Subordinated Credit Facility and the amounts borrowed over the life of the Fund in events (a) and (b) described in section V.2.2.2 below.

The “Amount Initially Drawn under the Subordinated Credit Facility” by each Originating Bank shall be a quantity borrowed by the Fund in the manner provided in the sections that follow.

V.2.2.1. Amount Initially Drawn under the Subordinated Credit Facility

Release of the Amount Initially Drawn under the Subordinated Credit Facility shall be made on the Disbursement Date by means of each Originating Bank paying its share thereof into the Treasury Account.

The Amount Initially Drawn under the Subordinated Credit Facility shall be 0.25% of the Initial Balance of the Transferred Assets.

V.2.2.2. Amount Available under the Subordinated Credit Facility

The Management Company, acting in the name of the Fund, may request of the Originating Banks additional advances with a charge to the Amount Available under the Subordinated Credit Facility in the following events:

- (a) Whenever the Available Funds (not including the Amounts Available under the Subordinated Credit Facility) do not allow the Fund to discharge the obligations ranked 1st to 13th in the priority order of payments established in section V.6.1.2. of this Prospectus.

- (b) Where the credit rating issued by the Rating Agencies to one of the Originating Banks for the unsubordinated and unsecured short-term debt of that Originating Bank is downgraded below P-1 or F-1 (on the Moody's and Fitch rating scales, respectively), the Management Company, within a maximum of thirty (30) Business Days as from the time of that downgrade, must borrow an advance equal to the Amount Available under the Subordinated Credit Facility that corresponds to the Originating Bank whose rating has been downgraded and use the amount of the advance to increase the Reserve Fund, which will be deposited in the Treasury Account.

V.2.2.3. Repayment of the Subordinated Credit Facility

The Amount Initially Drawn under the Subordinated Credit Facility will be repaid on the Final Maturity Date of the Subordinated Credit Facility. The said Final Maturity Date will fall on 25 July 2023 or on the Fund Accelerated Liquidation Date, whichever is earlier.

In relation to the amount borrowed against the Amount Available under the Subordinated Credit Facility, on each Payment Date, if there are sufficient funds for such purpose, the Fund will repay to each Originating Bank the amounts drawn after the Disbursement Date, subject to the priority order of payments stipulated in section V.6.1.2 of this Prospectus.

Similarly, the Total Amount of the Credit Facility may be reduced, on a Payment Date over the life of the Fund, by express discretionary authorisation of the Rating Agencies.

The amounts thus repaid will be distributed amongst the Originating Banks by the Management Company according to the terms of the Internal Management Agreement.

Notwithstanding the repayment with a charge to the Subordinated Credit Facility, the Fund may continue drawing on the Amount Available under the Subordinated Credit Facility.

V.2.2.4. Interest on the Subordinated Credit Facility

The Subordinated Credit Facility shall earn, as from the Disbursement Date, a floating nominal annual interest rate fixed quarterly, equal to the Nominal Interest Rate applicable in the interest assessment period for Class C Bonds (calculated as described in section II.10 of the Prospectus). The interest on the Subordinated Credit Facility will be payable on each Payment Date for the Bonds (that is, quarterly on day 25 of January, April, July and October of each year), in accordance with the priority order of payments stipulated in section V.6.1.2 of the Prospectus.

V.2.3 Guaranteed Interest Deposit Contract

The Management Company, on behalf and for the account of the Fund, will enter into, with the Paying Agent, Caixa d'Estalvis i Pensions, the Guaranteed Interest Deposit Contract setting out the terms and conditions of the obligations governing Treasury Account opened in the name of the Fund in "la Caixa".

According to the terms of the Guaranteed Interest Deposit Contract, the Paying Agent guarantees that the balance of the Treasury Account will bear a minimum interest equal to the three (3) month Euribor reference interest rate for the interest accrual period minus 25 basis points (0.25%) (Interest Rate: three (3) month Euribor minus 25 basis points (0.25%) calculated on the basis of the amounts deposited in the Treasury Account (including the Reserve Fund)).

If the credit rating of "la Caixa" were to be downgraded, the rules provided in section V.1.2.2 of the Prospectus would be followed.

V.2.4 Other contracts relating to the economic-financial operations of the Fund

V.2.4.1 Generalitat Guarantee Liquidity Line Agreement

The Management Company, on behalf and for the account of the Fund, will sign a credit agreement (the "**Generalitat Guarantee Liquidity Line**") with "la Caixa" for a maximum of 12,000 euro for each Interest Accrual Period.

The purpose of the Generalitat Guarantee Liquidity Line is to allow the Fund to make the interest payments on the Class AG and BG Bonds if the Available Funds are not sufficient to make those payments on each Payment Date.

The Generalitat Guarantee Liquidity Line will bear interest at a rate equal to the reference interest rate for the Bonds for the Interest Accrual Period in question, the three month Euribor, plus a margin of 0.05%, on the daily average on the amounts drawn under the facility, payable provided a balance has been drawn, and a commitment fee of 0.01% per annum of the daily average of the amounts not drawn and available. This fee will be assessed quarterly on the Payment Dates, that is, on day 25 of January, April, July and October of each year.

The outstanding principal of the Generalitat Guarantee Liquidity Line will be repaid at the time the Fund receives disbursement of the equivalent amount by virtue of enforcement of the Guarantee of the Generalitat.

If at any time during the life of the Generalitat Guarantee Liquidity Line agreement the credit rating of the unsubordinated unsecured short-term debt of the Paying Agent is downgraded to below P-1 (Moody's) or F1 (Fitch), for short-term risks, then:

- (a) the Paying Agent must obtain from a credit institution with a credit rating of at least P-1 (Moody's) and F1 (Fitch), within thirty (30) Business Days after the downgrade, a first demand joint and several guarantee securing performance of its obligations under the Generalitat Guarantee Liquidity Line, or
- (b) if the above is not possible, the Management Company shall replace the Paying Agent with another credit institution whose unsubordinated unsecured short-term debt has a rating of at least P-1 (Moody's) and F1 (Fitch), and contract with the new Paying Agent a Generalitat Guarantee Liquidity Line on the most favourable possible terms for the Fund.

The Generalitat Guarantee Liquidity Line shall remain in force for so long as the obligations arising under the issue of the Class AG and BG Bonds remain in force. In all events, the Generalitat Guarantee Liquidity Line shall expire on the Statutory Maturity Date (25 July 2025 or the next following Business Day).

V.2.4.2 Underwriting Agreement for the Bond Issue

The Management Company, on behalf and for the account of the Fund, will execute an Underwriting Agreement for the Bond Issue with the Underwriters, whereunder the latter will carry out the free allocation of the entire Bond issue, and, after the close of the Subscription Period, to subscribe in their own name the number of Bonds still pending subscription according to their respective underwriting commitment.

The Underwriters undertake the obligations contained in the Underwriting Agreement, which are basically as follows: 1) commitment to subscribe for the Bonds that have not been subscribed for at the close of the Subscription Period, up to the stipulated amounts; 2) payment to the Fund prior to 11:00am of the Disbursement Date, for value that same day, of the total underwritten amount of the issue, minus, as applicable, the amount of the Underwriting Fee and, where such is the case, the Arrangement Fee.

V.2.4.3 Bond Paying Agency Agreement

The Management Company, on behalf and for the account of the Fund, will execute with “la Caixa” as Paying Agent the Paying Agency Agreement to perform the financial servicing of the Bonds issued against the Fund assets.

The obligations contained in the Paying Agency Agreement as regards the Paying Agency are summarised below:

- (i) deliver to the Management Company the information statements duly completed by each Underwriter on the dissemination achieved of the Bond issue, using the model form established for such purpose by the CNMV;
- (ii) on each of the Payment Dates for the Bonds, to pay the interest and, where applicable, the appropriate portion of the principal of the Bonds to the Bondholders, after deducting the total amount of the withholding in respect of unearned income from investment securities which may have to be applied under the applicable tax laws, and pay the rest of the amounts payable by the Fund according to the Prospectus and the Fund Formation Deed;
- (iii) act as Custodian for the multiple certificates in which the Bonds of this issue are issued; and
- (iv) give the Management Company all information necessary or useful in order for the latter to be able to comply with the tax obligations of the Fund, acting on behalf and for the account thereof.

In the event that at any time during the Bond issue the short-term debt of the Paying Agent is assigned a credit rating for short-term risks of below P-1 (Moody’s) or F1 (Fitch), the Management Company, within a maximum of thirty (30) Business Days after the time of such downgrade, shall proceed as provided in section V.1.2.2 above.

As consideration for the services to be performed by the Paying Agent, the Fund will pay the Paying Agent a Paying Agency Fee equal to 0.002% per annum of the Outstanding Balance of Bond Principal on the preceding Determination Date, payable on each Payment Date.

V.2.4.4 Internal Management Agreement

The Management Company, on behalf and for the account of the Fund, will execute with the Originating Banks an Internal Management Agreement intended to compensate each of the Originating Banks for the financial intermediation carried on.

The compensation will consist of a variable and subordinated quantity equal to the difference between the revenues and expenses accrued annually according to the Fund's accounting, minus, where applicable, the amount of tax losses from previous years which can be carried forward to adjust the book income for the year for purposes of the annual Corporate Income Tax settlement (the "**Financial Intermediation Spread**"). The amounts which may be paid in this respect on each Payment Date in accordance with the priority order of payments established in section V.6.1.2 will be considered as advance payments on account of the annual fee and will be distributed amongst the Originating Banks as provided in the Internal Management Agreement.

V.2.4.5 Interest Rate Swap Contracts

The Management Company, on behalf and for the account of the Fund, will make with each Originating Bank an Interest Rate Swap Contract, the most significant terms of which are described in the paragraphs that follow.

The Swap Contracts are in response to the need to eliminate the interest rate risk arising from the fact that the Assets are subject to floating interest rates with different reference indexes and different interest reset and assessment periods than those established for each of the Bond classes issued against the Fund. The contracts are also made in response to the need to mitigate the risk that, under the laws governing modification and subrogation of the Loans, the Loans can be subject to renegotiations that diminish the covenanted interest rate and the risk that could affect, where applicable, the rounding clauses of the Loans.

Under each Swap Contract, the Fund must make payments to each Originating Bank calculated on the interest rate borne by its Assets, in consideration for which each Originating Bank must make payments to the Fund calculated on the Weighted Average Interest Rate of the Bonds, all according to the rules indicated below and which are described in detail in the Swap Contracts.

Under each Swap Contract, on each Payment Date the Net Amount must be paid, either by the Management Company, in the name and on behalf of the Fund, or by the Originating Bank, as applicable, taking the following into account:

- (a) The Net Amount is the positive or negative result of the difference between the Bond Amount payable by the Originating Bank and the Loan Amount payable by the Fund;
- (b) The Bond Amount is the result of applying the Weighted Average Interest Rate of the Bonds to the Swap Notional Principal, calculated on a 360-day basis; and
- (c) The Loan Amount is the result of applying the Weighted Average Interest Rate Accrued on the Transferred Assets of the Originating Bank minus a margin of 0.50% to the Swap Notional Principal, calculated on a 360-day basis.

- (d) The Swap Notional Principal is the amount yielded by multiplying (i) the percentage of the Outstanding Balance of the Transferred Assets of the Originating Bank with respect to the Total Outstanding Balance of the Transferred Assets by (ii) the Total Balance of Outstanding Bond Principal, both at the current Determination Date.
- (e) The Weighted Average Interest Rate Accrued on the Transferred Assets of the Originating Bank will be calculated by dividing the amount of Interest Accrued on the Transferred Assets transferred by the Originating Bank during the Determination Period immediately preceding the current Payment Date (numerator) by the Outstanding Balance of the Transferred Assets of the Originating Bank in the Determination Period immediately preceding the current Payment Date (denominator).

The reference date for the different calculations will be the Determination Date for each Payment Date, and where the requisite calculations refer to periods, they will refer to the Determination Period immediately preceding each Payment Date.

In the event that the Bond Amount and the Loan Amount are equal, neither party will be obliged to make any payment in respect of the Net Amount.

If on a Payment Date the Fund does not have sufficient liquidity to pay the whole of the Net Amount payable to the Originating Bank, the unpaid part of the Net Amount will be settled on the next Payment Date on which the Fund does have sufficient liquidity, in accordance with the priority order of payments provided in section V.6.1.2 of this Prospectus and without any default interest accruing for this reason. If this circumstance arises on two consecutive Payment Dates, this will be considered an event of accelerated cancellation of the Swap Contract and the final settlement amount payable by the Fund on such cancellation will be paid, when the Fund has sufficient liquidity, in the 15th position of the priority order of payments.

If, conversely, it is the Originating Bank that fails to pay the whole of the Net Amount payable to the Fund, the Originating Bank will be obliged to pay the Fund the amount corresponding to the final settlement of the Swap Contract, and this may be considered an event of accelerated termination of the Swap Contract, at the discretion of the Management Company.

The settlement amount payable in the event of accelerated termination of the Swap Contract in question under the foregoing paragraphs will consist in the market value of that swap (plus the unpaid amounts), with no further obligation whatsoever in respect of indemnity or any other item for the Originating Bank that must make the settlement payment.

The events referred to in the foregoing paragraphs, regarding termination of the Swap Contract, will not imply accelerated termination of the Bond issue, unless in conjunction with other events or circumstances relating to the net asset position of the Fund, there occurs a substantial or permanent disruption of the Fund's financial balance, at the discretion of the Management Company.

In the event that at any time during the life of the Bonds the debt of the Originating Bank is assigned a credit rating below A1 according to the Moody's credit rating scale for long-term risks or below F-1 in the Fitch rating scale for short-term risks, the affected Originating Bank, within a maximum of thirty (30) Business Days reckoned from the time of such downgrade, shall choose one of the following alternatives:

1. Find an entity that secures its obligations under the Swap Contract with at least an A1 credit rating on the Moody's scale for long-term risks and an F-1 rating on the Fitch scale for short-term risks, or
2. Replace the Originating Bank as counterparty in the Swap Contract, paying the amount of the market price of that contract, with another credit institution that holds at least an A1 credit rating on the Moody's scale for long-term risks and an F-1 rating on the Fitch scale for short-term risks, or
3. Set up a deposit in the account designated by the Management Company of an amount considered satisfactory by the Rating Agencies.

Either of the three alternatives must be carried out on the terms and conditions previously approved by Moody's and Fitch so that the Bonds issued can maintain the ratings they have been assigned by Moody's and Fitch.

V.3 Synoptic chart describing the different assumptions and projected most likely behaviour of the economic and financial flows of the Fund

V.3.1 Assumptions in relation to core indices or most likely scenarios for the prepayment rates, delay in payment of overdue amounts and defaults in relation to the Assets pooled in the Fund

The tables given in section V.3.3 refer to several of the possible Fund revenue and expenditure scenarios which could arise during the life of the Fund and of the Bond issue.

The charts on the financial servicing of the Bonds and the Fund cash flows have been drawn up on the basis of the following assumptions:

a) Assets transferred

- (i) Portfolio volume: 950,000,000 euro.
- (ii) Interest rate: the weighted average interest rate of the Loans, at 27 February 2003, was 4.388% per annum, and was taken to calculate the Fund revenue flows.
- (iii) Prepayment rates: three scenarios of 0%, 5% and 10% per year
- (iv) Overdue amounts: 0% per year.
- (v) Non-performing: 0%.

b) Bonds

- (i) Volume: 706,800,000 euro of Class AG, 176,700,000 euro of Class AS, 17,600,000 euro of Class BG, 17,600,000 euro of Class BS and 31,300,000 euro of Class C.
- (ii) Interest rate: floating interest rate on the outstanding balances of each of the AG, AS, BG, BS and C Bond Classes, assuming the interest rates for each Class remain constant at 2.655%, 3.025%, 2.825%, 3.245% and 3.995%, respectively.
- (iii) Exercise by the Management Company of the accelerated redemption option according to the terms of section II.11.3.3 (i) and/or exercise by the Originating Banks of the Repurchase Right described in section IV.2.2.4.

c) Supplementary contracts

- (i) Guaranteed Interest Deposit Contract

Interest rate: three (3) month Euribor minus 25 basis points (0.25%) calculated on the amounts on deposit in the Treasury Account (including the Reserve Fund).

- (ii) Contract for the Subordinated Loan for Formation Expenses:

Amount: 1,874,684.75 euro.

Repayment: The part of the Subordinated Loan intended for formation and issuance expenses will be repaid at each Payment Date, as those expenses are amortised, during the first five years after the formation of the Fund.

Interest rate: the Nominal Interest Rate applicable to the Class C Bonds in each interest accrual period.

- (iii) Subordinated Credit Facility Agreement

Available Balance: 23,750,000 euro and Balance Borrowed: 2,375,000 euro.

The Balance Initially Borrowed will be 0.25% of the Initial Balance of the Bonds and will be maintained as Reserve Fund Amount during the entire life of the Fund.

Interest rate: the Nominal Interest Rate applicable to the Class C Bonds in each interest accrual period.

- (iv) Reserve Fund

Reserve Fund: initial value of 2,375,000 euro, equal to the Balance Initially Borrowed under the Subordinated Credit Facility.

(vi) Generalitat Guarantee Liquidity Line

Maximum Amount: 12,000,000 euro.

Interest rate: three (3) month Euribor plus a margin of 0.05%.

Commitment fee: 0.01% per annum of the undrawn balance.

It is assumed that no amounts will be borrowed under the Generalitat Guarantee Liquidity Line.

(vii) Swap Contracts

Amount received by the Fund calculated on the basis of the Euribor plus the weighted average margin on the outstanding balance of the tranches of the issue.

Amount paid by the Fund calculated on the basis of interest accrued on the portfolio minus a margin of 50 basis points.

The net financial flows from the Swap Contracts are reflected in the Fund cash flow tables under the “Swap Interest” heading.

d) Fees and Margin

- (i) Loan Administration Fee: 0.01% per annum, VAT included, of the Outstanding Balance of the Assets as at the last day of the month preceding the current Payment Date, payable quarterly on each Payment Date.
- (ii) Financial Intermediation Spread: variable amount to be assessed quarterly on each Payment Date in accordance with the Internal Management Agreement, and there will annually accrue an amount equal to the positive difference, if any, between the Fund revenues and expenses prior to the close of its official accounts.

e) Current expenses, including

- (i) Management Company Fee: Variable and Fixed Periodic Management Fee payable quarterly.
- (ii) Financial Services Fee: 0.002% per annum of the Outstanding Balance of Bond Principal as at the preceding Payment Date, payable quarterly on each Payment Date.

V.3.2 Analysis and discussion of the impact that possible variations in the assumptions and scenarios described in the preceding point would have on the financial balance of the Fund

In relation to the implications for the Bonds of prepayment of the Loans, section II.12.b) of the Prospectus contains charts summarising the behaviour of the average life and duration of the Bonds for the different constant real accelerated amortisation or prepayment rates under the different scenarios envisaged there.

V.3.3 Numerical scheme for the Fund revenue and expenditure flows

The numerical scheme given below refers to collections and payments, obtained from applying a cash criterion, for the sake of greater clarity for the investor, although the Fund will time allocate its revenues and expenses according to the accrual principle.

The scheme is based not only on the assumptions mentioned in section V.3.1 above, but also on constant maintenance of those assumptions during the life of the Fund, and, as is known, the variables involved, particularly the interest rate on the Bonds and the real prepayment rates of the Loans, are subject to constant change.

Consequently, the numerical scheme is only of illustrative value.

FUND FINANCIAL FLOWS

Collections - Annual Prepayment Rate: 0%

Outstanding Loan Balance	Date	Loan Repayments	Loan Int.	Reserve Fund	Treas. Acct. Interest	Total	Liq. Line	Sub. Cred.
920,084,777	25/07/03	29,915,223	13,731,747	2,375,000	141,613	46,163,583	12,000,000	23,750,000
897,359,985	25/10/03	22,724,792	10,010,435	2,375,000	90,726	35,200,954	12,000,000	23,750,000
874,384,989	25/01/04	22,974,996	9,760,232	2,375,000	90,726	35,200,954	12,000,000	23,750,000
851,157,034	25/04/04	23,227,954	9,507,273	2,375,000	89,740	35,199,968	12,000,000	23,750,000
827,673,336	25/07/04	23,483,698	9,251,530	2,375,000	89,740	35,199,968	12,000,000	23,750,000
803,931,079	25/10/04	23,742,257	8,992,970	2,375,000	90,726	35,200,954	12,000,000	23,750,000
779,927,415	25/01/05	24,003,663	8,731,564	2,375,000	90,726	35,200,954	12,000,000	23,750,000
755,659,468	25/04/05	24,267,948	8,467,280	2,375,000	88,754	35,198,982	12,000,000	23,750,000
731,124,326	25/07/05	24,535,142	8,200,086	2,375,000	89,740	35,199,968	12,000,000	23,750,000
706,319,048	25/10/05	24,805,278	7,929,950	2,375,000	90,726	35,200,954	12,000,000	23,750,000
681,240,660	25/01/06	25,078,388	7,656,840	2,375,000	90,726	35,200,954	12,000,000	23,750,000
655,886,156	25/04/06	25,354,505	7,380,723	2,375,000	88,754	35,198,982	12,000,000	23,750,000
630,252,493	25/07/06	25,633,662	7,101,565	2,375,000	89,740	35,199,968	12,000,000	23,750,000
604,336,600	25/10/06	25,915,893	6,819,335	2,375,000	90,726	35,200,954	12,000,000	23,750,000
578,135,369	25/01/07	26,201,231	6,533,996	2,375,000	90,726	35,200,954	12,000,000	23,750,000
551,645,658	25/04/07	26,489,711	6,245,517	2,375,000	88,754	35,198,982	12,000,000	23,750,000
524,864,291	25/07/07	26,781,367	5,953,861	2,375,000	89,740	35,199,968	12,000,000	23,750,000
497,788,057	25/10/07	27,076,234	5,658,993	2,375,000	90,726	35,200,954	12,000,000	23,750,000
470,413,709	25/01/08	27,374,348	5,360,880	2,375,000	90,726	35,200,954	12,000,000	23,750,000
442,737,965	25/04/08	27,675,744	5,059,484	2,375,000	89,740	35,199,968	12,000,000	23,520,685
414,757,507	25/07/08	27,980,458	4,754,769	2,375,000	89,740	35,199,968	12,000,000	22,136,898
386,468,979	25/10/08	28,288,528	4,446,700	2,375,000	90,726	35,200,954	12,000,000	20,737,875
357,868,990	25/01/09	28,599,989	4,135,239	2,375,000	90,726	35,200,954	12,000,000	19,323,449
328,954,111	25/04/09	28,914,880	3,820,348	2,375,000	88,754	35,198,982	12,000,000	17,893,450
299,720,873	25/07/09	29,233,237	3,501,991	2,375,000	89,740	35,199,968	12,000,000	16,447,706
270,165,774	25/10/09	29,555,100	3,180,128	2,375,000	90,726	35,200,954	12,000,000	14,986,044
240,285,267	25/01/10	29,880,506	2,854,721	2,375,000	90,726	35,200,954	12,000,000	13,508,289
210,075,772	25/04/10	30,209,495	2,525,732	2,375,000	88,754	35,198,982	12,000,000	12,014,263
179,533,665	25/07/10	30,542,107	2,193,121	2,375,000	89,740	35,199,968	12,000,000	11,875,000
148,655,285	25/10/10	30,878,380	1,856,847	2,375,000	90,726	35,200,954	12,000,000	11,875,000
117,436,928	25/01/11	31,218,356	1,516,871	2,375,000	90,726	35,200,954	12,000,000	11,875,000
	25/04/11	117,436,928	1,173,152	2,375,000	88,754	121,073,834	12,000,000	11,875,000
		950,000,000	194,313,878		2,933,417	1,223,247,295		

FUND FINANCIAL FLOWS

Payments - Annual Prepayment Rate: 0%

Current Expenses	Interest AG-AS	Interest BG-BS	Interest C	Interest SWAP	Amortisation AG+AS	Amortisation BG+BS	Amortisation C	Interest Sub. Loan	Repayment Sub. Loan	Reserve Fund.	Interest Sub. Cred.	Fee Cred.L.	Admin. Fee	Intermed. Fee	Total
59,698	7,415,903	328,971	386,006	4,343,492	29,915,223	0	0	23,300	115,049	2,375,000	29,519	373	29,556	1,141,494	46,163,583
49,426	5,952,995	273,015	319,556	2,414,373	22,724,792	0	0	17,965	94,505	2,375,000	24,247	307	23,513	931,259	35,200,954
48,439	5,794,510	273,015	319,556	2,353,090	22,974,996	0	0	17,000	94,505	2,375,000	24,247	307	22,933	903,357	35,200,954
47,028	5,573,038	270,048	316,082	2,370,960	23,227,954	0	0	15,861	93,477	2,375,000	23,984	303	22,103	864,130	35,199,968
46,030	5,412,804	270,048	316,082	2,306,240	23,483,698	0	0	14,917	93,477	2,375,000	23,984	303	21,515	835,870	35,199,968
45,412	5,308,507	273,015	319,556	2,165,171	23,742,257	0	0	14,127	94,505	2,375,000	24,247	307	21,152	817,699	35,200,954
44,380	5,142,926	273,015	319,556	2,101,150	24,003,663	0	0	13,162	94,505	2,375,000	24,247	307	20,545	788,498	35,200,954
42,601	4,867,359	267,080	312,609	2,179,138	24,267,948	0	0	11,932	92,450	2,375,000	23,720	300	19,498	739,348	35,198,982
41,926	4,754,033	270,048	316,082	2,040,173	24,535,142	0	0	11,131	93,477	2,375,000	23,984	303	19,101	719,568	35,199,968
41,217	4,635,164	273,015	319,556	1,904,844	24,805,278	0	0	10,299	94,505	2,375,000	24,247	307	18,684	698,838	35,200,954
40,139	4,462,169	273,015	319,556	1,837,969	25,078,388	0	0	9,334	94,505	2,375,000	24,247	307	18,050	668,275	35,200,954
38,407	4,194,068	267,080	312,609	1,895,368	25,354,505	0	0	8,187	92,450	2,375,000	23,720	300	17,031	620,257	35,198,982
37,639	4,065,766	270,048	316,082	1,762,242	25,633,662	0	0	7,344	93,477	2,375,000	23,984	303	16,579	597,841	35,199,968
36,835	3,931,673	273,015	319,556	1,632,917	25,915,893	0	0	6,471	94,505	2,375,000	24,247	307	16,106	574,430	35,200,954
35,709	3,750,932	273,015	319,556	1,563,066	26,201,231	0	0	5,506	94,505	2,375,000	24,247	307	15,444	542,436	35,200,954
34,025	3,490,632	267,080	312,609	1,598,964	26,489,711	0	0	4,442	92,450	2,375,000	23,720	300	14,453	495,595	35,198,982
33,159	3,346,683	270,048	316,082	1,471,949	26,781,367	0	0	3,558	93,477	2,375,000	23,984	303	13,944	470,413	35,199,968
32,256	3,196,683	273,015	319,556	1,348,910	27,076,234	0	0	2,643	94,505	2,375,000	24,247	307	13,413	444,185	35,200,954
31,080	3,007,851	273,015	319,556	1,275,966	27,374,348	0	0	1,678	94,505	2,375,000	24,247	307	12,721	410,681	35,200,954
29,669	2,786,320	270,048	316,082	1,245,826	27,675,744	0	0	705	69,851	2,375,000	23,984	303	11,891	394,545	35,199,968
28,479	2,595,404	270,048	316,082	1,168,814	27,980,458	0	0	0	0	2,375,000	23,984	303	11,191	430,204	35,199,968
27,473	2,428,787	273,015	319,556	1,052,372	28,288,528	0	0	0	0	2,375,000	24,247	307	10,599	401,070	35,200,954
26,244	2,231,499	273,015	319,556	976,237	28,599,989	0	0	0	0	2,375,000	24,247	307	9,876	364,984	35,200,954
24,663	1,987,865	267,080	312,609	966,293	28,914,880	0	0	0	0	2,375,000	23,720	300	8,947	317,625	35,198,982
23,590	1,810,489	270,048	316,082	852,452	29,233,237	0	0	0	0	2,375,000	23,984	303	8,315	286,468	35,199,968
22,475	1,626,508	273,015	319,556	742,998	29,555,100	0	0	0	0	2,375,000	24,247	307	7,660	254,088	35,200,954
21,191	1,420,388	273,015	319,556	663,659	29,880,506	0	0	0	0	2,375,000	24,247	307	6,904	216,181	35,200,954
19,666	1,185,650	267,080	312,609	629,459	30,209,495	0	0	0	0	2,375,000	23,720	300	6,007	169,995	35,198,982
18,481	990,430	270,048	316,082	522,971	30,542,107	0	0	0	0	2,375,000	23,984	303	5,310	135,252	35,199,968
17,255	788,309	273,015	319,556	421,268	30,878,380	0	0	0	0	2,375,000	24,247	307	4,588	99,028	35,200,954
15,914	572,960	273,015	319,556	339,354	31,218,356	0	0	0	0	2,375,000	24,247	307	3,799	58,446	35,200,954
14,448	347,517	267,080	312,609	99,150	50,936,928	35,200,000	31,300,000	0	0	2,375,000	23,720	300	2,936	194,146	121,073,834
1,074,953	109,075,821	8,730,121	10,219,287	48,246,832	883,500,000	35,200,000	31,300,000	199,561	1,874,685		775,654	9,810	454,368	16,586,203	1,147,247,295

FUND FINANCIAL FLOWS

Collections - Annual Prepayment Rate: 5%

Outstanding Loan Balance	Date	Loan Repayments	Loan Int.	Reserve Fund	Treas. Acct. Interest	Total	Liq. Line	Sub. Cred.
904,363,816	25/07/03	45,636,184	13,644,038	2,375,000	186,262	61,841,484	12,000,000	23,750,000
870,696,169	25/10/03	33,667,647	9,797,373	2,375,000	115,898	45,955,918	12,000,000	23,750,000
837,501,298	25/01/04	33,194,871	9,429,773	2,375,000	113,927	45,113,570	12,000,000	23,750,000
804,773,183	25/04/04	32,728,115	9,067,337	2,375,000	110,764	44,281,216	12,000,000	23,750,000
772,505,886	25/07/04	32,267,297	8,709,999	2,375,000	108,866	43,461,162	12,000,000	23,750,000
740,693,551	25/10/04	31,812,335	8,357,695	2,375,000	108,168	42,653,198	12,000,000	23,750,000
709,330,404	25/01/05	31,363,147	8,010,361	2,375,000	106,300	41,854,808	12,000,000	23,750,000
678,410,752	25/04/05	30,919,653	7,667,934	2,375,000	102,185	41,064,771	12,000,000	23,750,000
647,928,981	25/07/05	30,481,771	7,330,351	2,375,000	101,521	40,288,642	12,000,000	23,750,000
617,879,560	25/10/05	30,049,421	6,997,551	2,375,000	100,842	39,522,813	12,000,000	23,750,000
588,257,039	25/01/06	29,622,521	6,669,474	2,375,000	99,070	38,766,066	12,000,000	23,750,000
559,056,047	25/04/06	29,200,992	6,346,061	2,375,000	95,207	38,017,260	12,000,000	23,750,000
530,271,296	25/07/06	28,784,751	6,027,252	2,375,000	94,559	37,281,563	12,000,000	23,750,000
501,897,581	25/10/06	28,373,715	5,712,991	2,375,000	93,897	36,555,603	12,000,000	23,750,000
473,929,779	25/01/07	27,967,802	5,403,220	2,375,000	92,218	35,838,239	12,000,000	23,750,000
446,362,854	25/04/07	27,566,925	5,097,883	2,375,000	88,592	35,128,401	12,000,000	23,696,489
419,191,855	25/07/07	27,170,999	4,796,925	2,375,000	87,960	34,430,884	12,000,000	22,318,143
392,411,923	25/10/07	26,779,932	4,500,294	2,375,000	87,313	33,742,538	12,000,000	20,959,593
366,018,293	25/01/08	26,393,630	4,207,934	2,375,000	85,721	33,062,285	12,000,000	19,620,596
340,006,296	25/04/08	26,011,997	3,919,795	2,375,000	83,235	32,390,027	12,000,000	18,300,915
314,371,371	25/07/08	25,634,925	3,635,826	2,375,000	81,701	31,727,452	12,000,000	17,000,315
289,109,070	25/10/08	25,262,301	3,355,977	2,375,000	81,068	31,074,346	12,000,000	15,718,569
264,215,070	25/01/09	24,894,000	3,080,200	2,375,000	79,557	30,428,757	12,000,000	14,455,453
239,685,190	25/04/09	24,529,879	2,808,447	2,375,000	76,368	29,789,695	12,000,000	13,210,753
215,515,416	25/07/09	24,169,774	2,540,675	2,375,000	75,760	29,161,209	12,000,000	11,984,260
191,701,929	25/10/09	23,813,487	2,276,838	2,375,000	75,137	28,540,463	12,000,000	11,875,000
168,241,156	25/01/10	23,460,773	2,016,897	2,375,000	73,700	27,926,369	12,000,000	11,875,000
145,129,847	25/04/10	23,111,309	1,760,812	2,375,000	70,708	27,317,830	12,000,000	11,875,000
122,365,192	25/07/10	22,764,655	1,508,551	2,375,000	70,104	26,718,309	12,000,000	11,875,000
99,945,036	25/10/10	22,420,157	1,260,084	2,375,000	69,483	26,124,724	12,000,000	11,875,000
	25/01/11	99,945,036	1,015,391	2,375,000	68,104	103,403,530	12,000,000	11,875,000
		950,000,000	166,953,938		2,884,193	1,193,463,131		

FUND FINANCIAL FLOWS

Payments - Annual Prepayment Rate: 5%

Current Expenses	Interest AG-AS	Interest BG-BS	Interest C	Interest SWAP	Amortisation AG+AS	Amortisation BG+BS	Amortisation C	Interest Sub. Loan	Repayment Sub. Loan	Reserve Fund.	Interest Sub. Cred.	Fee Cred.L.	Admin. Fee	Intermed. Fee	Total
60,898	7,415,903	328,971	386,006	4,371,901	45,636,184	0	0	23,300	115,049	2,375,000	29,519	373	29,556	1,068,824	61,841,484
49,943	5,843,355	273,015	319,556	2,391,698	33,667,647	0	0	17,965	94,505	2,375,000	24,247	307	23,112	875,568	45,955,918
48,481	5,608,553	273,015	319,556	2,299,338	33,194,871	0	0	17,000	94,505	2,375,000	24,247	307	22,251	836,446	45,113,570
46,643	5,318,603	270,048	316,082	2,284,794	32,728,115	0	0	15,861	93,477	2,375,000	23,984	303	21,170	787,135	44,281,216
45,237	5,092,834	270,048	316,082	2,192,077	32,267,297	0	0	14,917	93,477	2,375,000	23,984	303	20,343	749,563	43,461,162
44,215	4,923,763	273,015	319,556	2,029,976	31,812,335	0	0	14,127	94,505	2,375,000	24,247	307	19,742	722,411	42,653,198
42,833	4,701,901	273,015	319,556	1,942,707	31,363,147	0	0	13,162	94,505	2,375,000	24,247	307	18,929	685,500	41,854,808
40,800	4,385,710	267,080	312,609	1,986,717	30,919,653	0	0	11,932	92,450	2,375,000	23,720	300	17,733	631,066	41,064,771
39,807	4,221,147	270,048	316,082	1,834,103	30,481,771	0	0	11,131	93,477	2,375,000	23,984	303	17,149	604,641	40,288,642
38,803	4,054,950	273,015	319,556	1,688,238	30,049,421	0	0	10,299	94,505	2,375,000	24,247	307	16,558	577,916	39,522,813
37,497	3,845,382	273,015	319,556	1,605,810	29,622,521	0	0	9,334	94,505	2,375,000	24,247	307	15,790	543,102	38,766,066
35,655	3,559,687	267,080	312,609	1,632,881	29,200,992	0	0	8,187	92,450	2,375,000	23,720	300	14,706	493,992	38,017,260
34,678	3,397,802	270,048	316,082	1,496,002	28,784,751	0	0	7,344	93,477	2,375,000	23,984	303	14,132	467,959	37,281,563
33,691	3,234,393	273,015	319,556	1,365,506	28,373,715	0	0	6,471	94,505	2,375,000	24,247	307	13,551	441,647	36,555,603
32,458	3,036,511	273,015	319,556	1,287,684	27,967,802	0	0	5,506	94,505	2,375,000	24,247	307	12,826	408,822	35,838,239
30,796	2,779,690	267,080	312,609	1,298,797	27,566,925	0	0	4,442	92,450	2,375,000	23,720	300	11,848	364,743	35,128,401
29,835	2,620,410	270,048	316,082	1,176,815	27,170,999	0	0	3,558	93,477	2,375,000	23,984	303	11,283	339,089	34,430,884
28,865	2,459,712	273,015	319,556	1,060,870	26,779,932	0	0	2,643	94,505	2,375,000	24,247	307	10,713	313,174	33,742,538
27,702	2,272,946	273,015	319,556	987,440	26,393,630	0	0	1,678	94,505	2,375,000	24,247	307	10,028	282,231	33,062,285
26,382	2,066,169	270,048	316,082	949,307	26,011,997	0	0	705	69,851	2,375,000	23,984	303	9,252	270,946	32,390,027
25,265	1,886,730	270,048	316,082	875,668	25,634,925	0	0	0	0	2,375,000	23,984	303	8,595	310,853	31,727,452
24,312	1,728,682	273,015	319,556	773,512	25,262,301	0	0	0	0	2,375,000	24,247	307	8,034	285,380	31,074,346
23,214	1,552,500	273,015	319,556	704,290	24,894,000	0	0	0	0	2,375,000	24,247	307	7,388	255,240	30,428,757
21,883	1,348,911	267,080	312,609	686,294	24,529,879	0	0	0	0	2,375,000	23,720	300	6,605	217,413	29,789,695
20,954	1,194,684	270,048	316,082	591,827	24,169,774	0	0	0	0	2,375,000	23,984	303	6,059	192,493	29,161,209
20,017	1,039,250	273,015	319,556	502,783	23,813,487	0	0	0	0	2,375,000	24,247	307	5,508	167,293	28,540,463
18,982	873,172	273,015	319,556	437,661	23,460,773	0	0	0	0	2,375,000	24,247	307	4,899	138,758	27,926,369
17,804	694,129	267,080	312,609	406,554	23,111,309	0	0	0	0	2,375,000	23,720	300	4,206	105,118	27,317,830
16,890	542,413	270,048	316,082	324,963	22,764,655	0	0	0	0	2,375,000	23,984	303	3,669	80,303	26,718,309
15,971	389,610	273,015	319,556	248,628	22,420,157	0	0	0	0	2,375,000	24,247	307	3,127	55,106	26,124,724
14,998	233,249	273,015	319,556	190,140	33,445,036	35,200,000	31,300,000	0	0	2,375,000	24,247	307	2,554	25,429	103,403,530
995,509	92,322,754	8,463,041	9,906,679	41,624,979	883,500,000	35,200,000	31,300,000	199,561	1,874,685		751,934	9,510	391,316	13,298,164	1,193,463,131

FUND FINANCIAL FLOWS

Collections - Annual Prepayment Rate: 10%

Outstanding Loan Balance	Date	Loan Repayments	Loan Int.	Reserve Fund	Treas. Acct. Interest	Total	Liq. Line	Sub. Cred.
888,082,658	25/07/03	61,917,342	13,552,527	2,375,000	232,499	78,077,369	12,000,000	23,750,000
843,446,413	25/10/03	44,636,245	9,577,815	2,375,000	141,116	56,730,175	12,000,000	23,750,000
800,304,315	25/01/04	43,142,098	9,093,655	2,375,000	136,474	54,747,228	12,000,000	23,750,000
758,612,527	25/04/04	41,691,787	8,625,724	2,375,000	130,540	52,823,051	12,000,000	23,750,000
718,328,439	25/07/04	40,284,089	8,173,547	2,375,000	126,224	50,958,860	12,000,000	23,750,000
679,410,627	25/10/04	38,917,812	7,736,660	2,375,000	123,381	49,152,852	12,000,000	23,750,000
641,818,829	25/01/05	37,591,798	7,314,612	2,375,000	119,280	47,400,690	12,000,000	23,750,000
605,513,911	25/04/05	36,304,918	6,906,967	2,375,000	112,798	45,699,684	12,000,000	23,750,000
570,457,837	25/07/05	35,056,074	6,513,300	2,375,000	110,240	44,054,613	12,000,000	23,750,000
536,613,642	25/10/05	33,844,194	6,133,196	2,375,000	107,716	42,460,106	12,000,000	23,750,000
503,945,406	25/01/06	32,668,236	5,766,254	2,375,000	104,097	40,913,587	12,000,000	23,750,000
472,418,222	25/04/06	31,527,184	5,412,083	2,375,000	98,402	39,412,670	12,000,000	23,750,000
441,998,175	25/07/06	30,420,047	5,070,306	2,375,000	96,133	37,961,486	12,000,000	23,620,911
412,652,316	25/10/06	29,345,859	4,740,552	2,375,000	93,896	36,555,307	12,000,000	22,099,909
384,348,637	25/01/07	28,303,679	4,422,465	2,375,000	90,705	35,191,848	12,000,000	20,632,616
357,056,052	25/04/07	27,292,586	4,115,695	2,375,000	85,709	33,868,990	12,000,000	19,217,432
330,744,370	25/07/07	26,311,682	3,819,907	2,375,000	83,698	32,590,287	12,000,000	17,852,803
305,384,282	25/10/07	25,360,088	3,534,771	2,375,000	81,717	31,351,575	12,000,000	16,537,218
280,947,338	25/01/08	24,436,944	3,259,969	2,375,000	78,906	30,150,819	12,000,000	15,269,214
257,405,934	25/04/08	23,541,404	2,995,193	2,375,000	75,356	28,986,953	12,000,000	14,047,367
234,733,295	25/07/08	22,672,639	2,740,142	2,375,000	72,748	27,860,529	12,000,000	12,870,297
212,903,467	25/10/08	21,829,828	2,494,525	2,375,000	70,994	26,770,347	12,000,000	11,875,000
191,891,311	25/01/09	21,012,156	2,258,062	2,375,000	68,521	25,713,740	12,000,000	11,875,000
171,672,499	25/04/09	20,218,811	2,030,479	2,375,000	64,689	24,688,979	12,000,000	11,875,000
152,223,527	25/07/09	19,448,973	1,811,513	2,375,000	63,113	23,698,598	12,000,000	11,875,000
133,521,727	25/10/09	18,701,799	1,600,908	2,375,000	61,560	22,739,266	12,000,000	11,875,000
115,545,316	25/01/10	17,976,412	1,398,419	2,375,000	59,383	21,809,213	12,000,000	11,875,000
98,273,457	25/04/10	17,271,859	1,203,810	2,375,000	56,028	20,906,698	12,000,000	11,875,000
	25/07/10	98,273,457	1,016,858	2,375,000	54,628	101,719,942	12,000,000	11,875,000
		950,000,000	143,319,913		2,800,551	1,164,995,464		

FUND FINANCIAL FLOWS

Payments - Annual Prepayment Rate: 10%

Current Expenses	Interest AG-AS	Interest BG-BS	Interest C	Interest SWAP	Amortisation AG+AS	Amortisation BG+BS	Amortisation C	Interest Sub. Loan	Repayment Sub. Loan	Reserve Fund.	Interest Sub. Cred.	Fee Cred.L.	Admin. Fee	Intermed. Fee	Total
59,698	7,415,903	328,971	386,006	4,401,137	61,917,342	0	0	23,300	115,049	2,375,000	29,519	373	29,556	995,515	78,077,369
48,036	5,729,809	273,015	319,556	2,367,565	44,636,245	0	0	17,965	94,505	2,375,000	24,247	307	22,695	821,231	56,730,175
46,097	5,418,511	273,015	319,556	2,243,510	43,142,098	0	0	17,000	94,505	2,375,000	24,247	307	21,555	771,828	54,747,228
43,845	5,062,006	270,048	316,082	2,196,780	41,691,787	0	0	15,861	93,477	2,375,000	23,984	303	20,230	713,648	52,823,051
42,053	4,774,404	270,048	316,082	2,077,148	40,284,089	0	0	14,917	93,477	2,375,000	23,984	303	19,176	668,179	50,958,860
40,661	4,545,924	273,015	319,556	1,895,716	38,917,812	0	0	14,127	94,505	2,375,000	24,247	307	18,357	633,626	49,152,852
38,970	4,274,507	273,015	319,556	1,787,515	37,591,798	0	0	13,162	94,505	2,375,000	24,247	307	17,363	590,746	47,400,690
36,731	3,925,113	267,080	312,609	1,800,927	36,304,918	0	0	11,932	92,450	2,375,000	23,720	300	16,045	532,858	45,699,684
35,474	3,718,283	270,048	316,082	1,637,748	35,056,074	0	0	11,131	93,477	2,375,000	23,984	303	15,306	501,703	44,054,613
34,237	3,514,658	273,015	319,556	1,484,546	33,844,194	0	0	10,299	94,505	2,375,000	24,247	307	14,578	470,964	42,460,106
32,767	3,278,625	273,015	319,556	1,390,416	32,668,236	0	0	9,334	94,505	2,375,000	24,247	307	13,713	433,866	40,913,587
30,871	2,984,471	267,080	312,609	1,392,750	31,527,184	0	0	8,187	92,450	2,375,000	23,720	300	12,599	385,448	39,412,670
29,755	2,800,148	270,048	316,082	1,255,619	30,420,047	0	0	7,344	93,477	2,375,000	23,984	303	11,942	357,737	37,961,486
28,656	2,618,766	273,015	319,556	1,127,215	29,345,859	0	0	6,471	94,505	2,375,000	24,247	307	11,296	330,416	36,555,307
27,381	2,414,105	273,015	319,556	1,045,565	28,303,679	0	0	5,506	94,505	2,375,000	24,247	307	10,546	298,438	35,191,848
25,789	2,168,522	267,080	312,609	1,038,556	27,292,586	0	0	4,442	92,450	2,375,000	23,720	300	9,609	258,327	33,868,990
24,797	2,004,344	270,048	316,082	924,283	26,311,682	0	0	3,558	93,477	2,375,000	23,984	303	9,026	233,702	32,590,287
23,823	1,842,870	273,015	319,556	817,631	25,360,088	0	0	2,643	94,505	2,375,000	24,247	307	8,452	209,440	31,351,575
22,721	1,666,006	273,015	319,556	747,047	24,436,944	0	0	1,678	94,505	2,375,000	24,247	307	7,804	181,990	30,150,819
21,527	1,479,323	270,048	316,082	705,629	23,541,404	0	0	705	69,851	2,375,000	23,984	303	7,102	175,995	28,986,953
20,515	1,316,927	270,048	316,082	637,989	22,672,639	0	0	0	0	2,375,000	23,984	303	6,507	220,535	27,860,529
19,652	1,173,278	273,015	319,556	550,390	21,829,828	0	0	0	0	2,375,000	24,247	307	5,999	199,077	26,770,347
18,703	1,021,034	273,015	319,556	489,626	21,012,156	0	0	0	0	2,375,000	24,247	307	5,441	174,654	25,713,740
17,609	855,482	267,080	312,609	468,365	20,218,811	0	0	0	0	2,375,000	23,720	300	4,797	145,205	24,688,979
16,831	725,512	270,048	316,082	391,672	19,448,973	0	0	0	0	2,375,000	23,984	303	4,339	125,854	23,698,598
16,067	597,845	273,015	319,556	320,762	18,701,799	0	0	0	0	2,375,000	24,247	307	3,890	106,778	22,739,266
15,255	467,417	273,015	319,556	268,751	17,976,412	0	0	0	0	2,375,000	24,247	307	3,412	85,842	21,809,213
14,364	334,612	267,080	312,609	242,320	17,271,859	0	0	0	0	2,375,000	23,720	300	2,889	61,945	20,906,698
13,677	219,183	270,048	316,082	87,338	31,773,457	35,200,000	31,300,000	0	0	2,375,000	23,984	303	2,484	138,386	101,719,942
846,563	78,347,587	7,917,011	9,267,567	35,794,514	883,500,000	35,200,000	31,300,000	199,561	1,874,685		703,439	8,897	336,707	10,823,933	1,164,995,464

V.4 Description of the purpose or object of the financial operations contracted by the Management Company for the account of the Fund intended to improve the risk, increase payment regularity, neutralise interest rate mismatches or, in general, transform the financial characteristics of the Assets

The Management Company will, for the account of the Fund, enter into the operations described below in order to neutralise mismatches between the interest rates on the Assets acquired by the Fund and on the Bonds or other liabilities and, in general, transform the financial characteristics of the Assets.

In order to comply with the operating procedures of the Fund on the terms set out in this Prospectus, in the Fund Formation Deed and in the laws prevailing from time to time, the Management Company may extend or novate with modifications the contracts it has made in the name of the Fund, replace each of the counterparties therein and even, if necessary, enter into additional agreements, all subject to the applicable laws.

In particular, the Management Company will enter into the following contracts for the account of the Fund:

- (a) the Generalitat Guarantee Liquidity Line Agreement described in section V.2.4.1 above;
- (b) the Contract for the Subordinated Loan for Formation Expenses and to finance the initial principal gap, described in section V.2.1 above;
- (c) the Subordinated Credit Facility Agreement described in section V.2.2 above;
- (d) the Interest Rate Swap Contracts described in section V.2.4.5. above.
- (e) the Underwriting Agreement for the Bond Issue described in section V.2.4.2 above;
- (f) the Paying Agency Agreement described in section V.2.4.3 above;
- (g) the Guaranteed Interest Deposit Contract described in section V.2.3 above;
- (h) the Administration Agreement described in section IV.3.1 above;
- (i) the Internal Management Agreement described in section V.2.4.4 above;
- (j) the Assets Transfer Contracts described in section IV.2.2 above;

V.5 Accounting policy of the Fund

The Management Company, for the account of the Fund, will time allocate revenues and expenses according to generally accepted accounting principles in Spain as set forth in the Spanish General Chart of Accounts (Plan General de Contabilidad), in particular, in Royal Decree 1643/1990 of 20 December 1990.

V.6 Rules for priority of payments payable by the Fund

V.6.1 Ordinary rules on priority of payments payable by the Fund

V.6.1.1 Source and application of funds at the Disbursement Date of the Bonds

The source and application of the amounts available to the Fund at the Bond issue Disbursement Date will be as follows:

1. Source: the Fund will have funds available from the following sources:
 - (a) Payment of the Bond issue.
 - (b) Drawdown under the Subordinated Loan for Formation Expenses and to finance the initial principal gap
 - (c) Initial Advance drawn under the Subordinated Credit Facility.
2. Application: the Fund, in turn, will apply the funds mentioned above to make the following payments:
 - 1st Payment of the Price of the Assets.
 - 2nd Payment of the Fund formation and Bond issuance expenses.
 - 3rd Payment of the initial gap between the face value of the Bond Issue and the aggregate nominal value of the Assets at the time the Bonds are subscribed
 - 4th Allocation to the Reserve Fund.

V.6.1.2 As from the Fund formation date and until the full redemption of the Bonds

1. Source: the Available Funds to perform the payment obligations or the withholding obligations set out in paragraph 2 below will be as follows:
 - (a) the amounts received from repayment (voluntary or forced) of the principal of the Assets, as well as the amounts from total or partial accelerated cancellation and/or prepayment of any of the Assets, which will have been deposited in the Treasury Account;
 - (b) interest from the Assets;
 - (c) the amounts collected under the Swap Contracts on the terms described in section V.2.4.5;
 - (d) the amounts received in respect of any item by reason of the Assets, which will have been transferred to the Treasury Account by the Originating Banks according to section V.1.2.2 of the Prospectus;

- (e) the income obtained from reinvestment of the Reserve Fund (which will have been deposited in the Treasury Account according to section V.1.2.2) and from the other amounts held on deposit in the Treasury Account and in the Collections Accounts opened by the Fund in each Originating Bank;
 - (f) the Reserve Fund described in section V.1.3 of the Prospectus;
 - (g) the amounts borrowed under the Subordinated Credit Facility;
 - (h) amounts draw on the Liquidity Line;
 - (i) revenues obtained from payments made by the Generalitat in the event of enforcement of its Guarantee.
2. Application: the Available Funds at each Payment Date, irrespective of their accrual date, will be applied to perform the payment and withholding obligations as indicated below:
- 1st Payment of ordinary expenses and extraordinary expenses of the Fund, passed on or not by the Management Company and duly justified, including the Management Fee payable to the latter and the rest of the expenses and fees for services.
 - 2nd Payment of the amounts accrued under the Interest Rate Swap Contracts (excluding the amounts payable by the Fund in the event of settlement of those contracts).
 - 3rd Payment of interest on Class AS Bonds due and not paid on previous Payment Dates, payment of interest on Class AG Bonds due and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of interest on the AG Bonds not refunded on previous Payment Dates (pro rata).
 - 4th Payment of interest on Class AG and AS Bonds accrued during the Interest Accrual Period. If the funds are insufficient, the resulting amount shall be distributed pro rata amongst the Class AG and AS Bonds (without prejudice to the Guarantee granted by the Generalitat to cover shortfalls in the payment of Class AG Bond interest).
 - 5th Payment of interest on Class BS Bonds due and not paid on previous Payment Dates, payment of interest on Class BG Bonds due and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of interest on the BG Bonds not refunded on previous Payment Dates (pro rata).

- 6th Payment of interest on the Class BG and BS Bonds accrued during the Interest Accrual Period. If the Funds are insufficient, the resulting amount shall be distributed pro rata amongst the Class BG and BS Bonds (without prejudice to the Guarantee granted by the Generalitat to cover shortfalls in the payment of Class BG Bond interest).
- 7th Payment of interest on Class C Bonds, unless such payment is deferred as provided in section V.6.2.1 below.
- 8th Payment of interest on the amounts borrowed under the Generalitat Guarantee Liquidity Line.
- 9th Payment of the Quantity Accrued for Amortisation of the Class AS Bonds owed and not paid on previous Payment Dates, payment of the Quantity Accrued for Amortisation of the Class AG Bonds owed and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of principal of AG Bonds not refunded on previous Payment Dates (pro rata).
- 10th Payment of the Quantity Accrued for Amortisation of Class AG and AS Bonds. If the funds are insufficient, the resulting amount shall be distributed pro rata amongst the Class AG and AS Bonds; all without prejudice to the Guarantee granted by the Generalitat to cover shortfalls in the payment of Class AG Bond principal.
- 11th Payment of the Quantity Accrued for Amortisation of Class BS Bonds owed and not paid on previous Payment Dates, payment of the Quantity Accrued for Amortisation of Class BG Bonds owed and not paid on previous Payment Dates (as a result of default by the Generalitat on its payment obligations under the Guarantee of the Generalitat) and reimbursement to the Generalitat de Catalunya of the amounts disbursed by the latter to the Fund on enforcement of the Guarantee of the Generalitat for payment of principal of BG Bonds not refunded on previous Payment Dates (pro rata).
- 12th Payment of the Quantity Accrued for Amortisation of Class BG and BS Bonds. Amortisation of Class BG and BS Bonds shall only begin after Class AG and AS Bonds have been fully amortised. If the Funds are insufficient, the resulting amount shall be distributed pro rata amongst the Class BG and BS Bonds; all without prejudice to the Guarantee granted by the Generalitat to cover shortfalls in the payment of Class BG Bond principal.
- 13th Payment of the Quantity Accrued for Amortisation of Class C Bonds. Amortisation of Class C Bonds shall only begin after the Bonds in the other Classes have been fully amortised.

- 14th Withholding of the minimum amount of the Reserve Fund established in section V.1.3 and Repayment of the Advances Borrowed under the Subordinated Credit Facility. Repayment of the Advances Borrowed under the Subordinated Credit Facility shall be in respect of the amounts borrowed under the said Subordinated Credit Facility to perform the obligations set out in positions 1 to 13 in this Priority Order of Payments that have not be repaid previously.
- 15th Payment in the event of termination of the Swap Contracts of the sum payable by the Fund for settlement of those contracts.
- 16th Payment of interest on the Subordinated Loan for Formation Expenses and to cover the initial principal gap according to the rules laid down in section V.2.1.
- 17th Payment of interest on the Subordinated Credit Facility.
- 18th Repayment of principal of the Subordinated Loan for Formation Expenses and to cover the initial principal gap according to the rules laid down in section V.2.1.
- 19th Repayment of the Principal Borrowed under the Subordinated Credit Facility, upon prior agreement with the Rating Agencies.
- 20th Payment to the Originating Banks of the Administration Fee stipulated in the Assets Administration Agreement.
- 21st Payment of the variable Financial Intermediation Spread established in the Internal Management Agreement.

Repayment of the principal borrowed under the Generalitat Guarantee Liquidity Line shall be made at the time the Generalitat de Catalunya effects payment of the guaranteed amounts.

Refund of the amounts obtained from the Generalitat de Catalunya on enforcement of the Guarantee of the Generalitat shall be done on each of the ensuing Payment Dates with a charge to the Available Funds and to the Funds Available for Amortisation, with the same rankings in the priority order of payments as payment of interest accrued and amortisation of principal of the Bonds of the guaranteed Classes.

V.6.2 Exceptional rules for priority order of payments by the Fund

V.6.2.1 Payment of interest accrued on Class C Bonds

Payment of interest accrued on Class C Bonds at a Payment Date shall go from the 7th to the 13th position in the above priority order of payments (in which event, the references made herein to ordinal numbers 13th through 21st of the above priority order of payments shall be understood to refer to ordinal numbers 14th through 22nd) if the following circumstance is present on a given Determination Date:

That Outstanding Balance of the Assets ninety (90) days or more overdue at the preceding Determination Date is higher than 6% of the Outstanding Balance of the Assets at that Determination Date. For these purposes, amounts overdue shall be

considered to be the Amounts of the Assets past due and not collected and not classified as Non-Performing Assets.

V.6.2.2 Priority of payments between the Subordinated Loan for Formation Expenses, Subordinated Credit Facility, Administration Fee and Financial Intermediation Spread

The order of priority between the payments to be made in respect of interest accrued and repayment of the principal of the Subordinated Loan for Formation Expenses and to cover the initial gap and of the Subordinated Credit Facility, Administration Fee and Financial Intermediation Spread shall be determined individually for each Originating Bank, such that those payments will be made according to the result of the Adjusted Individual Account of each Originating Bank in accordance with the terms of the Internal Management Agreement.

CHAPTER VI

GENERAL INFORMATION ON THE FUND MANAGEMENT COMPANY

VI.1. On the Company, not including its capital

VI.1.1. Name and registered office

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A., with registered office at Avenida Diagonal, 621 in Barcelona.

VI.1.2. Incorporation and registration in the Companies Registry, and particulars of administrative authorisations and registration in the Comisión Nacional del Mercado de Valores (Spanish Securities Markets Commission)

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. is organised as a *sociedad anónima* (public limited company) under Spanish law, holding Spanish corporate identification code (CIF) A-58481227, incorporated in a public deed attested by Barcelona notary public Mr. Wladimiro Gutiérrez Álvarez on 6 November 1987 under the registered corporate name of “Caixa 92, S.A.”, and changed its original name to GestiCaixa, Sociedad Gestora de Fondos de Titulización Hipotecaria, S.A and altered its status to that of a mortgage securitisation fund management company on 6 September 1993 in a deed attested by Barcelona notary public Mr. Roberto Follia Camps under number 2129 of his notary record, in accordance with the terms of article six of Spanish Act 19/1992 of 7 July 1992 regulating real estate investment companies and funds and mortgage securitisation funds (Ley sobre régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria), under the authorisation granted in the Ministerial Order of 24 August 1994. It is registered in the Companies Registry of Barcelona at page 110165, folio 141, volume 9173, book 8385, section 2, 1st entry and adapted to the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas) in a public deed attested by Barcelona notary public Mr. Wladimiro Gutiérrez Álvarez, which produced the 3rd entry in page B-50432, folio 143, volume 9173. On 10 June 2002 it altered its status to that of a securitisation funds management company in a deed attested by Barcelona notary public Mr. Joaquín Viola Tarragona under number 424 of his notary record in accordance with the Sole Transitional Provision of Royal Decree 926/1998 of 11 May 1998 regulating asset securitisation funds and management companies of securitisation funds and under the authorisation issued by the Spanish Ministry of Economy in the Ministerial Order of 9 May 2002, adopting the new registered corporate name of “GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A.”. The said deed is registered in the Companies Registry of Barcelona at volume 34187, folio 192, page B-50432, 14th entry.

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. is registered in the Special Registry of Securitisation Funds Management Companies (Registro Especial de Sociedades Gestoras de Fondos de Titulización) of the Comisión Nacional del Mercado de Valores under number 7.

The Management Company is incorporated for an unlimited duration, save for the occurrence of any of the events of winding-up provided for in the applicable legal provisions and, where such is the case, in the company articles of association.

VI.1.3. Registered corporate object

The exclusive object of the Management Company is the formation, administration and legal representation both of asset securitisation funds and mortgage securitisation funds in accordance with the provisions of Royal Decree 926/1998 of 11 May 1998 regulating asset securitisation funds and management companies of securitisation funds.

VI.1.4. Location where the documents cited in the Prospectus or whose existence is implied by the content of the Prospectus may be consulted

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

This Prospectus has been registered in the Official Registers of the Comisión Nacional del Mercado de Valores as of day **27 March 2003**. It is available to the public, free of charge, at the head offices of the Management Company and of the Arranger. It may also be consulted at the Comisión Nacional del Mercado de Valores, in Madrid, at Paseo de la Castellana 19 or, in the alternative, in Barcelona, at Paseo de Gracia 19, 3rd floor, as well as in the Barcelona Stock Exchange, in Barcelona at Paseo de Gracia 19 ground floor.

All public information detailed in this Prospectus may also be found in the registered office of the Management Company and in the Official Register of the Comisión Nacional del Mercado de Valores.

VI.2. On the share capital

VI.2.1. Nominal amount subscribed and paid in

The share capital social of the Management Company at the time the Fund is formed is one million five hundred two thousand five hundred euro (€1,502,500), represented by two hundred fifty thousand (250,000) registered shares with a nominal value of six euro and on euro cent each (€6.01). On 29 June 2001 the Board of Directors of the Management Company resolved to redenominate the share capital in euro, with the consequent reduction thereof by €30.26 to adjust the unit value of the shares.

VI.2.2. Share classes

All shares issued by the Company through the date of this Prospectus are ordinary registered shares belonging to the same class and series and conferring identical financial and non-financial rights.

VI.2.3. Evolution of the capital during the last three years

No capital increase has been carried out in the Management Company during the last three years.

VI.3. Data on holdings

VI.3.1. Existence or absence of holdings in other companies

The Company does not have any equity holdings in any other company.

VI.3.2. Group of companies to which the Company belongs

For the purposes of article 42 of the Spanish Code of Commerce, the Management Company forms part of the Caixa d'Estalvis i Pensions de Barcelona group of companies.

VI.3.3. Owners of significant holdings

At the registration date of this Prospectus, the ownership of the shares of the Management Company is distributed amongst the companies listed below, with a specification of the equity interest held by each:

Name of the shareholder company	%
CaixaHolding, S.A.	80%
VidaCaixa, S.A. de Seguros y Reaseguros	9%
Caixa Barcelona Seguros Vida, S.A., Seguros y Reaseguros	6%
HipoteCaixa, E.F.C., S.A.	5%

VI.4. Company bodies

According to the articles of association, the powers for governance and management of the Management Company rest with the shareholders in general meeting and with the board of directors. Their powers and authorities are those delegated to those bodies under the Spanish Public Limited Companies Act and under Act 19/1992 of 7 July 1992 in relation to its registered corporate object.

VI.4.1. Board of directors

As at the registration date of this Prospectus, the board of directors is composed of the following persons:

Chairman:	Pedro Huguet Vicens
Directors:	Joaquin Vilar Barrabeig Hernán Cortés Lobato Xavier Jaumandreu Patxot José R. Montserrat Miró Asunción Ortega Enciso
Secretary (non-director):	Juan Ignacio Sanz Caballero

VI.4.2. General Manager

The General Manager of the Management Company is Xavier Jaumandreu Patxot.

VI.5. Overall interest in the Management Company held by the persons belonging to the company bodies

The persons that sit on the Management Company board of directors are neither owners nor representatives, directly or indirectly, of any share or convertible debenture.

VI.6. Identification of the individual or corporate lenders to the Management Company and who hold a more than 10% participation in its debts, quantifying the amount of such interests in each case

Does not apply.

VI.7. Indication as to whether the management company is involved in any type of insolvency proceeding and as to the possible existence of significant litigation or disputes capable of affecting the economic-financial situation, or, in the future, its capacity to carry on the Fund management and administration functions provided in this Prospectus

As at the registration date of this Prospectus there are no lawsuits or disputes capable of significantly affecting the economic-financial situation of the Management Company, or, in the future, its capacity to carry on the Fund management and administration functions provided in this Prospectus.

CHAPTER VII

FINANCING TO SMALL AND MEDIUM ENTERPRISES

VII.1. Financing to Small and Medium Enterprises

The Loans transferred by the Originating Banks to the Fund, at the time of the Fund's formation, are ownership rights over the loans granted by each Originating Bank to Catalan non-financial enterprises or entrepreneurs, at least 50% of which are to small and medium enterprises ("SMEs"), within the meaning of European Commission Recommendation 96/280/EC of 3 April 1996 on the definition of small and medium enterprises (SMEs) or such rule as may replace it in the future, that is, enterprises that employ less than 250 persons, with annual turnover not exceeding 40 million euro and an annual balance sheet not exceeding 27 million euro, and that conform to the criterion of independent of large enterprises: 25% or more of its capital or voting rights must not be owned by another enterprise, or jointly by several enterprises, falling outside the definition of SME or of small enterprises. The Loans have been granted according to the customary procedures and will be administered by the Originating Banks according to the same rules and policies as normally used for transactions of this type.

VII.2 The Guarantee of the Generalitat

Resolution ECF/329/2003 of 4 February 2002, approving the basic terms and the documents for obtaining the guarantee of the Generalitat provided for in article 34.11 of Act 30/2002 of 30 December 2002 (hereinafter, "Resolution ECF/329/2003"), lays down the requirements that must be fulfilled in order to qualify for the benefits of the guarantee of the Generalitat to secure fixed-income securities issued with a charge to Asset Securitisation Fund in order to foster the formation of Asset Securitisation Funds to promote financing to businesses.

After examining the Resolution requirements referred to in the paragraph above, the Department of Economy and Finance of the Generalitat de Catalunya has granted a guarantee for Class AG and BG Bonds covering both the principal and the interest thereon for the Bonds in those Classes.

VII.3 Possible implications of the tendencies discussed in section VII.1 above (prepayment rates, non-performing loan rates, etcetera):

The interest rate swaps regulated in the Swap Contracts which the Management Company has made, in the name and on behalf of the Fund, with each Originating Bank are intended to hedge the interest rate risk faced by the Fund because the Loans are subject to floating interest rates with different reference indices and interest reset and assessment periods than those established for each Class of Bonds issued against the Fund. In addition, the Interest Rate Swap Contracts seek to hedge the risk arising from the possibility of the Loans being renegotiated to decrease the interest rates covenanted therein.

Given the high proportion of Transferred Assets with a floating interest rate, a high prepayment rate is not expected for the Transferred Assets.

As for the credit quality of the Debtors, none of the loans finally transferred to the Fund will have amounts past due and pending collection at their transfer date.

Signature. Mr. Xavier Jaumandreu Patxot
General Manager
GESTICAIXA, S.G.F.T., S.A.