

PROSPECTUS

December 2013

BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS

EUR 451,500,000 **DBRS / Fitch**
BBB(high) (sf) / BBBsf

Backed by loans assigned and serviced by



Lead Manager and Subscriber



Paying Agent

BANKIA

Fund established and managed by



Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores
on December 19, 2013

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

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This document is a prospectus (the “**Prospectus**”) registered at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*), as provided for in Commission Regulation (EC) No. 809/2004, April 29, 2004, as currently worded (“**Regulation 809/2004**”), and comprises:

1. A description of the major risk factors linked to the Issuer, the securities and the assets backing the issue (the “**Risk Factors**”).
2. An asset-backed securities registration document, prepared using the outline provided in Annex VII to Regulation 809/2004 (the “**Registration Document**”).
3. A securities note, prepared using the outline provided in Annex XIII to Regulation 809/2004 (the “**Securities Note**”).
4. A Securities Note building block, prepared using the block provided in Annex VIII to Regulation 809/2004 (the “**Building Block**”).
5. A glossary of definitions.

RISK FACTORS

1 Risks derived from the Issuer's legal nature and operations.

a) Nature of the Fund and obligations of the Management Company.

BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS (the “Fund” and/or the “Issuer”) is a separate closed-end fund devoid of legal personality and is managed by a management company, EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the “Management Company” or “EUROPEA DE TITULIZACIÓN”), in accordance with Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies, as currently worded (“Royal Decree 926/1998”). The Fund shall be liable only for its obligations to its creditors with its assets.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998, which include enforcing Bondholders' interests as the manager of third-party portfolios. There shall be no syndicate of bondholders. Therefore, the capacity to enforce Bondholders' interests shall depend on the Management Company's means.

b) Forced substitution of the Management Company.

In accordance with article 19 of Royal Decree 926/1998, where the Management Company is adjudged insolvent or has its licence to operate as a securitisation fund management company revoked by the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the “CNMV”), it shall find a substitute management company. In any such event, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, the Fund shall be liquidated early and the Bonds issued by the same shall be redeemed, in accordance with the provisions of the Deed of Constitution and of this Prospectus.

c) Limitation of actions.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Loan Obligors who may have defaulted on their payment obligations or against the Originator. Any such recourse may be used by the Management Company, representing the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of non-payment of amounts due by the Fund resulting from the existence of Loan default or, as the case may be, prepayment, a breach by the Originator of its obligations or by the counterparties to the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Management Company other than as derived from breaches of its duties or inobservance of the provisions of the Deed of Constitution and of this Prospectus. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

d) Applicability of the Insolvency Act.

Both BANKIA, S.A. (the “Originator” or “BANKIA”) and the Management Company may be declared insolvent.

Pursuant to Additional Provision 5 of Act 3/1994, April 14, adapting Spanish laws in the matter of Credit Institutions to the Second Banking Coordination Directive and introducing other financial system changes, as currently worded (“Act 3/1994”), the assignment to the Fund of the Mortgage Loan receivables by issuing Pass-Through Certificates and of the Non-Mortgage Loan receivables can only

be rescinded or contested as provided for in article 71 of Insolvency Act 22/2003, July 9, as currently worded (the “**Insolvency Act**”) by the receivers, who shall have to prove the existence of fraud.

Notwithstanding that, in the event that the public deed of constitution should be deemed to satisfy the requirements set in Additional Provision 3 of Act 1/1999, January 5, the assignment to the Fund of the Non-Mortgage Loan receivables could be liable to be rescinded in accordance with the general system provided for under article 71 of the Insolvency Act, paragraph 5 of which specifically provides that transactions made at arm’s length in the Originator’s ordinary course of business cannot be rescinded under any circumstances. There is no case law on the subject.

In the event of the Originator being decreed to be insolvent, the monies received by the Originator, as Servicer, and held by the same on behalf of the Fund before the date on which insolvency is decreed, might, given their nature as a fungible asset, be earmarked for the outcome of the insolvency proceedings, based on the most widespread construction of articles 80 and 81 of the Insolvency Act.

Certain means are nevertheless in place mitigating that risk, as described in sections 3.4.4.1 (Treasury Account), 3.4.5 (Collection by the Fund of payments in respect of the assets) and 3.7.2.1(2) (Collection Management) of the Building Block.

In the event of insolvency of the Management Company, it must be replaced by another management company in accordance with the provisions of article 19 of Royal Decree 926/1998.

2 Risks derived from the securities.

a) Issue Price.

The Bond Issue is made with the intention of being fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or be subsequently sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem’s valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

b) Liquidity.

As set out in the preceding section, the Originator will fully subscribe for the Bond Issue and, even in the event that the Bond Issue should hereafter be fully or partially disposed of, there is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

In addition, there is no undertaking that any institution will be involved in secondary trading, giving the Bonds liquidity by offering consideration.

Moreover, the Fund may in no event repurchase the Bonds from Bondholders. Nevertheless, the Bonds may be fully subject to early amortisation in the event of Early Liquidation of the Fund, on the terms laid down in section 4.4.3 of the Registration Document.

c) Yield and duration.

Calculation of the yield (internal rate of return), duration and average life of the Bonds contained in section 4.10 of the Securities Note is subject, inter alia, to assumed Loan prepayment and delinquency rates that might not be fulfilled, and to future market interest rates, given the floating nature of the Nominal Interest Rate.

d) Late-payment interest.

Late interest payment or principal repayment to Bondholders shall under no circumstances result in additional or late-payment interest accruing to their favour.

e) Bond Rating.

The credit risk of the Bonds has been assessed by DBRS Ratings Limited and Fitch Ratings España, S.A.U. (the “**Rating Agencies**”).

The Rating Agencies may review, suspend or withdraw the final ratings assigned to the Bonds at any time, based on any information that may come to their notice.

These ratings are not and cannot therefore be howsoever construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Bonds and, in particular, acquire, keep, charge or sell those Bonds.

f) Ratings not confirmed.

The Rating Agencies’ failure to confirm the provisional ratings given to the Bonds by 3pm (CET) on December 23, 2013 shall be an event of termination of the establishment of the Fund and the Bond Issue.

3 Risks derived from the assets backing the issue.

a) Risk of default on the Loans.

Bondholders shall distinctly bear the risk of default on the Loans pooled in the Fund.

BANKIA, as Originator, shall have no liability whatsoever for the Obligors’ default of principal, interest or any other Loan amount they may owe. Under article 348 of the Commercial Code, BANKIA shall be liable to the Fund exclusively for the existence and lawfulness of the Loans, and for the personality with which the issue of the Mortgage Loan Pass-Through Certificates and the assignment of the Non-Mortgage Loan receivables will be made. BANKIA will have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Non-Mortgage Loan receivables or the Pass-Through Certificates, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Non-Mortgage Loan receivables or Pass-Through Certificates failing to conform, upon the Fund being established, to the representations given in section 2.2.8 of the Building Block.

b) Limited Liability.

The Bonds issued by the Fund neither represent nor constitute an obligation of BANKIA or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BANKIA, the Management Company and any of their subsidiary or affiliated companies.

c) Limited Hedging.

A high level of delinquency of the Loans might reduce or indeed exhaust the limited hedging against Loan losses that the Bonds have as a result of the existence of the credit enhancement transactions described in section 3.4.2 of the Building Block.

The degree of subordination in interest payment and principal repayment between the Bonds and Loan B derived from the Priority of Payments and the Liquidation Priority of Payments is a mechanism for distinctly hedging the Bonds and Loan B.

d) Loan prepayment risk.

There will be a prepayment of the Loans when the Obligors prepay the portion of capital pending maturity, or in the event that BANKIA should be substituted in the relevant Loans by any other financial institution licensed to do so, or in any other event having the same effect.

That prepayment risk shall pass quarterly on each Payment Date to Bondholders upon partial amortisation of the Bonds, as provided for in the terms for amortisation and in the rules for Distribution of Available Funds for Amortisation on each Payment Date contained in sections 4.9.2 and 4.9.3.5 of the Securities Note.

e) Delinquency and doubtful loans.

BANKIA consolidated group's SME loan delinquency rate at September 30, 2013 (17.11%) with 65.00% recoveries within 18 months of the first unpaid instalment, the remaining loans not recovered becoming doubtful, has been taken into account in calculating the amounts and details tabled in section 4.10 of the Securities Note. This delinquency rate would not satisfy the Conditions for Pro Rata Amortisation of Loan B set out in section 4.9.3.5 of the Securities Note.

In addition, a Loan portfolio doubtful rate of 3.47% per annum, with 50% principal recovery of the Outstanding Balance of Doubtful Loans within 18 months of becoming doubtful, has been taken into account in order to calculate the amounts and details tabled in section 4.10 of the Securities Notes; the resultant cumulative Loan portfolio doubtful rate from the establishment of the Fund with respect to the initial Outstanding Balance of the Loans upon the Fund being established being: 6.60% for a 5% CPR; 6.27% for a 7% CPR; and 5.94% for a 9% CPR.

The cumulative doubtful rates, CPRs and recovery rate used in the above paragraph are consistent with those observed by the Originator in SME loans.

f) Concentration by business group.

The sum of the outstanding balance at December 8, 2013 of the 10 business groups weighing most out of the selected loans accounts for 17.37% of the outstanding balance.

The sum of the outstanding balance at December 8, 2013 of the 20 business groups weighing most out of the selected loans accounts for 21.99% of the outstanding balance, as opposed to 33.50% of the sum of the Loan B amount and of the Initial Cash Reserve.

g) Sector concentration.

Out of the loans selected at December 8, 2013 to be assigned to the Fund upon being established, 13.21%, in terms of outstanding balance, have obligors whose business (Spanish Business Activity Code CNAE-2009) is comprised within the wholesale trade and trade intermediaries and retail trade sectors (CNAEs 46 and 47), 8.82%, in terms of outstanding balance, is comprised within the building and real estate sectors (CNAEs 41, 43 and 68), and 6.99%, in terms of outstanding balance, of the selected loans is comprised within the supply of electric power, gas, steam and air-conditioning sector (CNAE 35).

h) Geographical concentration.

The number of selected loans at December 8, 2013 to be assigned to the Fund upon being established with obligors domiciled in the Valencia Community (40.43% in terms of outstanding balance), the Community of Madrid (18.29% in terms of outstanding balance) and Catalonia (9.58% in terms of outstanding balance) is 5,842 (69.58% of the total loans) and their outstanding balance amounts to EUR 451,561,019.46 (68.30% of the total), as detailed in section 2.2.2.q) of the Building Block.

i) Selected loan origination date concentration.

Selected portfolio loans originated in the years 2010, 2011 and 2012 respectively account for 33.44%, 24.22% and 12.55% (jointly 70.21%), in terms of outstanding balance, of the total selected portfolio. The weighted average age of the portfolio is 42.91 months at December 8, 2013, the portfolio selection date.

j) Selected loan repayment system and principal repayment exclusion.

As detailed in section 2.2.2.l) of the Building Block, the selected loans at December 8, 2013 to be assigned to the Fund upon being established with a repayment system consisting of an only payment at maturity (bullet loans) account for 3.50%, in terms of outstanding balance, of the selected loans.

Out of the selected loans, 8.17%, in terms of outstanding balance, have a principal repayment exclusion period at December 8, 2013.

The average principal repayment exclusion period of the selected loans is 1.76 months weighted by the outstanding balance at that date. There is no loan making provision for an interest-free period.

k) Collaterals.

Selected portfolio selected loans at December 8, 2013 with real estate mortgage security account for 20.41%, in terms of outstanding balance, of that portfolio.

Selected portfolio selected loans at December 8, 2013 without special security (other than the obligor's personal surety) account for 35.37%, in terms of outstanding principal, of that portfolio.

Selected mortgage loans with residential property security account for 14.34%, in terms of outstanding balance, of the selected mortgage portfolio, the rest being business premises and offices (45.73%), industrial warehouses (24.93%) and rustic and urban properties (13.71%). The outstanding balance of mortgage loans with mortgages all registered as a first mortgage is EUR 116,261,551.71, which accounts for 86.14%, in terms of outstanding balance, of the selected mortgage loans (17.59% in terms of outstanding balance of the selected portfolio).

Selected senior mortgage loans at December 8, 2013 with a ratio, expressed as a percentage, of the outstanding balance to the appraisal value of the mortgaged properties (the "LTV") in excess of 60% account for 82.80%, in terms of outstanding balance, of the selected senior mortgage loans (14.46% in terms of outstanding balance of the selected portfolio), the average LTV weighted by the outstanding principal of each mortgage loan being 80.66%.

l) Loan renegotiation.

As set out in section 3.7.2.1.6 of the Building Block, the Management Company will initially authorise the Servicer to enter into and accept renegotiations of the interest rate, to extend the Loan maturity period, establish a principal repayment exclusion period (for not more than 30 months) or change the repayment system, provided that the amount of the sum of the capital or principal assigned to the Fund of the Loans with respect to which there is an extension of the term to maturity of the Loans and/or an establishment of principal repayment exclusion and/or a change of the repayment system, individually or simultaneously, does not exceed 15% of the sum of (i) the face amount of the Bond Issue and (ii) the initial Loan B amount.

The renegotiations conducted in accordance with the preceding paragraph may be equivalent or not to refinancings or restructurings, as defined in Bank of Spain Circular 6/2012 and in accordance with the criteria adopted by the Bank of Spain's Executive Committee at its April 30, 2013 meeting set out in the Bank of Spain letter of even date.

m) Lending criteria.

The audit report on certain features and attributes of the loan portfolio from which the Loans will be taken to be assigned to the Fund has not verified that those loans were approved in accordance with the empowerment levels or using the automatic approval systems or tools set out in the lending criteria in force at the date on which the loans were granted, and set out in section 2.2.7 of the Prospectus Building Block.

n) Intended use of the Loans.

Out of the selected loans for the 10 largest business groups, 42.14%, in terms of outstanding balance (7.32% in terms of outstanding balance on the total selected loan portfolio) are intended for other business purposes.

BANKIA's databases contain no further details on the intended use referred to in the preceding paragraph.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

SECURITIES REGISTRATION DOCUMENT

(Annex VII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1. PERSONS RESPONSIBLE

1.1 Persons responsible for the information given in the Registration Document.

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente, the Management Company's General Manager, is acting using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and March 31, 2010, and by the Board of Directors' Executive Committee at its meetings held on January 28, 2000 and November 23, 2009, and specifically for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on June 12, 2013.

1.2 Declaration by those responsible for the contents of the Registration Document.

Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

2. STATUTORY AUDITORS

2.1 Fund's Auditors.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund has no historical financial information.

The Fund's annual accounts shall be audited and reviewed every year by statutory auditors. The Fund's annual accounts and their audit report shall be filed with the Companies Register and the CNMV.

The Management Company shall proceed to designate, for periods of not more than three (3) years, the statutory auditor who is for that period of time to audit the Fund's annual accounts, reporting that appointment to the CNMV. The designation of an auditor for a given period shall not preclude the designation of that auditor for subsequent periods, observing in any event the laws in force on the subject.

2.2 Accounting policies used by the Fund.

Income and expenditure will be accounted for by the Fund in accordance with the accounting principles applicable from time to time, currently set out mainly in CNMV Circular 2/2009, March 25, on Securitisation Fund accounting rules, annual accounts, public financial statements and non-public statistical information statements, as currently worded.

The Fund's fiscal year shall match a calendar year. However, the first fiscal year will exceptionally begin on the date of establishment of the Fund and the last fiscal year will end on the date on which the Fund terminates.

3. RISK FACTORS

The risk factors linked to the Issuer are described in paragraph 1 of the preceding Risk Factors section of this Prospectus.

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the Issuer has been established as a securitisation fund.

The Issuer is a closed-end asset securitisation fund to be established in accordance with Spanish laws.

4.2 Legal and commercial name of the Issuer.

The Issuer's name is "BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- BANKIA PYME I FTA
- BANKIA PYME I F.T.A.

4.3 Place of registration of the Issuer and registration number.

The place of registration of the Fund is in Spain at the CNMV. The Fund has been entered in the Official Registers of the CNMV.

Companies Register

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, in pursuance of the facultative authority for which provision is made in article 5.4 of Royal Decree 926/1998.

4.4 Date of incorporation and existence of the Issuer.

4.4.1 Date of establishment of the Fund.

The Management Company and BANKIA, as Originator of the Loan receivables, shall proceed to execute on December 20, 2013 a public deed whereby BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANKIA will assign to the Fund Non-Mortgage Loan receivables and Mortgage Loan receivables, the latter by issuing Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds (the "**Deed of Constitution**"), on the terms provided in article 6 of Royal Decree 926/1998.

The Management Company represents that the contents of the Deed of Constitution shall match the draft Deed of Constitution it has submitted to the CNMV and the terms of the Deed of Constitution shall at no event contradict, change, alter or invalidate the contents of this Prospectus, notwithstanding the need to complete the respective details and amounts of the Non-Mortgage Loan receivables and of the Mortgage Loan Pass-Through Certificates to be respectively assigned or issued and subscribed for under the notarised agreement and the Deed of Constitution.

As provided for in article seven of Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7, as currently worded ("**Act 19/1992**"), the Deed of Constitution may be amended, upon request by the Management Company.

4.4.2 Existence of the Fund.

The Fund shall commence its operations on the date of execution of the Deed of Constitution.

The Fund shall be in existence until July 14, 2053 or the following Business Day if that is not a Business Day (the "**Final Maturity Date**"), unless there should previously have been an Early Liquidation as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 of this Registration Document should occur.

4.4.3 Early Liquidation of the Fund.

4.4.3.1 Following notice served on the CNMV, the Management Company shall be entitled to proceed to early liquidation (“**Early Liquidation**”) of the Fund and thereby early amortisation of the entire Bond Issue (“**Early Amortisation**”) on a date which could be different from a Payment Date and in any of the following events (the “**Early Liquidation Events**”):

- (i) When the amount of the Outstanding Balance of the Loans yet to be repaid is less than ten (10) percent of the initial Outstanding Balance of the Loans upon the Fund being established, and provided that the Bond payment obligations then outstanding and all the Loan B principal yet to be repaid may be honoured and settled in full in the Liquidation Priority of Payments.

Bond and Loan B payment obligations on the Early Liquidation date of the Fund shall at all events be deemed to be the Outstanding Principal Balance of the Bonds and Loan B on that date plus interest accrued and not paid until that date, which amounts shall be deemed to be due and payable on that date to all statutory intents and purposes.

- (ii) Where, in any event or circumstance whatsoever unrelated to the Fund’s operations, a substantial alteration occurs or the financial balance of the Fund is permanently damaged, as provided for in article 11.b) of Royal Decree 926/1998. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.
- (iii) Mandatorily, in the event that the Management Company should be adjudged insolvent and/or have its licence to operate as a securitisation fund management company revoked by the CNMV, and a period of four months should elapse without a new management company being designated in accordance with the provisions of section 3.7.1.3 of the Building Block to this Prospectus.
- (iv) If the Management Company should have the express consent and acceptance of all Bondholders and existing lenders, as regards both payment of amounts resulting from, and the procedure for, Early Liquidation.
- (v) When a default occurs indicating a major permanent imbalance in relation to the Bonds and/or Loan B or that it is about to occur.
- (vi) Upon the lapse of forty-two (42) months from the date of the last maturity of the Loans, even if amounts are still due and payable thereon.

4.4.3.2 The following requirements shall have to be satisfied to proceed to that Early Liquidation of the Fund:

- (i) That Bondholders be given not less than fifteen (15) Business Days’ notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company’s resolution to proceed to Early Liquidation of the Fund.
- (ii) That the Management Company previously advise the CNMV and the Rating Agencies of the notice referred to in the preceding paragraph.
- (iii) The notice of the Management Company’s resolution to proceed to Early Liquidation of the Fund shall contain a description of (i) the event or events triggering Early Liquidation of the Fund, (ii) the liquidation procedure, and (iii) how the Bond payment obligations are to be honoured and settled in the Liquidation Priority of Payments.

4.4.3.3 In order for the Fund, through its Management Company, to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, the Management Company shall, for and on behalf of the Fund:

- (i) Proceed to sell the Loan receivables remaining in the Fund at a reasonable market price, initially not less than the sum of the principal then outstanding plus interest due or accrued and not paid on the relevant Loans, subject to the provisions of paragraph (iii) below.

- (ii) Proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.
- (iii) Finally, both due to the preceding actions falling short and the existence of Loan receivables or other remaining assets of the Fund, the Management Company shall proceed to sell them, to which end it shall invite a bid from at least five (5) entities who may, in its view, give a reasonable market value in Early Liquidation Events other than (i) and (iv) of section 4.4.3.1 above. The Management Company shall be bound to accept the best bid received for the Loans or other remaining assets on offer. In order to set the reasonable market value, the Management Company may secure such valuation reports as it shall deem necessary.

However, in (i) and (iii) above, the Originator shall have a pre-emptive right and will therefore have priority over third parties to voluntarily acquire the Loan receivables or other assets still on the assets of the Fund. In relation to (iii) above, the Management Company shall send the Originator a list of the Loans or other remaining assets and of third-party bids received, if any, and the latter may use that right for all of the Loans or other assets offered by the Management Company within ten (10) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids, if any. The Originator shall notify the Management Company that the exercise of the pre-emptive right was subject to its usual revision procedures and that the exercise of the right is not designed to implicitly support securitisation.

4.4.3.4 The Management Company shall forthwith apply all the proceeds from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments.

4.4.4 Termination of the Fund.

The Fund shall terminate in any case, after completing the relevant legal procedure, in the following events:

- (i) Upon the Loans pooled therein being fully repaid.
- (ii) Upon the Bonds issued being fully amortised.
- (iii) When the Early Liquidation procedure established in section 4.4.3 above is over.
- (iv) At all events, upon final liquidation of the Fund on the Final Maturity Date on July 14, 2053 or the following Business Day if that is not a Business Day.
- (v) Upon the establishment of the Fund terminating in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013. In this event, the Management Company shall terminate the establishment of the Fund, the assignment of the Non-Mortgage Loan receivables, the subscription for the Pass-Through Certificates and the Bond issue.

In that case, termination of the establishment of the Fund shall be notified to the CNMV as soon as such is confirmed, and shall be publicised by means of the procedure specified in section 4.1.3.2 of the Building Block. Within not more than one month after the occurrence of the event of termination, the Management Company shall execute a statutory declaration before a notary public declaring that the Fund's obligations have been settled and terminated and that the Fund has terminated. Notwithstanding the above, the Fund Management Company shall defray the Fund set-up and Bond issue expenses payable out of the Subordinated Facility, which agreement shall not be terminated but shall rather be cancelled after those amounts are settled, principal repayment being subordinated to fulfilment of all other obligations undertaken by the Management Company, acting for and on behalf of the Fund.

In the event that there should be any remainder upon the Fund being liquidated and after making all payments to the various creditors by distributing the Liquidation Available Funds in the Liquidation Priority of Payments, that remainder shall be for the Originator on the liquidation terms established by the Management Company. If that remainder is not a liquid amount, since relating to Loan receivables that are pending the outcome of court or out-of-court proceedings instituted as a result of default by the Loan Obligor, both their continuation and the proceeds of their termination shall be for the Originator.

Starting three (3) months after liquidation of the Fund's remaining assets and distribution of the Liquidation Available Funds, the Management Company shall proceed to terminate the Fund and strike it off the relevant administrative registers and shall execute a statutory declaration before a notary public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) as the case may be, how Bondholders and the CNMV were notified, and (iii) how the Liquidation Available Funds were distributed in the Liquidation Priority of Payments; this shall be the subject of an extraordinary notice and all other appropriate administrative procedures will be observed. The Management Company will submit that statutory declaration to the CNMV.

4.5 Domicile, legal form and legislation applicable to the Issuer.

Pursuant to article 1.1 of Royal Decree 926/1998, the Fund has no legal personality, and the Management Company is entrusted with establishing, managing and being the authorised representative of the same, and, as manager of third-party portfolios, with representing and enforcing the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors.

The Fund shall have the same domicile as the Management Company:

- Street: Lagasca number 120
- Town: Madrid
- Post Code: 28006
- Country: Spain
- Telephone: (34) 91 411 84 67

The establishment of the Fund is subject to Spanish Law and in particular is carried out pursuant to the legal system provided for by (i) Royal Decree 926/1998 and implementing regulations, (ii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Additional Provision Five of Act 3/1994, (iv) Securities Market Act 24/1988, July 28, as currently worded (the "**Securities Market Act**"), (v) Mortgage Market Regulation Act 2/1981, March 25, as currently worded ("**Act 2/1981**"), (vi) Royal Decree 716/2009, April 24, implementing certain aspects of Act 2/1981, and other mortgage and financial system rules, as currently worded ("**Royal Decree 716/2009**"), (vii) Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, as currently worded ("**Royal Decree 1310/2005**"), (viii) Regulation 809/2004, as amended by Commission Delegated Regulation (EU) No. 486/2012, March 30, 2012 ("**Regulation 486/2012**"), and (ix) all other legal and statutory provisions in force and applicable from time to time.

4.5.1 Tax system of the Fund.

In accordance with the provisions of article 1.2 of Royal Decree 926/1998, additional provision one of Royal Decree 716/2009; article 7.1.h) of the Consolidation of the Corporation Tax Act approved by Legislative Royal Decree 4/2004, March 5, article 20.One.18 of Value Added Tax Act 37/1992, December 28, article 59 k) of the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30, article 45.I.B) 15 and 20, of the Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24, additional provision five of Act 3/1994, and Personal Income Tax Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts, the most relevant characteristics of each tax under the current tax system of the Fund are mainly as follows:

- (i) The establishment of the Fund and all transactions entered into by the Fund are subject to and exempt from the corporate transactions category of Capital Transfer and Documents under Seal Tax.
- (ii) Bond issue, subscription, transfer, repayment and redemption are not subject to or are exempt from, as the case may be, payment of Value Added Tax and Capital Transfer and Documents Under Seal Tax.
- (iii) The Fund pays Corporation Tax, the taxable income being determined in accordance with the provisions of Title IV of the Consolidation of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 30%, and subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax.

Rule 13 of Circular 2/2009 provides that securitisation funds must make valuation adjustments for impairment in the value of financial assets. The amendment made by Act 2/2010, March 1, to article 12.2 of the consolidation of the Corporation Tax Act, approved by Legislative Royal Decree 4/2004, March 5, which applies to tax periods commencing from January 1, 2009, provides that the rules relating to the circumstances determining deductibility of valuation adjustments due to impairment in the value of debt instruments valued at their depreciated cost held by mortgage securitisation funds and asset securitisation funds shall be laid down by way of implementing regulations. Until such implementing regulations are established, the aforesaid Act 2/2010 has introduced a Transitional Provision thirty-one in the consolidation of the Corporation Tax Act, which makes provision for a transitional tax system whereby the set criteria for credit institutions regarding deductibility of the specific client insolvency risk cover shall apply.

- (iv) Returns on investments obtained by securitisation funds are subject to the general Corporation Tax withholding system, a particular feature being that article 59 k) of the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30, provides that "returns on mortgage participation certificates, loans or other receivables constituting securitisation fund income" shall not be liable to withholding.
- (v) The management and custody services provided to the Fund are exempt from Value Added Tax.
- (vi) The establishment and assignment of security is subject to the general tax system and no special provision is made for securitisation funds.
- (vii) Assignment of the Non-Mortgage Loan and Mortgage Loan receivables by issuing the Pass-Through Certificates subscribed for by the Fund is a transaction exempt from and subject to Value Added Tax and Capital Transfer and Documents Under Seal Tax, on the terms provided for in the Consolidation of the Capital Transfer and Documents Under Seal Tax, and implementing regulations, and Mortgage Market Act 2/1981, and implementing regulations.
- (viii) The reporting duties established by Additional Provision Two of Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985, as worded by Act 6/2011.

The procedure to satisfy those reporting duties is set out in Royal Decree 1065/2007, July 27, approving General Regulations for tax management and inspection actions and procedures and implementing rules common to procedures applicable to taxes, and as worded by Royal Decree 1145/2011, July 29, amending those General Regulations.

4.6 Issuer's authorised and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the Issuer's principal activities.

The Fund's activity is to subscribe for pass-through certificates issued on mortgage loans and to acquire a number of non-mortgage loan receivables owned by BANKIA S.A. (both types of loans, the "**Loans**") granted to small and medium-sized and autonomous enterprises ("**SMEs**" as defined by the Bank of Spain in Technical Application no. 3/2013: entities which, whatever their legal form may be, or where the entity is part of a consolidated group, the consolidated group, carry on business with an annual turnover below EUR 50 million) domiciled in Spain (the "**Obligors**"), and to issue asset-backed bonds (the "**Asset-Backed Bonds**" or the "**Bonds**") and to arrange a loan ("**Loan B**"), the subscription for and drawing of which are respectively designed to finance acquisition of the Loan receivables.

The Loans may be classified based on their collaterals into:

- (i) Loans with real estate mortgage security, originated in a public deed (the "**Mortgage Loans**").

The Mortgage Loan receivables shall be assigned to the Fund upon BANKIA issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981, Additional Provision Five of Act 3/1994, as currently worded, Royal Decree 716/2009 and on the terms provided for in section 3.3 of this Building Block.

- (ii) Loans without special security, loans with other non-real estate security interests and/or loans with third-party personal surety, originated in a public document, which are enforceable (Civil Procedure Act article 517) or in a private document (the "**Non-Mortgage Loans**").

The Non-Mortgage Loan receivables shall be directly assigned to the Fund upon being sold by BANKIA and acquired by the Fund, on the terms provided for in section 3.3 of the Building Block.

In this Registration Document and elsewhere in the Prospectus the term "Loans" shall be used to refer collectively to the Non-Mortgage Loan and the Mortgage Loan receivables or to the Pass-Through Certificates perfecting the assignment of the Mortgage Loan receivables.

Loan interest and principal repayment income received by the Fund shall be allocated quarterly on each Payment Date to Bond and Loan B interest payment and principal repayment and the Priority of Payments established for Fund payments.

Moreover, the Fund, represented by the Management Company, shall arrange a number of financial and service transactions in order to consolidate the Fund's financial structure, enhance Bond payment safety or regularity, cover timing differences between the scheduled Loan and Bond and Loan B principal and interest flows, and, generally, enable the financial transformation carried out in respect of the Fund's assets between the financial characteristics of the Loans and the financial characteristics of the Bonds and Loan B.

5.2 Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and be the authorised representative of the Fund.

EUROPEA DE TITULIZACIÓN is a securitisation fund management company incorporated in Spain and entered in the CNMV's special register under number 2.

TIN: A-805144 66 Business Activity Code No.: 6630

Registered office: Calle Lagasca number 120, 28006 Madrid (Spain).

- BANKIA is the Originator of the Loan receivables to be assigned to the Fund upon being established, is the Lead Manager and shall be the Subscriber of the Bond Issue and has structured the financial terms of the Fund and the Bond Issue.

Out of the functions and activities that lead managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANKIA has structured the financial terms of the Fund and the Bond Issue.

In addition, it shall take responsibility for the contents of the Securities Note (including the Building Block), together with the Management Company, in accordance with articles 33 and 35.3 of the same Royal Decree.

Moreover, BANKIA shall be Fund counterparty under the Guaranteed Interest Rate Account (Treasury Account), Loan B, Subordinated Loan, Accrued Interest, Subordinated Facility, Liquidity Facility, Loan Servicing and Pass-Through Certificate Custody, Financial Intermediation and Bond Paying Agent Agreements.

BANKIA is a credit institution entered in the Company's Register of Valencia, at Volume 9341, Book 6623, Folio 104, Sheet V-17274 and in the Bank of Spain's Register under code number 2038.

TIN: A-14,010,342 Business Activity Code No.: 6419

Registered office: Calle Pintor Sorolla number 8, 46001 Valencia (Spain).

Ratings for BANKIA's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies:

Fitch Ratings	
Short-term	F-3
Long-term	BBB-
Date	September 2013
Outlook	<i>Negative</i>

BANKIA has not been allocated any credit ratings by DBRS, but the agency has issued a private rating on that bank. DBRS has advised that such private rating, at the registration date of this Prospectus, give BANKIA a long-term credit rating for BANKIA to be counterparty to the Guaranteed Interest Rate Account (Treasury Account), Liquidity Facility, Loan Servicing and Pass-Through Certificate Custody and Paying Agent Agreements. In the event that the public rating assigned by DBRS or, where there is no such rating, the private rating issued by DBRS and, where there are no such ratings, the internal assessments made by DBRS (the "**DBRS Rating**") should fall below the rating levels defined in the documentation, DBRS will notify the Management Company in writing, in order for the remedial measures defined in those Agreements to be put in place, unless BANKIA obtains public credit ratings by DBRS, whereupon it shall be under no obligation to issue any such notice.

- DBRS Ratings Limited ("**DBRS**") is one of the Rating Agencies rating the Bond Issue.

DBRS is a rating agency with place of business at 1 Minster Court, 10th Floor, Mincing Lane, London, EC3R 7AA, United Kingdom, is privately owned and operated and provides independent assessments in North America, Europe and Asia. The DBRS ratings are all available online at Bloomberg and at its website (www.dbrs.com).

DBRS Ratings Limited was registered and authorised on October 31, 2011 as a credit rating agency in the European Union in accordance with Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as currently worded.

- Fitch Ratings España, S.A.U. is one of the Rating Agencies rating the Bond Issue.

Fitch Ratings España, S.A.U. was registered and authorised on October 31, 2011 as a credit rating agency in the European Union in accordance with Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as currently worded.

Fitch Ratings España, S.A.U. is a single-member Spanish company, affiliated to and operating in accordance with the methodology, standards and quality control of Fitch Ratings Limited (both of them "**Fitch**" without distinction).

TIN: A-58090655

Registered Office: Paseo de Gracia, number 85, 7th floor, 08008 Barcelona(Spain)

- The law firm J&A Garrigues, S.L.P. ("**GARRIGUES**"), an independent adviser, has provided legal advice for establishing the Fund and issuing the Bonds and has been involved in reviewing this Prospectus, the transaction and financial service agreements referred to herein and the Deed of Constitution and the agreement assigning the Non-Mortgage Loans.

TIN: B-81709081

Registered Office: Hermosilla, number 3, 28001 Madrid (Spain)

- KPMG Auditores, S.L. ("**KPMG**") has issued the audit report on certain features and attributes of a sample of all selected BANKIA loans from which the Loans will be taken to be assigned to the Fund upon being established.

KPMG is entered in the Official Register of Auditors (ROAC) of Spain under number S0702.

TIN: B-78510153

Registered Office: Paseo de la Castellana number 95, 28046 Madrid (Spain)

BANKIA has an 0.3829% interest in the share capital of EUROPEA DE TITULIZACIÓN.

No other direct or indirect ownership or controlling interest whatsoever is known to exist between the above-mentioned legal persons involved in the securitisation transaction.

6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution and this Prospectus.

6.1 Incorporation and registration at the Companies Register.

EUROPEA DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before Madrid Notary Public Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, and entered in the Companies Register of Madrid at volume 5,461, book 0, folio 49, section 8, sheet M-89355, entry 1, on March 11, 1993; the company was re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and of the single transitional provision of Royal Decree 926/1998, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and in a deed executed on October 25, 1999 before Madrid Notary Public Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register.

EUROPEA DE TITULIZACIÓN has perpetual existence, other than upon the occurrence of any of the events of dissolution provided by the laws and the articles of association.

6.2 Audit.

The annual accounts of EUROPEA DE TITULIZACIÓN for the years ended December 31, 2012, 2011 and 2010 have been audited by Deloitte and are unqualified.

6.3 Principal activities.

The exclusive objects of EUROPEA DE TITULIZACIÓN are to establish, manage and be the authorised representative of both asset securitisation funds and mortgage securitisation funds.

EUROPEA DE TITULIZACIÓN managed 92 securitisation funds at November 30, 2013, 10 being mortgage securitisation funds and 82 being asset securitisation funds.

The following table itemises the 92 securitisation funds managed, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances as at November 30, 2013.

Securitisation Fund	Establishment	Initial Bond Issue	Bond Balance 3,11,2013		Bond Balance Balance 31,12,2012		Bond Balance Balance 31.12.2012
		EUR	EUR	Δ%	EUR	Δ%	EUR
TOTAL		147,952,450,000.00	45,999,713,493.63	-13.5%	53,198,158,405.18	-29.76%	75,734,822,721.19
Mortgage (FTH)		11,487,000,000.00	1,827,146,514.80	-32.5%	2,707,929,306.59	-43.88%	4,825,448,177.29
Bankinter 15 FTH	08.10.2007	1,525,500,000.00	Liquidated		Liquidated	-100.00%	1,108,726,167.74
Bankinter 14 FTH	19.03.2007	964,000,000.00	Liquidated		Liquidated	-100.00%	680,394,055.96
Bankinter 12 FTH	06.03.2006	1,200,000,000.00	Liquidated	-100.0%	619,867,304.96	-8.21%	675,335,112.16
Valencia Hipotecario 2 FTH	07.12.2005	950,000,000.00	359,866,923.20	-12.0%	408,929,627.85	-10.22%	455,492,117.00
Bankinter 11 FTH	28.11.2005	900,000,000.00	426,679,902.45	-8.4%	466,053,438.64	-8.04%	506,798,281.44
Bankinter 7 FTH	18.02.2004	490,000,000.00	142,431,122.64	-7.7%	154,244,617.24	-10.19%	171,741,825.58
Bankinter 5 FTH	16.12.2002	710,000,000.00	153,811,878.94	-12.0%	174,763,197.44	-11.20%	196,795,424.22
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	88,889,509.18	-14.8%	104,315,846.15	-13.84%	121,068,226.42
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	159,631,260.20	-10.1%	177,644,322.50	-12.45%	202,902,679.75
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	216,756,691.49	-12.8%	248,511,950.01	-12.85%	285,146,195.52
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	45,759,266.02	-13.7%	53,004,438.64	-16.25%	63,289,695.61
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	202,997,099.43	-15.2%	239,495,896.56	-14.98%	281,709,433.86
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	Liquidated	-100.0%	23,505,328.60	-22.60%	30,368,147.80
Bankinter 2 FTH	25.10.1999	320,000,000.00	30,322,861.25	-19.3%	37,593,338.00	-17.70%	45,680,814.23
Asset (FTA)		136,465,450,000.00	44,172,566,978.83	-12.5%	50,490,229,098.59	-28.80%	70,909,374,543.90
Rural Hipotecario XVI FTA	24.07.2013	150,000,000.00	148,272,056.10				
Rural Hipotecario XV FTA	18.07.2013	529,000,000.00	518,414,916.31				
Rural Hipotecario XIV FTA	12.07.2013	225,000,000.00	219,567,390.75				
BBVA Sec. Funding 1 FTA	11.03.2013	850,000,000.00	850,000,000.00				
BBVA-9 PYME FTA	24.12.2012	470,000,000.00	365,353,680.00	-22.3%	470,000,000.00		
BBVA RMBS 11 FTA	11.06.2012	1,400,000,000.00	1,325,381,979.60	-4.3%	1,385,045,356.80		
Rural Cédula I FTA	09.03.2012	1,000,000,000.00	1,000,000,000.00	0.0%	1,000,000,000.00		
Valencia Activos 1 FTA	24.01.2012	1,313,000,000.00	Liquidated	-100.0%	953,345,414.84		
BBVA EMPRESAS 6 FTA	19.12.2011	1,200,000,000.00	619,655,835.60	-31.7%	906,686,971.20	-24.44%	1,200,000,000.00
BBVA RMBS 10 FTA	20.06.2011	1,600,000,000.00	1,482,672,745.60	-3.5%	1,535,816,342.40	-3.12%	1,585,356,332.80
BBVA Empresas 5 FTA	14.03.2011	1,250,000,000.00	550,172,495.00	-20.4%	691,536,477.50	-28.46%	966,680,795.00
MBS BANCAJA 8 FTA	23.12.2010	450,000,000.00	376,744,212.45	-7.5%	407,340,751.05	-5.79%	432,383,935.05
BBVA CONSUMO 5 FTA	20.12.2010	900,000,000.00	Liquidated	-100.0%	653,197,680.00	-27.42%	900,000,000.00
MBS BANCAJA 7 FTA	23.07.2010	875,000,000.00	732,523,720.25	-6.4%	782,388,818.75	-6.28%	834,820,490.00
BBVA Empresas 4 FTA	19.07.2010	1,700,000,000.00	398,249,990.00	-37.7%	639,461,120.00	-40.94%	1,082,682,060.00
BBVA RMBS 9 FTA	19.04.2010	1,295,000,000.00	1,116,177,853.00	-3.7%	1,159,438,364.00	-4.54%	1,214,533,621.00
BBVA Empresas 3 FTA	21.12.2009	2,600,000,000.00	501,618,260.00	-30.8%	724,657,427.00	-40.27%	1,213,320,472.00
BBVA Consumo 4 FTA	09.12.2009	1,100,000,000.00	304,078,645.91	-34.1%	461,633,062.85	-38.30%	748,147,485.39
Rural Hipotecario XII FTA	04.11.2009	910,000,000.00	690,798,583.00	-6.9%	741,610,270.72	-6.61%	794,086,349.32
Bancaja Leasing 1 FTA	22.10.2009	800,000,000.00	390,433,414.40	-15.1%	459,831,161.60	-15.02%	541,087,654.40
PYME Bancaja 8 FTA	29.07.2009	510,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	281,982,207.78
BBVA RMBS 8 FTA	16.07.2009	1,220,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	1,023,222,078.84
VAL Bancaja 1 FTA	27.05.2009	300,000,000.00	229,064,138.92	-8.6%	250,589,832.27	-6.55%	268,141,616.07
Bancaja - BVA VPO 1 FTA	03.04.2009	390,000,000.00	274,831,794.06	-9.4%	303,442,444.50	-7.66%	328,624,627.26
Bankinter Empresas 1 FTA	16.03.2009	710,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	410,612,565.68
PYME Valencia 2 FTA	13.03.2009	500,000,000.00	150,233,499.75	-15.8%	178,507,602.00	-21.82%	228,326,636.75

Securitisation Fund	Establishment	Initial	Bond Balance		Bond Balance		Bond Balance
		Bond Issue	3,11,2013		Balance 31,12,2012		Balance 31.12.2012
		EUR	EUR	Δ%	EUR	Δ%	EUR
BBVA Empresas 2 FTA	09.03.2009	2,850,000,000.00	639,446,570.16	-30.9%	925,441,740.00	-27.16%	1,270,431,239.52
Rural Hipotecario XI FTA	25.02.2009	2,200,000,000.00	1,492,756,206.81	-7.8%	1,619,574,325.93	-7.46%	1,750,043,247.92
MBS Bancaja 6 FTA	02.02.2009	1,000,000,000.00	676,670,840.00	-10.2%	753,257,358.40	-8.16%	820,172,342.40
Financiación Bancaja 1 FTA	22.12.2008	550,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	111,124,552.00
Valencia Hipotecario 5 FTA	17.12.2008	500,000,000.00	330,907,388.00	-13.2%	381,387,786.80	-7.27%	411,306,184.40
Bancaja 13 FTA	09.12.2008	2,895,000,000.00	2,161,749,298.81	-9.3%	2,384,255,734.22	-4.88%	2,506,568,867.33
BBVA RMBS 7 FTA	24.11.2008	8,500,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	5,970,729,541.60
BBVA RMBS 6 FTA	10.11.2008	4,995,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	3,893,824,944.91
Bankinter 18 FTA	10.11.2008	1,500,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	1,254,975,229.13
PYME Bancaja 7 FTA	10.10.2008	1,100,000,000.00	Liquidated	-100.0%	339,925,156.88	-21.09%	430,779,963.92
Bankinter 4 FTPYME FTA	15.09.2008	400,000,000.00	158,137,683.40	-18.1%	193,007,619.20	-19.06%	238,451,557.60
BBVA-8 FTPYME FTA	21.07.2008	1,100,000,000.00	189,886,058.03	-24.9%	253,004,418.65	-31.33%	368,427,294.83
Rural Hipotecario X FTA	25.06.2008	1,880,000,000.00	1,156,267,798.08	-9.8%	1,281,247,318.72	-8.17%	1,395,269,544.96
Bankinter Leasing 1 FTA	23.06.2008	400,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	117,284,788.78
Bankinter 17 FTA	09.06.2008	1,000,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	767,997,384.25
BBVA RMBS 5 FTA	26.05.2008	5,000,000,000.00	3,282,057,180.00	-5.5%	3,473,006,620.00	-7.73%	3,764,085,210.00
BBVA Consumo 3 FTA	14.04.2008	975,000,000.00	111,989,597.85	-43.9%	199,771,051.35	-39.85%	332,127,673.80
BBVA-7 FTGENCAT FTA	11.02.2008	250,000,000.00	35,441,609.49	-26.2%	48,011,449.56	-29.10%	67,713,518.78
Valencia Hipotecario 4 FTA	21.12.2007	978,500,000.00	Liquidated	-100.0%	683,115,598.52	-6.51%	730,678,561.24
BBVA RMBS 4 FTA	19.11.2007	4,900,000,000.00	Liquidated	-100.0%	Liquidated	-100.00%	3,257,819,360.00
Bankinter 3 FTPYME FTA	12.11.2007	617,400,000.00	220,597,490.40	-17.1%	266,240,220.06	-17.38%	322,251,014.76
BBVA Empresas 1 FTA	05.11.2007	1,450,000,000.00	139,961,241.60	-33.8%	211,409,728.48	-31.03%	306,513,931.68
FTPYME Bancaja 6 FTA	26.09.2007	1,027,000,000.00	170,954,278.11	-12.7%	195,781,583.31	-19.65%	243,661,792.11
BBVA RMBS 3 FTA	23.07.2007	3,000,000,000.00	2,114,644,751.25	-4.2%	2,206,218,117.00	-3.87%	2,295,059,461.95
PYME Valencia 1 FTA	20.07.2007	865,300,000.00	170,272,877.20	-11.3%	191,891,277.64	-17.41%	232,347,770.92
Bancaja 11 FTA	16.07.2007	2,022,900,000.00	1,221,245,867.90	-8.4%	1,332,644,151.70	-6.86%	1,430,795,244.20
BBVA Leasing 1 FTA	25.06.2007	2,500,000,000.00	335,333,141.80	-21.7%	428,474,670.28	-29.49%	607,684,886.08
BBVA-6 FTPYME FTA	11.06.2007	1,500,000,000.00	151,799,544.21	-31.3%	220,944,959.20	-29.62%	313,922,380.73
BBVA Finanzia Autos 1 FTA	30.04.2007	800,000,000.00	73,932,260.00	-40.3%	123,917,974.40	-39.09%	203,440,042.40
MBS Bancaja 4 FTA	27.04.2007	1,873,100,000.00	867,987,260.66	-12.2%	988,556,514.82	-9.12%	1,087,706,925.47
Rural Hipotecario IX FTA	28.03.2007	1,515,000,000.00	791,709,372.12	-10.3%	882,919,085.37	-8.17%	961,453,690.59
BBVA RMBS 2 FTA	26.03.2007	5,000,000,000.00	3,001,710,000.00	-3.3%	3,103,285,680.00	-6.04%	3,302,634,480.00
BBVA RMBS 1 FTA	19.02.2007	2,500,000,000.00	1,504,206,060.00	-4.3%	1,571,465,000.00	-5.56%	1,664,011,440.00
Bancaja 10 FTA	26.01.2007	2,631,000,000.00	1,435,645,285.20	-9.4%	1,584,331,437.50	-6.47%	1,693,844,378.20
BBVA Consumo 2 FTA	27.11.2006	1,500,000,000.00	123,693,959.41	-37.3%	197,424,231.10	-42.23%	341,753,989.31
Ruralpyme 2 FTPYME FTA	24.11.2006	617,050,000.00	112,767,449.76	-27.5%	155,436,189.90	-19.48%	193,034,343.10
Bankinter 13 FTA	20.11.2006	1,570,000,000.00	861,501,919.44	-7.5%	931,390,085.64	-7.68%	1,008,858,308.40
Valencia Hipotecario 3 FTA	15.11.2006	911,000,000.00	443,660,833.92	-7.9%	481,552,108.42	-9.47%	531,949,182.01
BBVA-5 FTPYME FTA	23.10.2006	1,900,000,000.00	126,475,533.13	-26.3%	171,509,186.01	-33.98%	259,776,174.72
PYME Bancaja 5 FTA	02.10.2006	1,178,800,000.00	115,725,000.04	-20.1%	144,749,613.68	-20.61%	182,328,322.54
Bankinter 2 PYME FTA	26.06.2006	800,000,000.00	176,728,515.40	-20.8%	223,058,139.40	-17.60%	270,714,253.40
Consumo Bancaja 1 FTA	26.06.2006	612,900,000.00	19,097,366.40	-46.4%	35,628,108.78	-48.46%	69,129,871.11
Rural Hipotecario VIII FTA	26.05.2006	1,311,700,000.00	580,670,750.52	-10.7%	650,526,703.24	-8.91%	714,150,476.76
BBVA Consumo 1 FTA	08.05.2006	1,500,000,000.00	85,172,535.75	-43.9%	151,782,722.25	-41.59%	259,861,757.25
MBS Bancaja 3 FTA	03.04.2006	810,000,000.00	312,631,582.80	-9.2%	344,196,319.60	-9.35%	379,688,629.20
Bancaja 9 FTA	02.02.2006	2,022,600,000.00	839,119,060.00	-8.2%	914,571,180.00	-7.57%	989,461,110.00
BBVA Autos 2 FTA	12.12.2005	1,000,000,000.00	60,154,516.00	-46.5%	112,413,951.55	-40.06%	187,547,696.65
EdT FTPYME Pastor 3 FTA	05.12.2005	520,000,000.00	24,729,482.53	-32.9%	36,853,151.50	-28.24%	51,353,879.15
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	398,019,714.73	-11.6%	450,044,933.05	-9.96%	499,841,141.46
BBVA-4 PYME FTA	26.09.2005	1,250,000,000.00	40,098,493.32	-31.2%	58,317,666.27	-33.71%	87,973,993.23
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	713,784,881.95	-6.9%	766,897,823.29	-9.02%	842,937,929.07
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	230,611,411.20	-10.0%	256,322,268.48	-10.22%	285,510,004.48
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	115,545,213.39	-35.0%	177,877,037.75	-30.12%	254,546,844.27
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	377,190,613.96	-9.1%	414,883,935.55	-10.54%	463,741,689.86
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	576,751,213.18	-10.6%	644,886,934.82	-6.85%	692,321,542.11
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	397,500,283.92	-9.3%	438,438,842.62	-9.29%	483,338,069.03
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	25,587,706.14	-44.2%	45,865,077.14	-36.88%	72,659,980.28
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	Liquidated	-100.0%	22,449,450.40	-23.88%	29,493,440.50
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	Liquidated	-100.0%	10,081,044.00	-72.04%	36,059,304.40
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	41,057,145.79	-23.5%	53,641,656.52	-24.78%	71,308,545.46
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	506,616,918.92	-11.0%	569,061,855.46	-9.45%	628,416,583.55
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	276,350,954.18	-11.8%	313,238,820.31	-10.77%	351,034,856.65
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	90,747,080.88	-19.0%	111,987,643.74	-18.23%	136,955,620.14
Valencia Hipotecario 1 FTA	23.04.2004	472,000,000.00	112,185,470.91	-14.4%	131,054,401.95	-13.49%	151,493,874.02
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	315,752,814.43	-8.0%	343,352,648.80	-10.51%	383,670,352.11
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	422,900,544.04	-9.1%	465,084,397.44	-10.81%	521,443,332.28
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	167,417,179.76	-9.8%	185,534,300.30	-12.27%	211,494,692.56
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	385,119,051.45	-11.0%	432,478,967.09	-10.83%	484,996,548.29
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	24,565,274.15	-29.0%	34,602,897.20	-24.17%	45,634,369.40
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	181,777,165.65	-12.3%	207,311,985.20	-11.69%	234,741,926.20
Bancaja 3 FTA	29.07.2002	520,900,000.00	131,863,840.00	-15.4%	155,919,014.67	-19.11%	192,757,357.15
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	79,440,630.00	-22.3%	102,188,130.00	-20.32%	128,247,180.00

Securitisation Fund	Establishment	Initial Bond Issue	Bond Balance 3,11,2013	Bond Balance Balance 31,12,2012	Bond Balance Balance 31.12.2012
		EUR	EUR Δ%	EUR Δ%	EUR

Subsequently, on December 9, 2013, the Management Company established the fund BBVA RMBS 12 FTA, issuing bonds amounting to EUR 4,350,000,000.00.

6.4 Share capital and equity.

The Management Company's wholly subscribed for, paid-up share capital amounts to one million eight hundred and three thousand and thirty-seven Euros and fifty Eurocents (EUR 1,803,037.50) represented by 2,500 registered shares, all in the same class, correlatively numbered from 1 to 2,500, both inclusive, wholly subscribed for and paid up, and divided into two series:

- Series A comprising 1,250 shares, numbers 1 to 1,250, both inclusive, having a unit face value of EUR 276.17.
- Series B comprising 1,250 shares, numbers 1,251 to 2,500, both inclusive, having a unit face value of EUR 1,166.26.

The shares are all in the same class and confer identical political and economic rights.

(EUR)	30.09.2013	31.12.2012	Δ%	31.12.2011
Equity *	29.122.908,50	26.063.642,39	15,40%	22.586.328,87
Capital	1.803.037,50	1.803.037,50	0,00%	1.803.037,50
Reserves	27.319.871,00	24.260.604,89	16,73%	20.783.291,37
<i>Legal</i>	360.607,50	360.607,50	0,00%	360.607,50
<i>Voluntary</i>	26.959.263,50	23.899.997,39	17,03%	20.422.683,87
Year's profit	3.252.299,37	5.098.776,85	-12,02%	5.795.522,54

* Does not include year's profit

Only the financial information as at December 31, 2012 and as at December 31, 2011 has been audited.

6.5 Existence or not of shareholdings in other companies.

There are no shareholdings in any other company.

6.6 Administrative, management and supervisory bodies.

Under the articles of association, the General Shareholders' Meeting and the Board of Directors are entrusted with governing and managing the Management Company. Their duties and authorities are as prescribed for those bodies in Legislative Royal Decree 1/2010, July 2, approving the Consolidation of the Companies Act and in Royal Decree 926/1998, in relation to the objects.

As provided for in the articles of association, the Board of Directors has delegated to an Executive Committee all its authorities that may be delegated by law and in accordance with the articles, including resolving to set up Asset Securitisation Funds. There is also a General Manager vested with extensive authorities within the organisation and vis-à-vis third parties.

Board of Directors

The Board of Directors has the following membership:

Chairman:	Mr Sergio Fernández-Pacheco Ruiz-Villar ^(*) ^(**)
Vice-Chairman:	Mr Pedro María Urresti Laca ^(**)
Directors:	Mr Ignacio Echevarría Soriano ^(*) ^(**) Mr Mario Masiá Vicente ^(*) Mr Carlos José Alsina Costa ^(*) ^(**) Mr Antonio Muñoz Calzada on behalf of Bankinter, S.A. Mr Ignacio Benlloch Fernández-Cuesta, on behalf of Banco Cooperativo Español, S.A.
Non-Director Secretary:	Ms Belén Rico Arévalo

(*) Member of the Board of Directors' Executive Committee.
(**) Proprietary Directors for BBVA.

The business address of the directors of EUROPEA DE TITULIZACIÓN is for these purposes at Madrid, calle Lagasca number 120.

General Manager.

The Management Company's General Manager is Mr Mario Masiá Vicente.

6.7 Principal activities of the persons referred to in section 6.6 above, performed outside the Management Company where these are significant with respect to the Fund.

None of the persons referred to in the preceding section performs any activities relevant to the Fund outside the Management Company.

6.8 Lenders of the Management Company in excess of 10 percent.

The Management Company has received no loan or credit from any person or institution whatsoever.

6.9 Litigation in the Management Company.

The Management Company is not as at the registration date of this Registration Document involved in any event in the nature of insolvency or in any litigation or actions which might affect its economic and financial position or, in the future, its capacity to discharge its Fund management and administration duties.

7. MAJOR SHAREHOLDERS

7.1 Statement as to whether the Management Company is directly or indirectly owned or controlled.

The ownership of shares in the Management Company is distributed among the companies listed below, specifying the percentage share capital holding of each one:

Name of shareholder company	Holding (%)
Banco Bilbao Vizcaya Argentaria, S.A.	87.5041
J.P. Morgan España, S.A.	4.0000
Banco de Sabadell, S.A.	3.0737
Bankinter, S.A.	1.5623
Banco Cooperativo Español, S.A.	0.7965
Banco Popular Español, S.A.	0.7658
CaixaBank, S.A.	0.7658
BNP Paribas España, S.A.	0.7658
Bankia, S.A.	0.3829
Banco de Caja España de Inversiones, Salamanca y Soria, S.A.	0.3829
	100.0000

For the purposes of Commercial Code article 42, EUROPEA DE TITULIZACIÓN is a member of Banco Bilbao Vizcaya Argentaria Group.

EUROPEA DE TITULIZACIÓN has established an Internal Code of Conduct in fulfilment of the provisions of Chapter III of Royal Decree 217/2008, February 15, on the legal system of investment services companies and other undertakings providing investment services and partially amending the implementing Regulations of Undertakings for Collective Investment Act 35/2003, November 4, approved by Royal Decree 1309/2005, November 4, which has been notified to the CNMV.

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

8.1 Statement as to commencement of operations and financial statements of the Issuer as at the date of the Registration Document.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund's operations shall commence on the date of execution of the Deed of Constitution and therefore the Fund has no financial statement as at the date of this Registration Document.

8.2 Historical financial information where an Issuer has commenced operations and financial statements have been prepared.

Not applicable.

8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 100,000.

Not applicable.

8.3 Legal and arbitration proceedings.

Not applicable.

8.4 Material adverse change in the Issuer's financial position.

Not applicable.

9. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1 Statement or report attributed to a person as an expert.

No statement or report is included.

9.2 Information sourced from a third party.

No information sourced from a third party is included.

10. DOCUMENTS ON DISPLAY

10.1 Documents on display.

If necessary, the following documents or copies thereof shall be on display during the period of validity of this Registration Document and throughout the life of the Fund:

- a) the Deed of Constitution of the Fund and the notarised agreement assigning Non-Mortgage Loan receivables;
- b) the transcripts of the Management Company's and the Originator's corporate resolutions;
- c) this Prospectus;
- d) the audit report on certain features and attributes of a sample of all selected BANKIA loans from which the Loans will be taken to be assigned to the Fund upon being established;
- e) the letter from BANKIA taking responsibility, with the Management Company, for the Securities Note;
- f) the Rating Agencies' letters notifying the provisional and final ratings assigned to the Bond Issue;
- g) the notarial certificate of payment of the Bond Issue, once the Bond Issue is paid up;
- h) the Management Company's annual accounts and the relevant audit reports; and
- i) the Management Company's articles and memorandum of association.

Those documents are physically on display at the registered office of EUROPEA DE TITULIZACIÓN at Madrid, calle Lagasca number 120.

Moreover, the Prospectus is also on display at the website of EUROPEA DE TITULIZACIÓN, at www.edt-sg.es, and of the CNMV at www.cnmv.es.

The Deed of Constitution of the Fund is physically on display at the place of business of Iberclear in Madrid, Plaza de la Lealtad number 1, and at the CNMV's headquarters.

In addition, the documents listed in a) to g) are on display at the CNMV.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

SECURITIES NOTE

(Annex XIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1 PERSONS RESPONSIBLE

1.1 Persons responsible for the information given in the Securities Note.

- 1.1.1 Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Mr Mario Masiá Vicente, the Management Company's General Manager, is acting using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and March 31, 2010, and by the Board of Directors' Executive Committee at its meetings held on January 28, 2000 and November 23, 2009, and expressly for establishing the Fund, pursuant to authorities conferred by the Board of Directors' Executive Committee on June 12, 2013.

- 1.1.2 Mr Álvaro Canosa Castillo, duly authorised for these presents, for and on behalf of BANKIA S.A., Lead Manager of the Bond Issue by BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Mr Álvaro Canosa Castillo is acting using the powers conferred by the Board of Directors at its meeting dated November 27, 2013.

1.2 Declaration by those responsible for the Securities Note.

- 1.2.1 Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Building Block) is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

- 1.2.2 Mr Álvaro Canosa Castillo declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Building Block) is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

2 RISK FACTORS

The Bond Issue is made with the intention of being fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or be subsequently sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem's valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

The other risk factors linked to the securities are described in paragraph 2 of the preceding Risk Factors section of this Prospectus.

The risk factors linked to the assets backing the Bond Issue are described in paragraph 3 of the preceding Risk Factors section of this Prospectus.

3 KEY INFORMATION

3.1 Interest of natural and legal persons involved in the offer.

The identity of the legal persons involved in the offer and direct or indirect shareholdings or controlling interest or connection between them are detailed in section 5.2 of the Registration Document. Their interest as persons involved in the offer of the Bond Issue are as follows:

- a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.
- b) BANKIA has structured the financial terms of the Fund and the Bond Issue.
- c) BANKIA is the Originator of the Loan receivables to be pooled in the Fund.
- d) BANKIA is involved as Lead Manager and Subscriber of the Bond Issue.
- e) BANKIA shall be Fund counterparty under the Guaranteed Interest Rate Account (Treasury Account), Loan B, Subordinated Loan, Accrued Interest, Subordinated Facility, Liquidity Facility, Loan Servicing and Pass-Through Certificate Custody, Paying Agent and Financial Intermediation Agreements.
- f) GARRIGUES, as independent adviser, has provided legal advice for establishing the Fund and the Bond Issue and has been involved in reviewing this Prospectus and, from a commercial and regulatory standpoint, in reviewing the transaction and financial service agreements referred to herein, the Deed of Constitution and the agreement assigning the Non-Mortgage Loans.
- g) KPMG has audited the most significant features of a sample of the selected BANKIA loans from which the Loans will be taken to be assigned to the Fund upon being established.
- h) DBRS and Fitch are the Rating Agencies that have assigned the ratings to the Bond Issue.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Bond Issue, other than what is strictly professional derived from their involvement as detailed in this section and in section 5.2 of the Registration Document.

4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING.

4.1 Total amount of the securities and subscription.

4.1.1 Total amount of the securities.

The total face value amount of the issue of Asset-Backed Bonds (the “**Bond Issue**” or the “**Bonds**”) is EUR four hundred and fifty-one million five hundred thousand (451,500,000.00) consisting of four thousand five hundred and fifteen (4,515) Bonds having a unit face value of EUR one hundred thousand (100,000), denominated in Euros.

4.1.2 Bond issue price.

The Bonds are issued at 100 percent of their face value. The issue price of the Bonds shall be EUR one hundred thousand (100,000) per Bond, clear of taxes and subscription costs for the subscriber through the Fund.

The expenses and taxes inherent in the issue of the Bonds shall be borne by the Fund.

4.1.3 Subscription for the Bond Issue.

The Bond Issue shall be fully subscribed for exclusively by BANKIA (the “**Subscriber**”) under the management and subscription agreement (the “**Management and Subscription Agreement**”) to be entered into by the Management Company for and on behalf of the Fund.

BANKIA shall receive no fee whatsoever for subscribing for the Bond Issue.

BANKIA shall be involved as Lead Manager in the Bond Issue and shall not be remunerated for managing the Bond Issue.

The Management and Subscription Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013 or in the events provided for by the laws in force for the time being.

4.2 Description of the type and class of the securities.

The Bonds legally qualify as marketable fixed-income securities with an explicit yield and are subject to the system prescribed in the Securities Market Act and implementing regulations.

4.3 Legislation under which the securities have been created.

The establishment of the Fund and the Bond Issue are subject to Spanish Law and in particular are carried out in accordance with the legal system provided for by (i) Royal Decree 926/1998 and implementing regulations, (ii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Additional Provision five of Act 3/1994, (iv) the Securities Market Act and applicable implementing regulations, (v) Act 2/1981, (vi) Royal Decree 716/2009, (vii) Regulation 809/2004, (viii) Royal Decree 1310/2005, and (ix) all other legal and statutory provisions in force and applicable from time to time.

The Deed of Constitution, the Bond issue and the agreements to be entered into by the Management Company for and on behalf of the Fund shall be subject to Spanish Law and shall be governed by and construed in accordance with Spanish laws.

4.4 Indication as to whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.

The Bonds issued by the Fund will be exclusively represented by means of book entries, and will become such Bonds when entered at Iberclear, the institution in charge of the accounting record, in accordance with article 11 of Royal Decree 116/1992. In this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.U. (“**Iberclear**”), with place of business at Plaza de la Lealtad no. 1, Madrid, shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities admitted to trading on AIAF and represented by means of book entries, established now or henceforth by Iberclear or AIAF.

Bondholders shall be identified as such when entered in the accounting record kept by the members of Iberclear.

4.5 Currency of the issue.

The Bonds shall be denominated in Euros.

4.6 Ranking of the securities.

Loan B interest payment and principal repayment is deferred with respect to the Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

4.6.1 Simple reference to the order number of Bond interest payment in the Fund priority of payments.

Payment of interest accrued by the Bonds is (i) second (2nd) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block, and (ii) third (3rd) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.6.2 Simple reference to the order number of Bond principal repayment in the Fund priority of payments.

The Amortisation Withholding amount designed for amortising the Bonds and repaying Loan B as a whole is sixth (6th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Bond principal repayment shall take place in accordance with the rules for Distribution of Available Funds for Amortisation contained in section 4.9.3.5 of this Securities Note.

Bond principal repayment is sixth (6th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.7 Description of the rights attached to the securities.

The economic and financial rights for Bondholders associated with acquiring and holding the Bonds shall be as derived from the terms as to interest rate, yields and redemption terms on which they are to be issued and given in sections 4.8 and 4.9 of this Securities Note. In accordance with the laws in force for the time being, the Bonds subject of this Securities Note shall vest the investor acquiring the same in no present and/or future political rights in and to the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Loan Obligors who may have defaulted on their payment obligations or against the Originator. Any such rights shall lie with the Management Company, representing the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of non-payment of amounts due by the Fund resulting from the existence of default or in the event of Loan prepayment, a breach by the Originator of its obligations as such or as counterparty to the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds.

Bondholders and all other creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties or inobservance of the provisions of this Prospectus and the Deed of Constitution. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

All matters, disagreements, actions and claims deriving from the Management Company's establishing the Fund, managing and being the authorised representative of the Fund and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals in the city of Madrid.

4.8 Nominal interest rate and provisions relating to interest payable.

4.8.1 Bond nominal interest rate.

The Bonds shall, from the Closing Date until they mature fully, accrue yearly nominal interest, floating and payable quarterly, which shall be the result of applying the policies established hereinafter.

The resultant yearly nominal interest rate (hereinafter the “**Nominal Interest Rate**”) shall be payable quarterly in arrears on each Payment Date or on the liquidation date on the Outstanding Principal Balance of the Bonds on the preceding Determination Date, provided that the Fund has sufficient liquidity in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

Withholdings, interim payments and taxes established or to be established in the future on Bond principal, interest or returns shall be borne exclusively by Bondholders, and their amount, if any, shall be deducted by the Management Company, for and on behalf of the Fund, or through the Paying Agent, as provided by law.

4.8.1.1 Interest accrual.

For interest accrual purposes, the duration of the Bonds shall be divided into successive interest accrual periods (the “**Interest Accrual Periods**”) comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally,

- (i) the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, December 27, 2013, inclusive, and the first Payment Date, April 14, 2014, exclusive, and
- (i) the duration of the last Interest Accrual Period shall be equivalent to the exact number of days elapsed between the last Payment Date prior to Fund liquidation, inclusive, and the liquidation date, exclusive.

The Nominal Interest Rate shall accrue on the exact number of days in each Interest Accrual Period for which it was determined, calculated based upon a 360-day year.

4.8.1.2 Nominal Interest Rate.

The Nominal Interest Rate applicable to the Bonds and determined for each Interest Accrual Period shall be the result of adding:

- (i) the Reference Rate, as established in the following section, and
- (ii) a 1.50% margin.

The resultant Nominal Interest Rate shall be expressed as a percentage to three decimal spaces rounding off the relevant number to the nearest thousandth, rounding up when equidistant.

4.8.1.3 Reference Rate and determining the same.

The reference rate (“**Reference Rate**”) for determining the Nominal Interest Rate applicable to the Bonds is as follows:

- i) Other than for the first Interest Accrual Period, three- (3-) month Euribor, “Euro Interbank Offered Rate”, calculated and distributed by the BRIDGE financial information system under an FBE (“Fédération Bancaire de l’Union Européene”) mandate, set at 11am (CET or “Central European Time”) on the Interest Rate Fixing Date established in section 4.8.1.4 below, which is currently published on electronic page EURIBOR01 supplied by Reuters, or any other page taking its stead in providing these services.

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be three- (3-) month Euribor, set at 11am (CET) on the second Business Day preceding the Closing Date.

Euribor definitions approved by the FBE and the Financial Markets Association (ACI) supplementing the current definition of Euribor shall be considered included for the purpose of the Euribor Reference Rate without having to amend these Reference Rate terms or have the Management Company notify Bondholders.

- ii) In the event that the rate established in (i) above should not be available or be impossible to obtain, the substitute Reference Rate shall be the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in Euros in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by four (4) prime banks in the Euro zone, following a simultaneous request to each of their headquarters by the Paying Agent as soon as possible after 11am (CET) on the Interest Rate Fixing Date.

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in Euros, declared by the banks as provided for in paragraph one above, following a simultaneous request to each of their headquarters by the Paying Agent as soon as possible after 11am (CET) on the second Business Day preceding the Closing Date.

Should it be impossible to apply the above substitute Reference Rate, upon the failure by any or several of the banks to provide written quotations as provided for in paragraphs one and two of this section, the interest rate resulting from applying the simple arithmetic mean of the interest rates declared by at least two of the other banks shall be applicable.

- iii) If the rates established in i) and ii) above should not be available or be impossible to obtain, the last Reference Rate or substitute Reference Rate applied to the next preceding Interest Accrual Period shall apply, and so on for subsequent Interest Accrual Periods whilst matters remain the same. For the first Interest Accrual Period, three- (3-) month Euribor available immediately before 11am (CET) on the second Business Day preceding the Closing Date shall be applied, calculated and distributed as described in the first paragraph of i) above.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with i), ii) or iii) above. The Management Company shall keep the listings and supporting documents on which the Paying Agent shall notify it the Reference Rate determined.

4.8.1.4 **Interest Rate Fixing Date.**

The Management Company shall, for and on behalf of the Fund, determine the Nominal Interest Rate applicable to the Bonds for every Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding each Payment Date (the “**Interest Rate Fixing Date**”), and it will apply for the following Interest Accrual Period.

Exceptionally, the Management Company shall determine the Nominal Interest Rate applicable to the Bonds for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding the Closing Date, and shall notify the same in writing on the same day to the Subscriber. The Management Company will also notify this to the Paying Agent, AIAF and Iberclear.

The Nominal Interest Rates determined for the Bonds for subsequent Interest Accrual Periods shall be communicated to Bondholders within the deadline and in the manner for which provision is made in section 4.1.1.a) of the Building Block.

4.8.1.5 Formula for calculating interest.

Bond interest settlement, payable on each Payment Date or on the liquidation 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 payable on a given Payment Date or on the liquidation date.

P = Outstanding Principal Balance of the Bonds at the Determination Date preceding the Payment Date or on the liquidation date.

R = Nominal Interest Rate of the Bonds expressed as a yearly percentage.

d = Exact number of days in each Interest Accrual Period.

4.8.2 Dates, place, institutions and procedure for paying interest.

Bond interest shall be paid until the Bonds are finally amortised by Interest Accrual Periods in arrears on January 14, April 14, July 14 and October 14 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a “**Payment Date**”) or on the liquidation date, and interest for the then-current Interest Accrual Period will accrue until the relevant Payment Date or the liquidation date, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds shall be April 14, 2014, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, December 27, 2013, inclusive, and April 14, 2014, exclusive.

In this Bond Issue, business days (“**Business Days**”) shall be deemed to be all days other than a:

- public holiday in the city of Madrid, or
- non-business day in the TARGET 2 calendar (or future replacement calendar).

Both interest resulting for Bondholders and the amount, if any, of interest accrued and not paid, shall be notified to Bondholders as described in section 4.1.1.a) of the Building Block, at least one (1) calendar day in advance of each Payment Date or the liquidation date.

Interest accrued on the Bonds shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments or upon Liquidation of the Fund in the Liquidation Priority of Payments, as the case may be.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of interest accrued on the Bonds, in the Priority of Payments, unpaid amounts shall be accumulated on the following Payment Date to interest, if any, which should be paid on that same Payment Date, and will be paid in the Priority of Payments and applied by order of maturity if it should be impossible once again not to pay the same fully due to a shortfall of Available Funds.

Overdue interest amounts shall not earn additional or late-payment interest and shall not be accumulated to the Outstanding Principal Balance of the Bonds.

The Fund, through its Management Company, may not defer Bond interest payment beyond July 14, 2053, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Bond Issue shall be serviced through the Paying Agent, to which end the Management Company shall, for and on behalf of the Fund, enter into a Paying Agent Agreement with BANKIA, as established in section 5.2.1 of this Securities Note.

4.9 Maturity date and amortisation of the securities.

4.9.1 Bond redemption price.

The redemption price of the Bonds shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section 4.9.2 below.

Each and every one of the Bonds shall be amortised in an equal amount by reducing the face amount of each of the Bonds.

4.9.2 Characteristics specific to the amortisation of the Bonds.

Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising the Bonds, in accordance with the rules for Distribution of Available Funds for Amortisation given in section 4.9.3.5 below, prorated between the Bonds by reducing the face amount of each Bond.

The first partial amortisation of the Bonds shall occur on the first Payment Date, April 14, 2014, in accordance with the rules for Distribution of Available Funds for Amortisation.

Final amortisation of the Bonds shall occur on the Final Maturity Date (July 14, 2053 or the following Business Day if that is not a Business Day), notwithstanding their full amortisation before that date due to the partial amortisation for which provision is made and that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 Partial amortisation of the Bonds.

Irrespective of the Final Maturity Date and subject to Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to partial amortisation of the Bonds on each Payment Date other than the Final Maturity Date or upon Early Liquidation of the Fund on the specific amortisation terms established in section 4.9.2 of this Securities Note and on the terms described hereinafter in this section.

4.9.3.1 Determination Dates and Determination Periods.

Determination dates (the “**Determination Dates**”) will be the dates falling on the fifth (5th) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Funds for Amortisation which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be April 7, 2014.

Determination periods (the “**Determination Periods**”) shall be periods comprising the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally:

- (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, April 7, 2014, inclusive, and
- (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, as provided for in section 4.4.3 of the Registration Document, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date b) but including the last date a).

4.9.3.2 **Outstanding Principal Balance of the Bonds and of Loan B.**

The outstanding principal balance of the Bonds (the “**Outstanding Principal Balance of the Bonds**” or “**Outstanding Principal Balance of the Bond Issue**”) shall be the sum of the principal pending repayment (outstanding balance) at a date of all the Bonds.

The outstanding principal balance of Loan B (the “**Outstanding Principal Balance of Loan B**”) shall be the sum of the principal pending repayment (outstanding balance) at a date of Loan B.

4.9.3.3 **Outstanding Balance of the Loans.**

The outstanding balance (the “**Outstanding Balance**”) of a Loan shall be the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on the specific Loan at that date.

The outstanding balance of the Loans (the “**Outstanding Balance of the Loans**”) at a date shall be the sum of the Outstanding Balance of each and every one of the Loans at that date.

Delinquent Loans (the “**Delinquent Loans**”) shall be deemed to be Loans that at a date are delinquent with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans. Non-delinquent Loans (the “**Non-Delinquent Loans**”) shall be deemed to be Loans that at a date are not deemed to be either Delinquent Loans or Doubtful Loans.

Doubtful Loans (the “**Doubtful Loans**”) shall be deemed to be Loans that are delinquent with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information received from the Servicer.

Non-doubtful Loans (the “**Non-Doubtful Loans**”) shall be deemed to be Loans that are not deemed to be Doubtful Loans at a date.

4.9.3.4 **Amortisation Withholding and Available Funds for Amortisation on each Payment Date.**

On each Payment Date, the Available Funds shall be used in sixth (6th) place in the Priority of Payments for withholding the amount altogether designed for amortising the Bonds and Loan B, without distinguishing among them (the “**Amortisation Withholding**”), in an amount equal to the positive difference, if any, at the Determination Date preceding the relevant Payment Date, between (a) the sum of (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Principal Balance of Loan B, and (b) the Outstanding Balance of Non-Doubtful Loans.

Depending on the liquidity existing on each Payment Date, the amount actually applied of the Available Funds to Amortisation Withholding shall constitute the available funds for amortisation (the “**Available Funds for Amortisation**”) and be applied in accordance with the Distribution of Available Funds for Amortisation established hereinafter in section 4.9.3.5 below.

4.9.3.5 **Distribution of Available Funds for Amortisation.**

The Available Funds for Amortisation shall be applied on each Payment Date to amortising the Bonds and repaying Loan B subject to the following rules (“**Distribution of Available Funds for Amortisation**”):

1. The Available Funds for Amortisation shall be sequentially applied firstly to amortising the Bonds until fully amortised and secondly to repaying Loan B until fully repaid, notwithstanding the provisions of rule 2 below for pro rata amortisation of the Bonds and Loan B.
2. If the Bonds have not been fully amortised, the Available Funds for Amortisation shall also be applied to pro rata amortisation of the Bonds and Loan B on the Payment Dates on which the following circumstances are all satisfied (“**Conditions for Pro Rata Amortisation**”):

- a) That on the Determination Date preceding the relevant Payment Date:
- i) the Outstanding Principal Balance of Loan B is at least as high as 60.00% of the sum of the Outstanding Principal Balance of the Bond Issue and the Outstanding Principal Balance of Loan B;
 - ii) the Outstanding Balance of Delinquent Loans does not exceed 3.30% of the Outstanding Balance of Non-Doubtful Mortgage Loans; and
 - iii) the amount of the Outstanding Balance of Non-Doubtful Loans is at least as high as 10% of the initial Outstanding Balance upon the Fund being established.
- b) That the Required Cash Reserve amount is to be fully provisioned on the relevant Payment Date.

In the event that repayment of Loan B should apply on a Payment Date because the Conditions for Pro Rata Amortisation are satisfied, the Available Funds for Amortisation shall be applied to amortising the Bonds and Loan B proportionally to the ratio of the Outstanding Principal Balance of the Bond Issue and the Outstanding Principal Balance of Loan B respectively to the sum of the Outstanding Principal Balance of the Bond Issue and the Outstanding Principal Balance of Loan B on the Determination Date preceding the relevant Payment Date.

4.9.4 **Early Amortisation of the Bond Issue.**

Notwithstanding the Fund's obligation, through its Management Company, to proceed to final amortisation of the Bonds on the Final Maturity Date or partial amortisation of the Bonds before the Final Maturity Date, the Management Company shall, after first notifying the CNMV, be authorised to proceed, as the case may be, to Early Liquidation of the Fund and consequently Early Amortisation of the entire Bond Issue in the Early Liquidation Events and subject to the requirements established in section 4.4.3 of the Registration Document and subject to the Liquidation Priority of Payments.

4.9.5 **Final Maturity Date.**

The final maturity date (the "**Final Maturity Date**") and consequently final amortisation of the Bonds is on July 14, 2053 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.2 to 4.9.4 of this Securities Note, proceeding to amortise the Bonds before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall take place subject to the Liquidation Priority of Payments.

4.10 **Indication of yield.**

The average life, yield, term and final maturity of the Bonds depend on several factors, most significant among which are the following:

- i) The repayment schedule and system of each Loan established in the relevant agreements.
- ii) The Obligors' capacity to prepay the Loans in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Loan prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also "**CPR**"), are very significant and shall directly affect the pace at which Bonds are amortised, and therefore their average life and duration.
- iii) The floating interest rates which shall apply to most Loans, resulting in the repayment amount on every instalment differing.
- iv) The Obligors' delinquency and default in payment of Loan instalments.

The following assumed values have been used for the above-mentioned factors in calculating the amounts contained in the tables of this section:

- The Loan interest rate used for calculating the repayment instalments and interest of each of the selected loans is the interest rate for each selected loan at December 8, 2013;
- maintenance of the selected loan repayment systems at December 8, 2013, including, as the case may be, the selected principal repayment exclusion, and the due date of the instalments;
- Loan portfolio delinquency: 17.11% of the Outstanding Balance of the Loans -Bankia consolidated group's SME loan delinquency rate at September 30, 2013- with 65.00% recoveries within 18 months of the first unpaid instalment, the remaining loans not recovered becoming doubtful (this delinquency rate would not satisfy the Conditions for Pro Rata Amortisation of Loan B);
- Loan portfolio doubtful rate: 3.47% per annum, with 50% yearly principal recovery of the Outstanding Balance of Doubtful Loans within 18 months of becoming doubtful; resulting in cumulative Loan portfolio doubtful rates from the establishment of the Fund with respect to the initial Outstanding Balance of the Loans upon the Fund being established: 6.60% for a 5% CPR; 6.27% for a 7% CPR; and 5.94% for a 9% CPR. The cumulative doubtful rates, CPRs and recovery rate used in the above paragraph are consistent with those observed by the Originator in SME loans;
- that the Loan prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is December 27, 2013; and
- that there is no extension of the term or an interest rate renegotiation for any of the selected loans.

The actual adjusted duration and the yield or return on the Bonds will also depend on their floating rate. The Bond nominal interest rate assumed for the different Interest Accrual Periods is the result of adding to 3-month Euribor (0.267%) at December 11, 2013 the margin set in section 4.8.1.2 of this Securities Note, as follows:

Bonds	
Nominal interest rate	1.767%

The weighted average interest rate of the loans selected at December 8, 2013, as detailed in section 2.2.2.i) of the Building Block, is 3.54%, which is above the 1.767% nominal interest rate of the Bonds that has been presumed for hypothetical purposes for the different Interest Accrual Periods.

4.10.1 Estimated average life, yield or return, duration and final maturity of the Bonds.

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3 of the Registration Document when the Outstanding Balance of the Loans is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (IRR) for the Bond subscriber, duration and final maturity of the Bonds for different Loan CPRs, based on the performance in recent months of similarly characterised loans previously securitised by BANKIA, would be as follows:

% CPR:	5.00%	7.00%	9.00%
	Bonds		
Average life (years)	1.36	1.31	1.26
IRR	1.80%	1.80%	1.80%
Duration (years)	1.34	1.29	1.24
Final maturity	14 10 2016	14 10 2016	14 10 2016
(in years)	2,8	2,8	2,8

The Management Company expressly states that the servicing tables described hereinafter are merely theoretical and given for illustrative purposes, and represent no payment obligation whatsoever, on the basis that:

- Whereas the Loan CPRs are assumed to be constant respectively at 5.00%, 7.00% and 9.00% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.
- The Outstanding Principal Balance of the Bonds on each Payment Date and hence interest payable on each such dates shall depend on the actual Loan prepayment, delinquency and default rates.
- Whereas Bond nominal interest rates are assumed to be constant from the second Interest Accrual Period, the interest rate in the Bonds is known to float.
- It is assumed that the Management Company will exercise the Early Liquidation option of the Fund and thereby proceed to Early Amortisation of the Bond Issue when the Outstanding Balance of the Loans is less than 10% of the Initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3 of the Registration Document.

**ESTIMATED FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 5%**

Payment Date	Bond Issue		
	Repaid Principal	Gross Interest	Total Flow
TOTALS	100,000.00	2,407.77	102,407.77
27/12/2013			
14/04/2014	15,733.56	530.10	16,263.66
14/07/2014	11,021.22	376.38	11,397.60
14/10/2014	9,422.88	330.75	9,753.63
14/01/2015	9,946.30	288.20	10,234.50
14/04/2015	7,877.98	238.00	8,115.98
14/07/2015	10,026.97	205.45	10,232.42
14/10/2015	9,100.35	162.43	9,262.78
14/01/2016	8,657.73	121.34	8,779.07
14/04/2016	6,957.49	81.35	7,038.84
14/07/2016	6,053.58	50.27	6,103.85
14/10/2016	5,201.94	23.49	5,225.43

**ESTIMATED FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 7%**

Payment Date	Bond Issue		
	Repaid Principal	Gross Interest	Total Flow
TOTALS	100,000.00	2,314.37	102,314.37
27/12/2013			
14/04/2014	16,625.29	530.10	17,155.39
14/07/2014	11,529.51	372.40	11,901.91
14/10/2014	9,823.85	324.43	10,148.28
14/01/2015	10,219.58	280.07	10,499.65
14/04/2015	8,090.68	228.83	8,319.51
14/07/2015	10,158.19	195.24	10,353.43
14/10/2015	9,180.25	151.51	9,331.77
14/01/2016	8,659.35	110.06	8,769.41
14/04/2016	6,949.35	70.18	7,019.54
14/07/2016	6,019.13	39.14	6,058.28
14/10/2016	2,744.81	12.39	2,757.20

**ESTIMATED FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 9%**

Payment Date	Bond Issue		
	Repaid Principal	Gross Interest	Total Flow
TOTALS	100,000.00	2,222.09	102,222.09
27/12/2013			
14/04/2014	17,529.92	530.10	18,060.02
14/07/2014	12,037.69	368.36	12,406.05
14/10/2014	10,219.06	318.05	10,537.11
14/01/2015	10,483.32	271.90	10,755.22
14/04/2015	8,291.68	219.68	8,511.36
14/07/2015	10,276.45	185.09	10,461.53
14/10/2015	9,246.48	140.72	9,387.19
14/01/2016	8,648.13	98.96	8,747.09
14/04/2016	6,928.55	59.26	6,987.81
14/07/2016	5,972.95	28.31	6,001.26
14/10/2016	365.78	1.65	367.43

4.11 Representation of security holders.

No syndicate of Bondholders will be set up for the securities included in this Bond Issue.

On the terms provided for in article 12 of Royal Decree 926/1998, it is the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time.

4.12 Resolutions, authorisations and approvals for issuing the securities.

a) Corporate resolutions.

Resolution to set up the Fund and issue the Bonds:

The Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN adopted the following resolution on June 12, 2013:

- i) That BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and all other legal and statutory provisions in force and applicable from time to time.
- ii) That receivables owned by and recorded in the assets of BANKIA derived from loans with real estate mortgage security, with security other than a real estate mortgage and without special security granted to small and medium-sized and autonomous enterprises ("SMEs" as defined by the Bank of Spain in Technical Application no. 3/2013) domiciled in Spain, be pooled in the Fund.
- iii) That the Bonds be issued by the Fund.

Resolution to assign the Loan receivables:

At a meeting held on November 27, 2013, BANKIA's Board of Directors resolved that the assignment of loan receivables with real estate mortgage security and loan receivables with security other than real estate mortgage security or without security held by BANKIA with respect to autonomous and/or other enterprises eligible to be considered, as the case may be, small and medium-sized enterprises, be authorised.

b) Registration by the CNMV.

The condition precedent for the Fund to be established and the Bonds to be issued is that this Prospectus and all other supporting documents be entered in the Official Registers of the CNMV, in accordance with the provisions of article 5.1.e) of Royal Decree 926/1998.

This Prospectus regarding the establishment of the Fund and issue of the Bonds will be entered in the CNMV's Official Registers.

c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Prospectus, the Management Company shall, in the presence of BANKIA, as Originator of the Loan receivables, proceed to execute on December 20, 2013 a public deed whereby BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANKIA will assign to the Fund Mortgage Loan receivables upon BANKIA issuing and the Fund subscribing for Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds, on the terms provided in article 6 of Royal Decree 926/1998, and the notarised agreement recording the assignment by BANKIA of Non-Mortgage Loan receivables.

The Management Company represents that the contents of the Deed of Constitution and the notarised agreement recording the assignment of Non-Mortgage Loan receivables shall match the drafts of two documents it has submitted to the CNMV and the terms of the Deed of Constitution and the notarised agreement recording the assignment of Non-Mortgage Loan receivables shall at no event contradict, change, alter or invalidate the contents of this Prospectus.

The Management Company shall submit a copy of the Deed of Constitution and notarised agreement recording the assignment of Non-Mortgage Loan receivables to the CNMV to be entered in the Official Registers by December 27, 2013.

4.13 Issue date of the securities.

The Bond issue date shall be December 20, 2013.

4.13.1 Bond subscription.

The Bond Issue shall be fully subscribed for by BANKIA.

4.13.2 Bond Issue subscription payment method and dates.

The Subscriber shall subscribe for the entire Bond Issue on December 23, 2013 (after 3pm and before 4pm) and pay to the Fund by 1pm (CET) on December 27, 2013 (the "**Closing Date**"), for same day value, the issue price at the face value of all the Bond Issue.

4.14 Restrictions on the free transferability of the securities.

There are no restrictions on the free transferability of the Bonds. They may be freely transferred by any means admissible at Law and in accordance with the rules of the AIAF market where they will be admitted to trading. A transfer in the accounts (book entry) will convey the ownership of each Bond. The effects of entering conveyance to the transferee in the accounting record shall be the same as handing over the certificates and the transfer shall thereupon be enforceable on third parties.

5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

5.1 Market where the securities will be traded.

In fulfilment of the provisions of article 2.3 of Royal Decree 926/1998, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija S.A. ("**AIAF**"), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a regulated market, as contained in the annotated presentation of regulated markets and additional provisions as required by Investment Services Directive 93/22 published in the Official Journal of the European Union on July 11, 2009. The Management Company undertakes to do all such things as may be necessary in order that definitive admission to trading is achieved not later than one month after the Closing Date.

The Management Company expressly represents that it is aware of the requirements and terms that must be observed for the securities to be eligible to be listed, remain listed and be excluded from listing on AIAF, in accordance with the laws in force and the requirements of its governing bodies, and the Fund agrees through its Management Company to observe the same.

In the event that, by the end of the one-month period referred to in the first paragraph of this section, the Bonds should not be admitted to trading on AIAF, the Management Company shall forthwith proceed to notify Bondholders thereof, moreover advising of the reasons resulting in such breach, using the extraordinary notice procedure provided for in section 4.1.2 of the Building Block. This shall be without prejudice to the Management Company being held to be contractually liable, as the case may be, if it is at fault for the delay.

5.2 Paying agent and depository agents.

5.2.1 Bond Issue Paying Agent.

The Bond Issue will be serviced through BANKIA as Paying Agent. Payment of interest and repayments shall be notified to Bondholders in the events and in such advance as may be provided for each case in section 4.1.1 of the Building Block. Interest and amortisation shall be paid to Bondholders by the relevant members and to the latter in turn by Iberclear, the institution responsible for the accounting record.

The Management Company shall, for and on behalf of the Fund, enter with BANKIA into a paying agent agreement to service the Bond Issue, the most significant terms of which are given in section 3.4.7.1 of the Building Block.

6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.

The expected expenses for setting up the Fund and issue and admission to trading of the Bond Issue are EUR seven hundred and fifty thousand (750,000.00). These expenses include, inter alia, the Management Company's initial fee, audit fees, notary's fees, rating and legal advice fees, CNMV fees, AIAF and Iberclear fees and Prospectus translation expenses.

7 ADDITIONAL INFORMATION.

7.1 Statement of the capacity in which the advisors connected with the issue mentioned in the Securities Note have acted.

GARRIGUES, as independent adviser, has provided legal advice for establishing the Fund and the Bond issue and has been involved in reviewing this Prospectus and, from a commercial and regulatory standpoint, in reviewing the transaction and financial service agreements referred to herein and the Deed of Constitution and the notarised assignment agreement.

BANKIA has structured the financial terms of the Fund and of the Bond Issue.

7.2 Other information in the Securities Note which has been audited or reviewed by auditors.

Not applicable.

7.3 Statement or report attributed to a person as an expert.

KPMG has audited the most significant features of a sample of the selected loans from which the Loans will be taken to be assigned to the Fund upon being established, on the terms set forth in section 2.2 of the Building Block.

7.4 Information sourced from a third party.

Within its duties to verify the information contained in this Prospectus, the Management Company has received confirmation from BANKIA as to the truthfulness of the characteristics of BANKIA as Originator, of the Loans, the Pass-Through Certificates and the Mortgage Loans, given in section 2.2.8 of the Building Block, and of the remaining information on BANKIA and on the selected mortgage loans from which the Loans will be taken given in this Prospectus.

In the Deed of Constitution of the Fund and in the notarised agreement assigning Non-Mortgage Loan receivables to the Fund, BANKIA shall reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established.

The Management Company confirms that the information from BANKIA on the selected mortgage loans from which the Loans will be taken and on the Originator proper has been accurately reproduced and, to the best of its knowledge and ability to determine based on that information provided by BANKIA, no fact has been omitted which might result in the information reproduced being inaccurate or deceptive.

7.5 Credit ratings assigned to the securities by rating agencies.

DBRS and Fitch have, respectively on December 17, 2013 and December 18, 2013, assigned the following provisional ratings to the Bonds, and expect to assign the same final ratings by 3pm (CET) on December 23, 2013.

	DBRS Rating	Fitch Rating
Bonds	BBB(high) (sf)	BBBsf

If the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final by 3pm (CET) on December 23, 2013, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section 4.1.2.2 of the Building Block. Furthermore, this circumstance would result in the establishment of the Fund, the Bond Issue and the assignment of Loan receivables terminating, as provided for in section 4.4.4.(v) of the Registration Document.

Rating considerations.

The rating assigned to the Bonds by DBRS are an opinion as to timely interest payment and principal payment by or on the Final Maturity Date, in accordance with the transaction documents.

The rating assigned to the Bonds by Fitch measures the Fund's capacity for timely Bond interest payment and principal repayment in each Series throughout the life of the transaction and at all events before the Final Maturity Date, on the terms given in this Prospectus.

The aforementioned Rating Agencies have been registered and authorised on October 31, 2011 as rating agencies in the European Union in accordance with Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as currently worded.

The Rating Agencies' ratings are not an assessment of the likelihood of Obligors prepaying principal, nor indeed of the extent to which such prepayments differ from what was originally forecast. The ratings are not by any means a rating of the level of actuarial performance.

The ratings assigned, and any revision or suspension of the ratings:

- (i) are assigned by the Rating Agencies based on manifold information received with respect to which they can give no assurance, nor even as to their accuracy or wholeness, wherefore the Rating Agencies may in no event be deemed to be responsible therefor; and
- (ii) are not and cannot therefore be howsoever construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Bonds and, in particular, acquire, keep, charge or sell those Bonds.

In carrying on the rating and monitoring process, the Rating Agencies rely on the accuracy and wholeness of the information provided to it by BANKIA, the Management Company, KPMG as auditors of certain features and attributes of a sample of the selected loans, and on the legal advice given by GARRIGUES on the date of establishment of the Fund, as independent legal adviser.

The ratings take into account the structure of the Bond Issue, the legal aspects thereof and of the issuing Fund, the characteristics of the loans selected to be assigned to the Fund and the regularity and continuity of the operating flows.

The Rating Agencies may review, suspend or withdraw the final ratings assigned to the Bonds at any time, based on any information that may come to their notice. Those events, which shall not as such constitute early liquidation events of the Fund, shall be forthwith notified to both the CNMV and Bondholders, in accordance with the provisions of section 4.1 of the Building Block.

ASSET-BACKED SECURITIES NOTE BUILDING BLOCK

(Annex VIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1. SECURITIES

1.1 Minimum denomination of the issue.

The Fund shall be set up with the Mortgage Loan Pass-Through Certificates issued and the Non-Mortgage Loan receivables which BANKIA shall assign to the Fund upon being established, and their Outstanding Balance shall be equal to or slightly below EUR six hundred and forty-five million (645,000,000.00).

1.2 Confirmation that the information relating to an undertaking or obligor not involved in the issue has been reproduced.

Not applicable.

2. UNDERLYING ASSETS

2.1 Confirmation that the securitised assets have capacity to produce funds to service any payments due and payable on the securities.

In accordance with the information supplied by the Originator, the Management Company confirms that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Loan receivables allow the payments due and payable on the Bonds and Loan B issued to be distinctly satisfied.

Nevertheless, in order to cover for potential payment defaults by securitised Loan Obligors, a number of credit enhancement transactions have been arranged allowing the amounts payable on the Bonds and Loan B to be covered to a different extent. In exceptional circumstances, the enhancement transactions could actually fall short for meeting payments on the Bonds and Loan B or other creditors of the Fund. The credit enhancement transactions are described in sections 3.4.2, 3.4.3 and 3.4.4 of this Building Block.

Upon the occurrence of a (i) substantial alteration or permanent financial imbalance of the Fund due to any event or circumstance whatsoever unrelated to the Fund's operations or (ii) default indicating a serious permanent imbalance in relation to the Bonds issued and/or Loan B or suggesting that it will occur, the Management Company may proceed to Early Liquidation of the Fund and thereby Early Amortisation of the Bond Issue on the terms laid down in section 4.4.3 of the Registration Document.

The contents of the preceding paragraphs are provided by the Management Company based on the Originator's representations set out in section 2.2.8 of the Building Block in relation to the Pass-Through Certificates and the Loans and to the Originator proper, on the information supplied by the Originator and on the audit report on certain features and attributes of a sample of the portfolio of selected loans that will mostly be assigned to the Fund upon being established.

2.2 Assets backing the issue.

The receivables to be pooled in the Fund, represented by the Management Company, upon being established, shall be exclusively receivables owned by BANKIA deriving from Loans granted by BANKIA to small and medium-sized and autonomous enterprises ("**SMES**" as defined by the Bank of Spain in Technical Application no. 3/2013: non-financial entities which, whatever their legal form may be, or where the entity is part of a consolidated group, the consolidated group, carry on business with an annual turnover below EUR 50 million) domiciled in Spain and which are not Bankia group members.

The selected loan portfolio from which the Loans will be taken in order for their receivables to be assigned to the Fund upon being established comprises 8,396 loans, their outstanding balance as at December 8, 2013 being EUR 661,139,335.61 and the overdue principal being EUR 307,704.31.

The Mortgage Loan receivables are assigned to the Fund by issuing Pass-Through Certificates because the relevant mortgage loans do not satisfy all the requirements established in Chapter II of Royal Decree 716/2009 and are not therefore considered eligible mortgage loans for issuing mortgage participation certificates.

The following table provides details for the credit institutions that granted the loans, because BANKIA is the result of a split-off of the assets of seven savings banks, including Caja de Ahorros y Monte de Piedad de Madrid ("**Caja Madrid**") and Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja ("**Bancaja**").

Company name	Loans		Outstanding balance	
		%	(EUR)	%
BANKIA	2.663	31.72	185,774,725.50	28.10
Bancaja	3.865	46.03	360,939,097.10	54.59
Caja Madrid	1.868	22.25	114,425,513.01	17.31
Total	8,396	100.00	661,139,335.61	100.00

Audit of the assets securitised through the Fund.

KPMG has audited the most significant features of the selected loans.

All the attributes listed below have been checked for the 33 loans granted to the 10 largest business groups. For the other loans, the audit was made using sampling techniques consisting of analysing a number of transactions fewer (sample) than the full selection of loans (population), allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative attributes regarding the sample transactions and specifically regarding: nature of the financing transaction and obligor, ownership, identification of the borrower, loan transfer, small and medium-sized enterprise accreditation, loan origination date, loan maturity date, initial loan amount, current loan balance, reference rate or benchmark index, interest rate spread, interest rate applied, object of the loan, type of security, arrears in payment, insolvency situation, developer loan, and, additionally for loans with real estate security, mortgage loan origination, address of the mortgaged property, mortgaged property, mortgage security, valuation and loan-to-value ratio, and damage insurance. Selected loans in respect of which errors are detected in verifying the sample shall not be assigned to the Fund by BANKIA.

The audit results shall be set out in a report prepared by KPMG, which is one of the documents on display as determined in section 10 of the Registration Document.

2.2.1 Legal jurisdiction by which the pool of assets is governed.

The securitised assets are governed by Spanish Law.

2.2.2 Description of the general characteristics of the obligors and the economic environment, as well as global statistical data referred to the securitised assets.

a) Information as to number and distribution of the selected loan obligors.

The following table gives the concentration by business groups in the portfolio of selected loans as at December 8, 2013 for the 20 largest business groups.

Loan portfolio at 08.12.2013					
Classification by business group					
Business group / Obligor	Loans		Outstanding balance		Business
		%	(EUR)	%	
SORMAN SA	1	0.01	33,072,034.35	5.00	Head office activities; consultancy and business management activities
BEN LOIX SA	1	0.01	24,100,000.00	3.65	Accommodation services
INTERPARKING HISPANIA, S.A.	1	0.01	12,114,784.45	1.83	Storage and transport-related activities
VALFORTEC SOCIEDAD LIMITADA.	14	0.17	9,680,535.87	1.46	Specialised construction activities
GERO RESIDENCIALES SOLIMAR SL	3	0.04	7,037,846.83	1.06	Residential establishment assistance
BOGARIS, S.A.	1	0.01	7,000,000.00	1.06	Head office activities; consultancy and business management activities
Autonomous Enterprise	2	0.02	6,000,000.00	0.91	Office clerical activities and other ancillary business activities
GRAN VIA TURIA, SL	1	0.01	5,907,082.79	0.89	Legal and accountancy activities
BARAMBIO GAS SL	2	0.02	4,980,720.28	0.75	Retail trade, excepting motor vehicles and motorcycles
EXPLORACIONES RADIOLOGICAS ESPECIALES SA	4	0.05	4,933,133.43	0.75	Health activities
<i>Subtotal 10 largest</i>	<i>30</i>	<i>0.36</i>	<i>114,826,138.00</i>	<i>17.37</i>	
ATITLAN GRUPO EMPRESARIAL SL	7	0.08	4,041,688.44	0.61	Head office activities; consultancy and business management activities
DES ALIMENTARIOS FRESCOS IND.SL	1	0.01	3,585,564.16	0.54	Head office activities; consultancy and business management activities
FABRICACIONES METALICAS MORENO, S.A.	3	0.04	3,198,301.63	0.48	Manufacture of metallic products, other than machinery and equipment
VALAUTOMOCION SL	1	0.01	3,166,666.52	0.48	Sale and repair of motor vehicles and motorcycles
BOGARIS, S.A.	1	0.01	3,000,000.00	0.45	Office clerical activities and other ancillary business activities
GREDOS SAN DIEGO S. COOP. MAD.	1	0.01	2,780,555.16	0.42	Education
EDIFICACIONES CASTELLO S.A.	1	0.01	2,767,723.05	0.42	Building construction
GRUP SERHS, S.A.	2	0.02	2,684,375.00	0.41	Head office activities; consultancy and business management activities
ANTONIO SAINERO S L.	1	0.01	2,679,269.56	0.41	Wholesale and trade intermediaries, excepting motor vehicles and motorcycles
EUROPEAN TECHNOLOGICALLY INVESTMENTS S.L	1	0.01	2,625,000.00	0.40	Real estate activities
<i>Subtotal 20 largest</i>	<i>49</i>	<i>0.58</i>	<i>145,355,281.52</i>	<i>21.99</i>	
<i>Rest</i>	<i>8,347</i>	<i>99.42</i>	<i>515,784,054.09</i>	<i>78.01</i>	
Total	8,396	100.00	661,139,335.61	100.00	

The sum of the outstanding balance at December 8, 2013 of the 20 business groups weighing most in the selected portfolio accounts for 21.99% of the outstanding balance, as opposed to 33.50% of the sum of the Loan B amount and the Initial Cash Reserve.

All the loans granted to the 10 largest business groups are in good standing at December 8, 2013. Among the loans granted to the 20 largest business groups, there is a loan with overdue principal amounting to EUR 39,269.56 at December 8, 2013.

b) Information on type of company of the selected loan obligors.

The following table gives the selected loan distribution according to type of company in which they belong.

Loan portfolio at 08.12.2013 Classification by type of company				
Type of company	Loans		Outstanding balance (EUR)	
		%		%
Autonomous enterprises	3,693	43.99	102,468,560.44	15.50
Small and medium-sized enterprises *	4,703	56.01	558,670,775.17	84.50
Total	8,396	100.00	661,139,335.61	100.00

* As defined by the Bank of Spain in Technical Application no. 3/2013; these undertakings, whatever their legal form may be, carry out a business activity with a yearly turnover or, where the undertaking is part of a consolidated group, whose consolidated group has a yearly turnover of less than 50 million Euros.

c) Information on the obligors' economic activity by economic activity sectors in accordance with the Spanish Business Activity Code (2009 CNAE).

The following table gives the distribution of the selected loans based on the corporate obligors' 2009 CNAE activity.

Loan portfolio at 08.12.2013 Classification by economic activity sectors					
2009 CNAE		Loans		Outstanding principal (EUR)	
			%		%
01	Farming, stockbreeding, hunting and related service activities	269	3.20	14,842,705.34	2.25
02	Silviculture and forestry operations	13	0.15	1,637,168.61	0.25
03	Fishing and aquaculture	82	0.98	1,580,612.98	0.24
05	Extracting anthracite, coal and lignite	1	0.01	51,450.00	0.01
08	Other extractive industries	17	0.20	1,044,937.64	0.16
10	Food industry	214	2.55	33,919,952.94	5.13
11	Drinks manufacture	28	0.33	5,602,073.02	0.85
13	Textile industry	48	0.57	2,094,705.66	0.32
14	Clothing manufacture	21	0.25	2,088,681.08	0.32
15	Leather and footwear industry	22	0.26	1,605,367.62	0.24
16	Wood and cork industry, excepting furniture, basketwork and wickerwork	59	0.70	2,940,451.78	0.44
17	Paper industry	32	0.38	4,984,428.43	0.75
18	Graphic arts and reproduction of recorded media	98	1.17	3,444,652.68	0.52
19	Cokeries and oil refinery	1	0.01	750,000.00	0.11
20	Chemical industry	51	0.61	3,408,985.06	0.52
21	Manufacture of pharmaceutical products	10	0.12	1,611,295.85	0.24
22	Manufacture of rubber products and plastic materials	76	0.91	8,020,833.98	1.21
23	Manufacture of other non-metallic mineral products	84	1.00	15,528,005.92	2.35
24	Metallurgy; manufacture of iron, steel and ferroalloys	43	0.51	4,401,408.80	0.67
25	Manufacture of metallic products, other than machinery and equipment	104	1.24	12,080,352.83	1.83
26	Manufacture of computer, electronic and optical equipment	18	0.21	1,580,431.56	0.24
27	Manufacture of electric material and equipment	28	0.33	3,053,219.47	0.46
28	Manufacture of machinery and equipment not included elsewhere	67	0.80	5,019,137.60	0.76
29	Manufacture of motor vehicles, trailers and semi-trailers	17	0.20	2,581,147.02	0.39
30	Manufacture of other transport material	9	0.11	618,338.47	0.09
31	Manufacture of furniture	54	0.64	2,005,138.57	0.30
32	Other manufacturing industries	68	0.81	6,240,786.27	0.94

Loan portfolio at 08.12.2013					
Classification by economic activity sectors					
2009 CNAE	Loans		Outstanding principal (EUR)		
		%		%	
33	Repairing and installing machinery and equipment	18	0.21	718,466.36	0.11
35	Supply of electric power, gas, steam and air-conditioning	183	2.18	46,216,099.22	6.99
36	Water collection, treatment and distribution	9	0.11	3,932,145.20	0.59
37	Waste water collection and treatment	2	0.02	26,219.75	0.00
38	Waste collection, treatment and disposal; valorisation	21	0.25	5,127,275.78	0.78
39	Depollution activities and other waste management services	10	0.12	1,130,314.95	0.17
41	Building construction	118	1.41	5,974,647.18	0.90
42	Civil engineering	54	0.64	4,391,296.23	0.66
43	Specialised construction activities	227	2.70	9,938,160.05	1.50
45	Sale and repair of motor vehicles and motorcycles	227	2.70	11,741,972.23	1.78
46	Wholesale trade and trade intermediaries, excepting motor vehicles and motorcycles	913	10.87	59,676,756.83	9.03
47	Retail trade, excepting motor vehicles and motorcycles	731	8.71	27,655,716.36	4.18
49	Land and pipeline transport	584	6.96	18,234,821.61	2.76
50	Transport by sea and other inland waterways	1	0.01	14,369.97	0.00
51	Air transport	102	1.21	4,598,680.05	0.70
52	Storage and transport-related activities	64	0.76	19,354,191.09	2.93
53	Post and mail activities	11	0.13	432,168.85	0.07
55	Accommodation services	89	1.06	8,312,139.16	1.26
56	Catering services	456	5.43	17,799,487.51	2.69
58	Publishing	18	0.21	562,906.67	0.09
59	Film, video, TV program, sound recording and music publishing activities	34	0.40	1,692,871.83	0.26
60	Programming and radio and television broadcasting activities	6	0.07	584,302.92	0.09
61	Telecommunications	21	0.25	1,194,178.97	0.18
62	Programming, consultancy and other IT related activities	109	1.30	8,581,276.93	1.30
63	Information services	98	1.17	5,138,027.29	0.78
64	Financial services, excepting insurance and pension funds	1	0.01	108,333.45	0.02
66	Supporting activities for financial services and insurance	54	0.64	687,330.55	0.10
68	Real estate activities	221	2.63	42,432,255.46	6.42
69	Legal and accountancy activities	242	2.88	15,810,663.13	2.39
70	Head office activities; consultancy and business management activities	75	0.89	7,737,957.73	1.17
71	Technical architectural and engineering services; technical testing and trials	119	1.42	9,845,322.29	1.49
72	Research and development	9	0.11	1,676,525.11	0.25
73	Advertising and market surveys	50	0.60	2,621,261.96	0.40
74	Other professional, scientific and technical activities *	122	1.45	43,181,705.23	6.53
75	Veterinary activities	31	0.37	1,249,804.48	0.19
77	Rental activities	71	0.85	5,437,727.45	0.82
78	Employment-related activities	7	0.08	598,232.52	0.09
79	Travel agency and tour operator activities, booking services and activities relating thereto	23	0.27	800,616.28	0.12
80	Security and investigation activities	32	0.38	1,856,399.48	0.28
81	Building services and gardening activities	90	1.07	3,889,458.48	0.59
82	Office clerical activities and other ancillary business activities	228	2.72	22,295,572.63	3.37
85	Education	143	1.70	8,111,784.12	1.23
86	Health activities	302	3.60	40,914,296.27	6.19
87	Residential establishment assistance	23	0.27	12,177,481.07	1.84
88	Social services activities without accommodation	17	0.20	1,355,272.78	0.20
90	Creation, artistic and show activities	47	0.56	1,431,721.57	0.22
91	Library, archive, museum and other cultural activities	2	0.02	58,690.50	0.01
92	Gambling and betting activities	17	0.20	2,161,251.80	0.33
93	Sport, recreational and entertainment activities	96	1.14	5,365,890.08	0.81
94	Associative activities	36	0.43	4,034,617.54	0.61
95	Computer, personal effect and household appliance repair	30	0.36	551,560.56	0.08
96	Other personal services	668	7.96	18,982,840.92	2.87
Total		8,396	100.00	661,139,335.61	100.00

Loan portfolio at 08.12.2013			
Classification by economic activity sectors			
2009 CNAE	Loans		Outstanding principal
		%	(EUR) %

* Includes: specialised design, photography, translation and interpretation and other professional activities.

Out of the loans selected at December 8, 2013 to be assigned to the Fund upon being established, 13.21%, in terms of outstanding balance, have obligors whose business (Spanish Business Activity Code CNAE-2009) is comprised within the wholesale trade and trade intermediaries and retail trade sectors (CNAEs 46 and 47), 8.82%, in terms of outstanding balance, is comprised within the building and real estate sectors (CNAEs 41, 43 and 68), and 6.99%, in terms of outstanding balance, of the selected loans is comprised within the supply of electric power, gas, steam and air-conditioning sector (CNAE 35).

d) Information regarding selected loan collaterals.

The following table gives the distribution of the selected loans having regard to their collaterals.

Loan portfolio at 08.12.2013			
Classification by type of collateral			
	Loans		Outstanding Balance
		%	(EUR) %
Loans with real estate mortgage security	378	4.50	134,966,446.15 20.41
Loans with other non-real estate security interests	359	4.28	32,584,181.77 4.93
Loans with third-party personal surety	3,830	45.62	259,713,983.89 39.28
Loans without special security	3,829	45.61	233,874,723.80 35.37
Total	8,396	100.00	661,139,335.61 100.00

The following table gives the distribution of the selected loans for the 10 largest business groups having regard to their collaterals.

Loan portfolio at 08.12.2013			
Classification by type of collateral			
	Loans		Outstanding Balance
		%	(EUR) %
Loans with real estate mortgage security	6	20.00	44,044,929.62 38.36
Loans with other non-real estate security interests	1	3.33	3,000,000.00 2.61
Loans with third-party personal surety	2	6.67	33,312,034.44 29.01
Loans without special security	21	70.00	34,469,173.94 30.02
Total	30	100.00	114,826,138.00 100.00

The following table gives the distribution by type of property mortgaged as security for the selected mortgage loans, regardless of how the relevant mortgages are ranked in the register. In the case of mortgage loans with several mortgaged properties, the type of property having the highest appraisal value has been taken.

Mortgage loan portfolio at 08.12.2013			
Classification by type of mortgaged property			
	Mortgage loans		Outstanding principal
		%	(EUR) %
Business premises and offices	121	32.01	61,717,134.08 45.73
Industrial warehouses	61	16.14	33,651,435.62 24.93
Finished homes located in Spain	140	37.04	19,357,715.83 14.34
Parking spaces and lumber rooms	2	0.53	1,733,703.52 1.28
Rustic and urban properties	54	14.29	18,506,457.10 13.71
Total	378	100.00	134,966,446.15 100.00

In order to be assigned to the Fund upon being established, BANKIA shall choose from the selected loans i) loans that have not fully matured and are in good standing or that have no payments that are more than thirty (30) days overdue, and the percentages represented by each mortgage security in the portfolio that is finally assigned to the Fund may therefore differ from the distribution shown for the selected loan portfolio.

The following table gives the distribution by type of property mortgaged as security for the mortgage loans for the 10 largest business groups, based on the same criteria as the above table:

Mortgage loan portfolio at 08.12.2013				
Classification by type of mortgaged property				
	Mortgage loans		Outstanding principal	
		%	(EUR)	%
Business premises and offices	3	50.00	7,037,846.83	15.98
Industrial warehouses	2	33.33	30,007,082.79	68.13
Rustic and urban properties	1	16.67	7,000,000.00	15.89
Total	6	100.00	44,044,929.62	100.00

e) Information regarding selected loan purpose.

The following table gives the distribution of the selected loans based on their intended use.

Loan portfolio at 08.12.2013				
Classification by loan intended use				
Intended Use	Loans		Outstanding balance	
		%	(EUR)	%
Acquisition of securities and financial assets	49	0.58	25,803,746.14	3.90
Acquisition or adaptation of land for industrial use	103	1.23	25,067,239.32	3.79
Acquisition or repair of machinery, implements and tools	868	10.34	10,418,070.03	1.58
Acquisition or repair of vehicles and other transport fleet	1,458	17.37	77,355,316.69	11.70
Acquisition, building or renovation of warehouses or business premises	1,251	14.90	158,354,851.97	23.95
Agricultural campaigns	7	0.08	105,344.58	0.02
Product launch, advertising and similar campaigns	1	0.01	359.59	0.00
Cash flow mismatches	601	7.16	42,995,910.71	6.50
Funding working capital	1,249	14.88	56,813,245.56	8.59
Special financing	5	0.06	4,740,796.78	0.72
Investment in equipment and technical plant	88	1.05	6,182,323.50	0.94
Investment in data processing equipment	1,920	22.87	140,388,831.19	21.23
Investment in inventories and sundry supplies	66	0.79	1,979,373.16	0.30
Investments in intangible assets	34	0.40	858,317.84	0.13
Other business purposes *	686	8.17	109,808,990.18	16.61
Payments to the inland revenue, social security or other official institutions	10	0.12	266,618.37	0.04
Total	8,396	100.00	661,139,335.61	100.00

* No specific details of the breakdown are available.

None of the selected loans are for refinancings or restructurings, as defined in Bank of Spain Circular 6/2012 and in accordance with the criteria adopted by the Bank of Spain's Executive Committee at its April 30, 2013 meeting set out in the Bank of Spain letter of even date, and they are not for finance lease or syndicated or leveraged transactions, in accordance with Technical Application no. 3/2013.

The following table gives the distribution of the selected loans for the 10 largest business groups based on their intended use.

Loan portfolio at 08.12.2013				
Classification by loan intended use				
Intended Use	Loans		Outstanding balance (EUR)	
		%		%
Acquisition of securities and financial assets	3	10.00	17,095,504.73	14.89
Acquisition or repair of machinery, implements and tools	2	6.67	616,466.61	0.54
Acquisition, building or renovation of warehouses or business premises	7	23.33	43,044,929.62	37.49
Investment in equipment and technical plant	12	40.00	5,680,535.87	4.95
Other business purposes	6	20.00	48,388,701.17	42.14
Total	30	100.00	114,826,138.00	100.00

f) Information regarding selected loan origination date.

The following table gives the distribution of the selected loans based on origination date by six-monthly intervals, excepting the last interval, and the average, minimum and maximum age. The latest selected loan origination date is January 21, 2013.

Loan portfolio at 08.12.2013				
Classification by loan origination date				
Date interval	Loans		Outstanding balance (EUR)	
		%		%
08/06/2004 to 30/06/2004	1	0.01	75,097.67	0.01
01/07/2004 to 31/12/2004	1	0.01	1,160,119.06	0.18
01/01/2005 to 30/06/2005	20	0.24	3,005,570.87	0.45
01/07/2005 to 31/12/2005	36	0.43	5,448,157.55	0.82
01/01/2006 to 30/06/2006	100	1.19	11,988,851.79	1.81
01/07/2006 to 31/12/2006	65	0.77	11,466,399.30	1.73
01/01/2007 to 30/06/2007	318	3.79	23,199,400.04	3.51
01/07/2007 to 31/12/2007	168	2.00	15,966,726.43	2.42
01/01/2008 to 30/06/2008	255	3.04	27,353,916.03	4.14
01/07/2008 to 31/12/2008	232	2.76	31,101,574.52	4.70
01/01/2009 to 30/06/2009	526	6.26	30,060,301.12	4.55
01/07/2009 to 31/12/2009	561	6.68	33,587,070.50	5.08
01/01/2010 to 30/06/2010	1,131	13.47	104,828,702.56	15.86
01/07/2010 to 31/12/2010	1,322	15.75	116,266,610.97	17.59
01/01/2011 to 30/06/2011	1,356	16.15	75,378,287.89	11.40
01/07/2011 to 31/12/2011	1,393	16.59	84,740,108.06	12.82
01/01/2012 to 30/06/2012	839	9.99	57,281,119.96	8.66
01/07/2012 to 31/12/2012	68	0.81	25,670,818.57	3.88
01/01/2013 to 21/01/2013	4	0.05	2,560,502.72	0.39
Total	8,396	100.00	661,139,335.61	100.00
	42.91	Months	Weighted average age	
	114.08	Months	Maximum age	
	10.55	Months	Minimum age	

g) Information regarding selected loan outstanding balance.

The following table gives the distribution of the outstanding balance of the loans as at December 8, 2013, and the average, minimum and maximum amount. No details are given of intervals with no contents.

Loan portfolio at 08.12.2013				
Classification by outstanding balance				
Outstanding balance interval (EUR)	Loans		Outstanding balance (EUR)	
		%		%
0.00 - 49,999.99	6,427	76.55	98,015,447.02	14.83
50,000.00 - 99,999.99	780	9.29	53,949,973.75	8.16
100,000.00 - 149,999.99	341	4.06	41,895,412.57	6.34
150,000.00 - 199,999.99	198	2.36	34,151,895.33	5.17
200,000.00 - 249,999.99	145	1.73	32,470,351.15	4.91
250,000.00 - 299,999.99	99	1.18	26,910,948.75	4.07
300,000.00 - 349,999.99	60	0.71	19,292,328.23	2.92
350,000.00 - 399,999.99	54	0.64	19,959,250.04	3.02
400,000.00 - 449,999.99	44	0.52	18,540,561.35	2.80
450,000.00 - 499,999.99	41	0.49	19,409,232.13	2.94
500,000.00 - 599,999.99	54	0.64	28,907,647.95	4.37
600,000.00 - 699,999.99	29	0.35	18,739,032.93	2.83
700,000.00 - 799,999.99	26	0.31	19,516,655.11	2.95
800,000.00 - 899,999.99	15	0.18	12,762,883.25	1.93
900,000.00 - 999,999.99	13	0.15	12,103,914.27	1.83
1,000,000.00 - 1,249,999.99	13	0.15	14,307,633.71	2.16
1,250,000.00 - 1,499,999.99	9	0.11	12,219,980.43	1.85
1,500,000.00 - 1,749,999.99	8	0.10	13,279,538.32	2.01
1,750,000.00 - 1,999,999.99	9	0.11	16,676,369.80	2.52
2,000,000.00 - 2,499,999.99	15	0.18	33,600,674.41	5.08
2,500,000.00 - 2,999,999.99	5	0.06	13,400,139.43	2.03
3,000,000.00 - 3,499,999.99	5	0.06	15,249,999.93	2.31
3,500,000.00 - 3,999,999.99	1	0.01	3,585,564.16	0.54
5,500,000.00 - 5,999,999.99	1	0.01	5,907,082.79	0.89
7,000,000.00 - 7,499,999.99	1	0.01	7,000,000.00	1.06
12,000,000.00 - 12,999,999.99	1	0.01	12,114,784.45	1.83
24,000,000.00 - 24,999,999.99	1	0.01	24,100,000.00	3.65
33,000,000.00 - 33,999,999.99	1	0.01	33,072,034.35	5.00
Total	8,396	100.00	661,139,335.61	100.00
Average outstanding balance:			78,744.56	
Minimum outstanding balance:			37.48	
Maximum outstanding balance:			33,072,034.35	

h) Information regarding the nature of the reference rate and benchmark indices applicable for determining the floating interest rates applicable to the selected loans.

The selected loans are fixed or floating-rate loans. The following table gives the distribution of the loans according to fixed or floating interest and benchmark indices applicable to the floating-rate loans for determining the nominal interest rate.

Loan portfolio at 08.12.2013					
Classification by Interest rate benchmark index					
Benchmark Index	Loans		Outstanding balance		Margin***
		%	(EUR)	%	over Index %
Fixed interest rate	3,053	36.36	118,304,834.3	17.89	
Floating interest rate *	5,343	63.64	542,834,501.3	82.11	1.63
1-YEAR EURIBOR	1,541	18.35	183,352,136.6 3	27.73	1.81
3-MONTH EURIBOR	125	1.49	70,602,720.56	10.68	1.44
6-MONTH EURIBOR	3,139	37.39	261,824,643.6 5	39.60	1.55
MORTGAGE LOAN BENCHMARK INDEX ALL SAVINGS BANKS VALENCIAN FINANCE INSTITUTE REFERENCE RATE OFFICIAL CREDIT INSTITUTE (ICO) FLOATING RATE (2009)	3	0.04	64,711.65	0.01	0.34
	410	4.88	2,751,451.38	0.42	2.00
	410	4.88	24,238,837.44	3.67	1.65
	8,396	100.00	661,139,335.6	100.0	
			1	0	

i) Information regarding applicable nominal interest rates: selected loan maximum, minimum and average rates.

The following table gives the distribution of the selected loans by 0.50% nominal interest rate intervals applicable as at December 8, 2013, and their average, minimum and maximum values. No details are given of intervals with no contents.

Loan portfolio at 08.12.2013					
Classification by applicable nominal interest rate					
Interest Rate % Interval	Loans		Outstanding balance		% Interest Rate*
		%	(EUR)	%	
0.0000 - 0.4999	4	0.05	312,467.61	0.05	0.45
0.5000 - 0.9999	426	5.07	37,422,162.46	5.66	0.83
1.0000 - 1.4999	408	4.86	83,174,804.83	12.58	1.26
1.5000 - 1.9999	235	2.80	75,943,304.96	11.49	1.73
2.0000 - 2.4999	321	3.82	32,326,806.55	4.89	2.24
2.5000 - 2.9999	853	10.16	58,392,871.05	8.83	2.70
3.0000 - 3.4999	149	1.77	26,993,038.97	4.08	3.24

Loan portfolio at 08.12.2013					
Classification by applicable nominal interest rate					
Interest Rate % Interval	Loans		Outstanding balance		% Interest Rate*
		%	(EUR)	%	
3.5000 - 3.9999	798	9.50	70,748,029.86	10.70	3.80
4.0000 - 4.4999	997	11.87	56,594,786.38	8.56	4.31
4.5000 - 4.9999	914	10.89	58,920,146.86	8.91	4.75
5.0000 - 5.4999	705	8.40	48,278,762.43	7.30	5.22
5.5000 - 5.9999	1,011	12.04	37,017,997.80	5.60	5.76
6.0000 - 6.4999	704	8.38	22,868,185.92	3.46	6.25
6.5000 - 6.9999	572	6.81	44,422,238.15	6.72	6.71
7.0000 - 7.4999	121	1.44	4,627,607.10	0.70	7.24
7.5000 - 7.9999	28	0.33	1,267,149.22	0.19	7.75
8.0000 - 8.4999	34	0.40	363,696.27	0.06	8.23
8.5000 - 8.9999	44	0.52	605,496.89	0.09	8.59
9.0000 - 9.4999	34	0.40	432,928.17	0.07	9.23
9.5000 - 9.9999	11	0.13	137,289.01	0.02	9.62
10.0000 - 10.4999	4	0.05	35,624.46	0.01	10.39
10.5000 - 10.9999	10	0.12	104,021.42	0.02	10.63
11.0000 - 11.4999	6	0.07	72,705.01	0.01	11.26
11.5000 - 11.9999	2	0.02	20,127.98	0.00	11.61
12.0000 - 12.4999	4	0.05	44,157.92	0.01	12.01
12.5000 - 12.9999	1	0.01	12,928.33	0.00	12.50
Total	8,396	100.00	661,139,335.61	100.00	
Weighted average:					3.54 %
Simple average:					4.35 %
Minimum:					0.43 %
Maximum:					12.75 %

*Average nominal interest rate of the interval weighted by the outstanding balance.

j) Information regarding selected loan instalment payment frequency.

The following table gives the selected loan distribution based on loan instalment interest payment frequency.

Loan portfolio at 08.12.2013					
Classification by instalment interest payment frequency					
Instalment interest payment frequency	Loans		Outstanding balance		
		%	(EUR)	%	
Monthly	7,997	95.25	495,110,021.5300	74.89	
Quarterly	257	3.06	130,132,383.0700	19.68	
Six-Monthly	139	1.66	35,149,834.4500	5.32	
Yearly	3	0.04	747,096.5600	0.11	
Total	8,396	100.00	661,139,335.61	100.00	

The following table gives the selected loan distribution based on loan instalment principal payment frequency.

Loan portfolio at 08.12.2013					
Classification by instalment principal payment frequency					

Instalment principal payment frequency	Loans		Outstanding balance	
		%	(EUR)	%
Monthly	7,976	95.00	477,240,426.86	72.18
Quarterly	250	2.98	126,773,725.73	19.18
Six-Monthly	137	1.63	33,146,300.45	5.01
Yearly	6	0.07	827,362.24	0.13
Bullet	27	0.32	23,151,520.33	3.50
Total	8,396	100.00	661,139,335.61	100.00

k) Information regarding selected floating-rate loan interest rate reset frequency.

The following table gives the selected floating-rate loan distribution based on selected interest rate reset frequency.

Loan portfolio at 08.12.2013				
Classification by interest rate reset frequency				
Interest rate reset frequency	Loans		Outstanding balance	
		%	(EUR)	%
Quarterly	111	2.08	68,611,652.65	12.64
Six-Monthly	4,436	83.02	380,552,578.72	70.10
Yearly	796	14.90	93,670,269.94	17.26
Total	5,346	100.00	550,779,346.25	100.00

l) Information regarding selected loan repayment system.

The following table gives the selected loan distribution based on their repayment system.

Loan portfolio at 08.12.2013				
Classification by repayment system				
Classification by repayment system	Loans		Outstanding balance	
		%	(EUR)	%
Straight line amortisation	3,758	44.76	312,917,018.38	47.33
French	4,604	54.84	322,989,323.65	48.85
Geometrically increasing instalment	5	0.06	1,218,206.85	0.18
French with final instalment	2	0.02	863,266.40	0.13
Bullet *	27	0.32	23,151,520.33	3.50
2013 **	3	0.04	1,344,727.27	0.20
2014	7	0.08	532,906.20	0.08
2015	1	0.01	320,000.00	0.05
2016	7	0.08	1,986,000.00	0.30
2017	5	0.06	9,529,496.32	1.44
2020	1	0.01	1,790,798.36	0.27
2023	2	0.02	5,714,258.18	0.86
2024	1	0.01	1,933,334.00	0.29
Total	8,396	100.00	661,139,335.61	100.00

* In 6 of the loans, the principal repayment exclusion period end date is in the month preceding the final maturity date.

** The loans tabled above consist of three loans with final maturity date between December 13 and 15, 2013.

m) Information regarding minimum nominal interest rates applicable to the selected loans.

None of the selected floating-rate loans have had a minimum nominal interest rate floor set for applicable nominal interest rate variability.

n) Information regarding maximum nominal interest rates applicable to the selected loans.

None of the selected floating-rate loans have had a maximum nominal interest rate ceiling set for applicable nominal interest rate variability.

o) Information regarding final maturity date of the selected loans.

The following table gives the distribution of the selected loans according to final maturity date by annual intervals, and the total weighted average residual life and the first and last final maturity dates. No details are given of years with no contents.

Loan portfolio at 08.12.2013						
Classification by final repayment year						
Final Repayment Year	Loans		Outstanding balance (EUR)		Residual Life w.a. *	
		%		%	Months	Date
2013**	93	1.11	2,797,370.37	0.42	0.38	20/12/2013
2014	1,523	18.14	25,540,375.16	3.86	8.87	04/09/2014
2015	2,252	26.82	97,870,171.46	14.80	19.77	01/08/2015
2016	1,559	18.57	112,255,019.20	16.98	33.74	29/09/2016
2017	922	10.98	88,468,822.47	13.38	42.63	27/06/2017
2018	824	9.81	61,533,741.74	9.31	54.59	26/06/2018
2019	327	3.89	36,130,283.14	5.46	67.16	13/07/2019
2020	131	1.56	33,153,632.50	5.01	79.21	13/07/2020
2021	175	2.08	26,511,265.53	4.01	91.31	16/07/2021
2022	162	1.93	37,388,122.76	5.66	104.94	04/09/2022
2023	68	0.81	18,328,449.78	2.77	114.24	14/06/2023
2024	40	0.48	17,020,959.54	2.57	127.50	21/07/2024
2025	32	0.38	31,756,827.37	4.80	143.25	12/11/2025
2026	60	0.71	10,881,427.46	1.65	151.08	08/07/2026
2027	43	0.51	12,683,977.90	1.92	161.62	25/05/2027
2028	8	0.10	3,229,703.99	0.49	172.97	04/05/2028
2029	10	0.12	2,534,420.88	0.38	184.81	29/04/2029
2030	18	0.21	9,515,370.17	1.44	200.04	06/08/2030
2031	70	0.83	12,798,649.66	1.94	210.90	02/07/2031
2032	25	0.30	2,971,956.61	0.45	221.27	12/05/2032
2033	4	0.05	893,425.78	0.14	237.56	20/09/2033
2034	3	0.04	377,359.82	0.06	245.74	27/05/2034
2035	8	0.10	3,060,168.51	0.46	255.29	13/03/2035
2036	15	0.18	9,255,533.76	1.40	271.33	13/07/2036
2037	5	0.06	896,449.05	0.14	281.41	16/05/2037
2038	2	0.02	521,405.86	0.08	296.11	06/08/2038
2039	1	0.01	86,184.24	0.01	304.24	10/04/2039
2040	1	0.01	91,183.09	0.01	323.08	03/11/2040
2041	2	0.02	343,436.57	0.05	332.99	31/08/2041
2042	3	0.04	336,639.29	0.05	340.54	18/04/2042
2043	1	0.01	270,720.94	0.04	356.35	12/08/2043
2044	1	0.01	129,055.83	0.02	366.08	03/06/2044
2045	1	0.01	140,338.85	0.02	375.29	10/03/2045
2046	2	0.02	358,890.48	0.05	387.61	20/03/2046

Loan portfolio at 08.12.2013						
Classification by final repayment year						
Final Repayment Year	Loans		Outstanding balance		Residual Life w.a. *	
		%	(EUR)	%	Months	Date
2047	3	0.04	711,823.93	0.11	404.16	05/08/2047
2048	1	0.01	186,166.00	0.03	420.07	01/12/2048
2049	1	0,0119	110.005,92	0,0164	427,10	03/07/2049
Total	8,396	100.00	661,139,335.61	100.00		
Weighted average:					73.07	09/01/2020
Simple average:					39.23	15/03/2017
Minimum:					0.03	09/12/2013
Maximum:					427.10	3/07/2049

* Residual life to final maturity date (months and date) stands for averages weighted by the outstanding balance of loans with final maturity in the relevant year.

** Loans that are finally assigned to the Fund upon being established shall have a final maturity date after December 20, 2013.

p) Information regarding selected loan principal repayment exclusion period.

The following table gives the selected loan distribution according to expiry of the loan principal repayment exclusion period. The average principal repayment exclusion period of the selected loans is 1.76 months weighted by the outstanding balance.

Loan portfolio at 08.12.2013					
Classification by principal repayment exclusion period					
Expiry of the principal exclusion period	Loans		Outstanding balance		
		%	(EUR)	%	
No exclusion	8,273	98.54	607,098,234.42	91.83	
10/12/2013 to 31/12/2013	62	0.74	41,841,269.85	6.33	
01/01/2014 to 31/03/2014	19	0.23	4,861,240.86	0.74	
01/04/2014 to 30/06/2014	21	0.25	4,094,212.03	0.62	
01/07/2014 to 30/09/2014	8	0.10	1,055,300.00	0.16	
01/10/2014 to 31/12/2014	10	0.12	1,941,700.00	0.29	
01/01/2016 to 31/03/2016	1	0.01	6,000.00	0.00	
01/10/2016 to 31/12/2016	1	0.01	200,000.00	0.03	
01/01/2018 to 10/01/2018	1	0.01	41,378.45	0.01	
Total	8,396	100.00	661,139,335.61	100.00	

None of the selected loans have clauses allowing periodic interest payment and principal repayment to be deferred, other than the principal repayment exclusion period that may be in force from the origination date of each loan. There is no loan providing for interest exclusion.

However, as set out in section 3.7.2.1.6 of the Building Block, the Management Company will initially authorise the Servicer to enter into and accept the establishment of a Loan principal repayment exclusion period for a term of not more than 30 months provided that the amount of the sum of the capital or principal assigned to the Fund of the Loans with respect to which there is an extension of the term to maturity of the Loans and/or an establishment of principal repayment exclusion and/or a change of the repayment system, individually or simultaneously, does not exceed 15% of the sum of (i) the face amount of the Bond Issue and (ii) the initial Loan B amount.

q) Information regarding geographical distribution by Autonomous Communities.

The following table gives loan distribution by Autonomous Communities according to the location of the corporate obligors' place of business.

Loan portfolio at 08.12.2013				
Classification by Autonomous Communities				
	Loans		Outstanding balance	
		%	(EUR)	%
Andalusia	502	5.98	49,421,732.32	7.48
Aragón	123	1.46	9,092,416.25	1.38
Asturies	64	0.76	6,379,914.96	0.96
Balearic Isles	222	2.64	14,668,674.09	2.22
Canary Islands	165	1.97	14,584,315.57	2.21
Cantabria	70	0.83	4,584,993.92	0.69
Castile La Mancha	599	7.13	31,149,053.10	4.71
Castile-León	253	3.01	25,437,150.99	3.85
Catalonia	734	8.74	63,351,448.73	9.58
Ceuta	19	0.23	1,153,658.90	0.17
Valencian Community	3,459	41.20	267,308,325.74	40.43
Extremadura	78	0.93	6,751,751.24	1.02
Galicia	204	2.43	14,168,057.77	2.14
La Rioja	30	0.36	2,049,770.91	0.31
Madrid	1,649	19.64	120,901,244.99	18.29
Murcia	114	1.36	13,637,897.17	2.06
Navarre	26	0.31	3,346,312.80	0.51
Basque Country	85	1.01	13,152,616.16	1.99
Total	8,396	100.00	661,139,335.61	100.00

r) Information regarding delays, if any, in collecting selected loan interest or principal instalments and amount, if any, of the current principal of loans more than 30, 60 and 90 days overdue.

The following table gives the number of loans, the outstanding balance and the overdue principal on selected loans in regard to which there was any delay in payment of amounts due as at December 8, 2013.

Arrears in payment of instalments due at 08.12.2013							
Interval Days	Loans	Outstanding balance	%	Overdue principal	%	Principal in Arrears	%
In good standing	7,995	643,291,503.31	97.30	643,291,503.31	97.30	0.00	0.00
1 to 15 days	348	16,086,888.09	2.43	15,810,091.42	2.39	276,796.67	0.042
16 to 30 days	53	1,760,944.21	0.27	1,730,036.57	0.26	30,907.64	0.005
Total	8,396	661,139,335.61	100.00	660,831,631.30	99.95	307,704.31	0.047

* The percentages of outstanding principal and principal in arrears are calculated based on the outstanding balance of the selected loans.

None of the selected loans for the 10 largest business groups have any principal or interest payments in arrears at December 8, 2013. Among the loans granted to the 20 largest Business groups, there is a loan with overdue principal amounting to EUR 39,269.56 at December 8, 2013 for a period of between 1 and 15 days.

In accordance with BANKIA's representation in section 2.2.8.2.(3) of the Building Block, none of the Loans that will finally be assigned to the Fund upon being established shall have any payments more than thirty (30) days overdue on their assignment date.

s) Loan to value ratio of loans with senior real estate mortgage security or level of collateralisation.

There are 378 selected loans with real estate mortgage security as at December 8, 2013 and their outstanding balance amounts to EUR 134,966,446.15 (20.41%, in terms of outstanding balance of the selected loans). The outstanding balance of mortgage loans with mortgages all registered as a first mortgage is EUR 116,261,551.71, which accounts for 86.14%, in terms of outstanding balance, of the

selected mortgage loans. The outstanding balance of mortgage loans with mortgages all registered as a second mortgage is EUR 14,097,780.04, which accounts for 10.45%, in terms of outstanding balance, of the selected mortgage loans. The outstanding balance of mortgage loans (secured with more than one mortgage) with mortgages registered as a first and second mortgage is EUR 4,607,114.40, which accounts for 3.41%, in terms of outstanding balance, of the selected mortgage loans. In the case of these mortgage loans with mortgages registered as a second mortgage, BANKIA has not entered in its databases the mortgagee entered in the relevant Land Registry as a first mortgage. If the Fund should call the mortgage security for one of the second-ranked mortgage loans, the first-ranked mortgage charge would subsist.

The following table gives the distribution of the mortgage loans by 10.00% LTV intervals for loans with mortgages all registered as a first mortgage.

Senior mortgage loan portfolio at 08.12.2013					
Classification by loan to value ratio					
Ratio Intervals	Loans		Outstanding balance		(%) Loan to Value*
		%	(EUR)	%	
0.01 - 10,00	4	1.34	57,932.29	0.05	3.72
10.01 - 20,00	16	5.37	1,852,379.13	1.59	15.30
20.01 - 30,00	12	4.03	4,461,412.39	3.84	27.11
30.01 - 40,00	20	6.71	9,542,262.57	8.21	35.84
40.01 - 50,00	11	3.69	4,523,111.73	3.89	46.21
50.01 - 60,00	3	1.01	252,313.42	0.22	52.05
60.01 - 70,00	149	50.00	41,905,270.12	36.04	64.12
70.01 - 80,00	39	13.09	15,229,926.07	13.10	75.79
80.01 - 90,00	25	8.39	10,429,589.29	8.97	82.59
90.01 - 100,00	9	3.02	25,338,604.84	21.79	96.48
100.01 - 110,00	2	0.67	141,114.45	0.12	103.73
110.01 - 120,00	2	0.67	630,872.73	0.54	111.08
120.01 - 130,00	1	0.34	270,720.94	0.23	125.05
140.01 - 150,00	2	0.67	339,903.33	0.29	145.05
160.01 - 170,00	1	0.34	143,128.46	0.12	161.54
290.01 - 300,00	1	0.34	653,946.19	0.56	296.04
360.01 - 370,00	1	0.34	489,063.76	0.42	362.00
Total	298	100.00	116,261,551.71	100.00	
Weighted Average:					72.45 %
Simple Average:					63.74 %
Minimum:					0.97 %
Maximum:					362.00 %

*Loan to Value Ratio refers to averages weighted by the outstanding balance.

There is no overcollateralisation in the Fund since the total Loan receivables principal or capital that BANKIA shall assign to the Fund upon being set up shall be equal to or slightly below EUR six hundred and forty-five million (645,000,000.00), which amount matches the sum of the face value amount of the Bond Issue and Loan B principal.

2.2.3 Legal nature of the pool of assets.

The selected loans may be classified based on their collaterals into:

- (i) Loans with real estate mortgage security, originated in a public deed (the Mortgage Loans).

The Mortgage Loans were originated in a public deed subject to the Mortgage Act, February 8, 1946, Act 2/1981, and ancillary laws.

The Mortgage Loan receivables shall be assigned to the Fund upon BANKIA issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981, additional provision

five of Act 3/1994, and Royal Decree 716/2009, on the terms provided for in section 3.3 of this Building Block. The Pass-Through Certificates shall be issued and subscribed for in the same Deed of Constitution of the Fund.

- (ii) Loans with no special guarantee, loans secured with other non-real estate security interests and/or loans with third-party personal surety, originated in a public document, which are enforceable (Civil Procedure Act article 517) or in a private document (the Non-Mortgage Loans).

The Non-Mortgage Loan receivables shall be directly assigned to the Fund by means of a notarised agreement assigning receivables upon the Deed of Constitution being executed, on the terms provided for in section 3.3 of this Building Block.

2.2.4 Expiry or maturity date(s) of the assets.

The selected loans each have a final maturity date without prejudice to periodic partial repayment instalments, on the specific terms applicable to each of them.

Obligors may at any time during the life of the Loans prepay all or part of the outstanding capital, in which case the accrual of interest on the part prepaid will cease as of the date on which repayment occurs.

The final maturity date of the selected loans at December 8, 2013 was comprised between December 9, 2013 and July 3, 2049.

2.2.5 Amount of the assets.

The Fund shall be set up with the Loan receivables which BANKIA will assign to the Fund upon being established, and their Outstanding Balance shall be equal to or slightly below EUR six hundred and forty-five million (645,000,000.00).

The selected loan portfolio from which the Loans will be taken to be assigned to the Fund upon being established comprises 8,396 loans, their outstanding principal as at December 8, 2013 being EUR 661,139,335.61 and the overdue principal being EUR 307,704.31.

In order to be assigned to the Fund upon being established, BANKIA shall choose from the selected loans that have not fully matured and are in good standing or that have no payments that are more than thirty (30) days overdue up to a total principal or capital equal to or slightly below EUR six hundred and forty-five million (645,000,000.00).

2.2.6 Loan to value ratio or level of collateralisation.

The loan to value ratio or level of collateralisation of the selected mortgage loans is given in section 2.2.2 s) of this Building Block.

2.2.7 Method of creation of the assets.

The main lending criteria, set out in the "Internal Lending Memorandum" attached as a Schedule to the Deed of Constitution, are summarised below. In this connection, it is noteworthy that the aforementioned Memorandum includes a description of Caja Madrid-Bankia's and Bancaja's origination process as originators of the loans assigned to the fund and BANKIA's servicing process.

A) Origination process procedures for Caja Madrid-Bankia:

1. Processing

Processing of a loan to autonomous enterprises or bodies corporate begins with a first interview of the customer through the relevant customer advisor. At that time, a preliminary analysis of the transaction is carried out, and the customer is advised of the potential financial terms of the loan, of the documents required to study the transaction, estimated costs associated with the transaction, etc.

The documents required when filing the application for this type of loans include (those requested depend on the type of obligor):

- Identification of parties (Spanish Identity Document, Residence Permit, Tax Identification, etc.).
- Proof of income of applicant/s (payslips, personal income tax return).
- Annual accounts for the last two years (bodies corporate only).
- Proof of filing of annual accounts for the previous year in the Companies Register (bodies corporate only).
- Interim accounts for the year in progress (bodies corporate only).
- VAT returns for the year in progress and last year ended (bodies corporate only).
- Financial plan: applicant's financial forecasts (bodies corporate other than micro-enterprises only).
- Proof of investment.
- "Credit Facility-Application Transaction" printed form signed by the applicant/s.
- "Credit Facility Transaction Parties" printed form/s duly signed by the borrowers and any guarantor/s.
- Documents relating to possible personal surety, mortgage security or security interests given in connection with the loan.
- Banking Pool and Cirbe analysis (for bodies corporate only).
- Work record, contract of employment and proof of business activity (for individuals only).
- Application document and statement of assets (document listing the applicant's business activity, assets and liabilities, properties, assets and rights and insurance).

Following this first stage, an electronic file begins to be processed.

2. Risk valuation and powers

After collecting the documents required for the transaction, the agreement with the customer as to the financial terms of the loan and completion of the application forms, BANKIA has objective risk valuation systems for both individuals and micro-enterprises (scoring), and for bodies corporate (rating).

These valuation systems have been modelled on the basis of a segmentation of BANKIA's portfolio by customer and product type, and are useful to classify the transactions applied for. In the case of loans granted to private individuals, autonomous enterprises and micro-enterprises, a specific scoring system exists, and its result is binding. In the case of enterprises (small, medium-sized and large), there is a specific rating system.

Combined with the valuation system results, there is an empowerment system defined in the internal regulations devised for each product type, which delimits the responsibilities of each decision-making body involved in the lending process in an objective and recurrent manner. This empowerment system assigns responsibilities to the different decision-making bodies in the lending process in accordance with limits as to transaction size which vary according to the product.

The allocation of the decision-making body occurs automatically through the scoring / rating system. The process to arrive at the proper decision-making level with reference to the empowerment system is split into the following stages:

- (i) Identifying the segment in which the customer belongs.
- (ii) Identifying the existing live risk.
- (iii) In the case of internally rated entities, identifying the customer's or guarantor's rating.
- (iv) Checking whether major issues exist.
- (v) Checking whether the customer is being monitored.

- (vi) In the case of autonomous enterprises and micro-enterprises, applying the resolution of the scoring models. In the case of internally rated customers, calculating the amount of the weighted risk per product and term applying the computation and aggregation criteria and risks computation in the event of more than one transaction.
- (vii) Identifying the decision-making level based on the response, the specific procedure for each customer type and the table of powers.

3. Resolution and formal conclusion of proposals

Proposals shall be resolved electronically, in an electronic file in BANKIA's so-called NOS commercial network operating system, which will allow a report with all transaction details and a recommendation to be generated. That document shall provide a basis for decision-making.

The criteria used by the deciding committee to grant credit risk transactions are based on the customer's repayment capacity, the customer's credit quality based on how the customer is rated in accordance with the bank's internal credit risk models, the non-existence of major issues with BANKIA or with other banks and an analysis of the borrower and of the requested financing and an analysis of the customer's sector and competitive environment.

Following the deciding committee's decision, a notice is generated on the branch's agenda and both the risk information and the customer file of the parties involved remain as a still image of the customer's position at that time. The committee's possible decisions are: grant, grant with changes, return and refuse.

In the case of a "grant with changes", the committee will have changed the new terms, creating a financial proposal annex, and also keeping the original. The changes the assigned committee is permitted are: to raise prices and/or fees and reduce amounts and times or include collaterals.

In the case of "return", the committee will usually have requested more in-depth information to make a decision.

The branch will then have the following options:

- (i) If the decision is to accept, the task list will thereafter include conclusion-related activities in order to continue with the procedure.
- (ii) If it is to refuse, the file is closed at that time unless the customer advisor wishes to submit any additional properly justified reason in support of approval of the transaction.
- (iii) If it is to grant with changes, the transaction is resumed to be renegotiated on the terms laid down by the deciding committee. This entails a change/extension of collaterals, a risk reduction and/or a change in the financial terms.
- (iv) If it is to return, further information shall be provided on the items noted by the committee before the transaction may be resubmitted.

Upon the transaction being approved, the terms on the electronic record are checked to make sure that they match those that have actually been approved. No conclusion document may be printed until the approval process has been fully completed.

Next comes the conclusion stage, for which a draft wording of the loans is prepared. A number of standard forms are available to do so, particularly in the most common products such as residential mortgages. The existence of these standard forms provides an assurance that the mortgage offering is consistent and minimises the chances of mistakes being made.

4. Signature

Once all the aforementioned documentary and other specific transaction related requirements have been met, the parties involved shall be summoned to sign the conclusion documents and any other documents linked to the same.

B) Origination process procedures for Bancaja:

1. Processing

Loans originated by BANCAJA selected to be assigned to the Fund were granted observing Bancaja's usual credit risk analysis and valuation procedures to grant loans to small and medium-sized enterprises and individuals.

1.1 Private individual lending

Lending to private individuals was governed by BANCAJA's credit policy, defined as the criteria, measures and procedures altogether designed for management as a whole to allow a quality credit portfolio to be obtained, minimising the insolvency risk. The main component of that insolvency risk was repayment capacity.

Risks management at BANCAJA drew up the basic analysis policies for approving lending transactions, based on a positive repayment capacity for the transaction and the existence of a suitable level of cover and profitability, which were specified having regard to the client's particular characteristics, transaction type, amount and term applied for. General policies were the same for any type of lending transaction, but the analysis and tools used differed according to the segment in which the client belonged.

BANCAJA's model relied on an electronic private individual file, which supported customer particulars, to be analysed by the scoring models. These models analyse client payment performance through statistical methods.

BANCAJA's risk analysis took into account the customer's global risk with the institution. To do so it used the concept of economic risk unit (ERU)/Group, considering that two or more enterprises/individuals made up a Group, for risk purposes, where the common shareholders accounted for more than 25% of the share capital or had a managerial team in common (i.e., where despite not holding a direct interest, they controlled management). Based on a broader criterion, two or more individuals/enterprises made up a single Group, where they had common or cross collaterals and where the downturn of one of them could affect the normal development of the other(s).

Economic groups were managed by means of an application built into TL4 (an IT tool used for all daily operations), which also uploaded information to the INC (Information Centre), and allowed Groups to be composed and maintained, providing integrated information on lending positions and CIRBE. The information at the Information Centre provided end-of-month details at the time of generation of the information, providing both risk figures and a breakdown by group components, giving the Group's global position at that date for the different in-depth analysis periods.

1.2 SME lending

BANCAJA's model was based on a modular design mainly intended to objectify insofar as possible the different sides there were to a business, and to include elements which, being intangible, could not be objectively parametrised. The following aspects were contemplated by BANCAJA: (i) SME economic and financial position, (ii) commercial structure, (iii) production structure, (iv) organisational structure, (v) credit history (red flags) and (vi) subjectivisation, should it be necessary to consider any factor not measured with the preceding.

Conceptually, the model fitted into what could be termed an expert analysis system in which the different aspects of a firm to be globally valued were first determined and then individually dissected by studying and quantifying what BANCAJA believed were their most representative parameters, assigning each one a first assessment. Next, after being objectively quantified, an "evolutionary" rate was applied based on the changes of the various magnitudes over time, on the ground that it was often more representative to determine how a business was progressing than the absolute values proper that could be obtained at a given point in time.

BANCAJA's risk analysis took into account the customer's global risk with BANCAJA. In so doing the concept of ERU/Group was used, taking two or more enterprises/individuals to make up a Group, for risk purposes, where common shareholders accounted for more than 25% of the share capital or they had a common management (i.e., where despite not having a direct interest, they controlled management).

Based on a broader judgment, two or more individuals/enterprises would make up a single Group where they had common or cross collaterals and where the downturn of one of them could affect the normal development of the other(s).

An enterprise could belong in more than one economic Group depending on the policies established by BANCAJA's risks department.

Economic groups were managed by means of an application built into TL4 (an IT tool used for all daily operations), which also uploaded information to the INC (Information Centre), and allowed Groups to be composed and maintained, providing integrated information on lending positions and CIRBE. The information at the Information Centre provided end-of-month details at the time of generation of the information, providing both risk figures and a breakdown by group components, giving the Group's global position at that date for the different in-depth analysis periods.

2. Risk assessment and empowerment system

The request for documentation was intended to ensure, upon each transaction being granted, the prospects and possibilities of collection.

In compliance with the requirements of the Organic Data Protection Act, it had to be borne in mind that personal data capture should either be covered by a contract application, pre-contract arrangement or risk proposal, or was necessary to monitor valid transactions.

NECESSARY TO ANALYSE THE TRANSACTION			
Document	Household economies		Business economies
	Employee	Self-employed	
Salary	X	X	
Income and/or Wealth Tax Return	X	X	
Official / Audited (as appropriate) Financial Statements			X
Part payments		X	
Corporation Tax			X
VAT / Canaries General Indirect Tax (IGIC) income		X	X
Form 347: Declaration of Clients & Suppliers		X	X
Document	Household economies		Business economies
	Employee	Self-employed	
Investments: Economic return plan			X
Investments: Project & specification			X
Confidential Asset Statement	X	X	X
RAI / Experian Report	X	X	X
CIRBE search authorisation	X	X	X

Further documents were additionally requested, depending on the nature of the transaction, as set out in the following table.

DEPENDING ON THE NATURE OF THE TRANSACTION	
Type of transaction	Document
Mortgage security for purchasing residential properties	Fire Insurance Policy including an assignment clause in favour of the Bank
	Title deed of the asset to be mortgaged (deed)
	Simple Transcript or Certified Transcript issued by the Registry regarding ownership and liens

	Appraisal of the asset to be mortgaged
Transactions through partner firms	Letter introducing the borrower
Transactions secured with pledges	Special Bond Documents or Clauses
	Proof that the deposit account is blocked
Transactions with Mutual Guarantee Company guarantee	Mutual Guarantee Company file, with the borrower's economic details and document certifying that the guarantee has been granted

BANCAJA had structured a loan approval empowerment system based on BANCAJA's total risk with each ERU. Risk was approved on committees at different levels depending on the powers conferred.

In the specific case of SME loans, the branches specialising in Enterprises and Promoters in the Valencian Community Business Area did not look to the Business Unit when a transaction exceeded their risk approval authority, and the application was submitted directly to the Risks Department, where the credit risk was analysed for submission to the relevant Risks Committee. National Business Area branches had an intermediate step in which branches looked to the relevant Business Unit, which would submit the application to the Risks Department.

Management Bodies More than 3% of BANCAJA's equity		
General Manager Risks Committee Up to 3% of BANCAJA's equity		
Business Area Up to €9,000,000		
Business Unit Up to €3,000,000		
Branches		
External Network Up to €1,800,000	Retail banking Up to €1,800,000	Traditional Network Specialised banking Up to €3,000,000

Table: Simplified outline of empowerment at BANCAJA

3. Decision and origination of proposals

Risks were approved at the various levels depending on the extent of authority, and that was done by means of the "APA" (asset product authorisation) application. The main object of this application was to provide BANCAJA with efficient control and management tools enhancing asset management and providing an assurance that all risks booked were previously authorised at the appropriate level. In essence, the system saw to it that the need for there to be an authorisation was tied to the booking of asset products, and ensured that risk authorisations were issued by whoever had authority to do so.

For every application, the system created a case file recording the details of the risk to be taken with a customer, automatically assigning a file number uniquely identifying the same. Upon completion of the transaction, an asset account was linked to the file and the system prevented the asset account opened from having risk characteristics or terms different from those approved.

The managers of each Business Area and the Risks Department manager were on the Management Risks Committee that met weekly to review applications with an ERU in excess of EUR 9 million. This Committee was authorised to approve loans with an ERU of up to 3% of BANCAJA's equity. For higher risks, the Committee drew up and submitted a proposal to BANCAJA's management bodies.

BANCAJA had a decentralised lending system in place based on a clear definition of policies and procedures at each stage of the risk process -admission, approval, monitoring and, where appropriate, recovery-, as well as an appropriate empowerment system.

This system allowed our customers' needs to be efficiently met, in terms of turnaround time and quality, and it is noteworthy that branches and Business and Territorial Units had a high degree of autonomy.

The process for accepting and rating customers/transactions at BANCAJA had the benefit of a complete map of internal rating and scoring tools, which homogeneously included the different risk variables that were relevant to evaluating transactions depending on the customer segment at issue.

Next came the conclusion stage, for which the wording of the loans was prepared. A number of standard forms were available to do so, particularly in the more common products such as residential mortgages. The existence of these standard forms provided an assurance that the mortgage offering was consistent and minimised the chances of mistakes being made.

4. Signature

Once all the aforementioned documentary and other specific transaction related requirements had been met, the parties involved were summoned to sign the conclusion documents and any other documents linked to the same.

C) Managing delinquency. Recovery process steps (Separately from the transaction originator):

The existence of overdue payments of a same obligor advises all the obligor's transactions to be subject to unified treatment. This is the so-called global management. From the first day of default, the operating applications automatically check on a daily basis the balances on the accounts to see whether there are any balances to apply to the amounts due and, if so, they are applied to total or partial collection.

Any failure to pay is entered in the client's record and in addition a file is generated for the obligor with all the products held thereby in the Institution's information system.

A number of general criteria are established to monitor credit risk transactions with bodies corporate.

Therefore, after being granted, during the life of the transaction, the portfolio is rated by Levels, and each Level has a policy attached to it. Monitoring is ensured for the systems of indicators and red flags, rating changes, control of financing terms and changes to risk premiums, interest rates and collateral value.

There is centralised and decentralised management structured as follows:

Decentralised Management

- Branches will manage full recovery from individuals, autonomous and other enterprises where there is default or where there is no default but there are red flags signalling a potential default, where the overall risk is less than 2 million in the Personal Banking network or 10 million in the Enterprise Banking network.
- Branches will be supported by the teams at the Offices of the Territorial or Business Managers that will advise branches, monitor recovery efficiency, proposing special delinquency reduction plans in their sphere, convey corporate recovery policies and control proposal data quality.
- For ease of everyday management, branches will have client management Information with overdue transactions as required for that purpose. Additionally, red flags will be in place to allow clients to be detected with borrowing transactions in good standing but where there is a default

probability because they are no longer on a payroll, they are being paid by the Unemployment Office, CIRBE has increased, they are listed at a Credit Bureau, etc.

- Branches will have powers limited as to amount and term.
- Once talks have been exhausted, branches will be supported by both the Recovery teams at the Offices of the Territorial or Business Managers and the Office of the Recovery Manager to weigh up, as the case may be, whether or not to take legal action.

Centralised Management

- There are specialised Enterprise Monitoring and Recovery management teams for large claims and insolvencies distributed throughout the territory.
- Branches may submit client recovery negotiation proposals to these teams.
- Their function is to prevent transactions from failing in arrears (92 days) and to arrive at speedy solutions.
- The information on these clients will also be uploaded to the FGI, although the entire recovery management process in centralised management is now supported by a **specific so-called NUSE tool**. That application supports Recovery officers and allows all the steps previously taken to be controlled at all times.

For its part, procedural management relies on a new lawsuit management application available to external lawyers on line. Heavy investment has gone into this application for new IT features to handle transactions claimed in court, which will allow efficiency rates to be optimised, time management improvements and a reduction of administrative workloads.

Within the field of recovery, the main criteria underpinning collection of overdue payments by officers in the Recovery Area involve the following:

- Arriving at agreements with obligors for a friendly settlement without the Institution incurring in further costs (documentation for the action, court fees, costs, etc.).
- Unitary treatment of all the positions of a same obligor or group.
- Specialised Management according to the nature of the obligor, collaterals and amounts.
- Outsourced Management for clients with a debt below EUR 50,000 and personal surety.
- Client segmentation for their distinct management.
- Distinct objectives adjusted to the respective portfolios, suited to the Institution's territorial sphere.
- Strengthening the role of the commercial network, taking over exclusively the management of recovery of clients where there is default or where there is no default but there are red flags signalling a potential default, where the overall risk is less than 2 million in the Personal Banking network or 10 million in the Enterprise Banking network.
- Maintaining and feeding Internal Delinquency Databases and communication to Authorised Filing Systems.

Analysis and management of the overdue payment or payment with signs of potential default take the following into account for decision making:

- Client overview: obtaining risks with the Group and CIRBE.
- Economic and financial facts and figures: Obtaining economic and financial information on the borrower (accounts filed, tax returns, ...)
- Determining the current risk: Assessing possible increases in overdue payments, drawee capacity, acceptance or not of the paper, returns, concentration, etc.
- Coordination of the Offices of the Territorial or Business Managers with decentralised officers, offering all necessary cooperation, and requesting global assessment of the position, previous discussions and/or agreements with the borrower, and documentation.
- Identifying contact person: Contact person of the borrower in arrears (usually the actual obligors, although in some cases they are relatives, partners, authorised representatives or lawyers) decision-making capacity, experience as a client of the Institution and loans and deposits.
- Collaterals: Transaction-based assessment of the current collaterals, be they security interests or otherwise, and of other parties involved, in related cases.
- Repayment possibility: Checking repayment capacity and settlement of other payment obligations (unpaid bills, Treasury, Social Security, ...), possible agreements with other creditors, historical analysis in the case of previous arrears (historical experience of the extent of fulfilment).
- Activity: Employment status, income, social or current circumstances.
- Recovery Management unit: Grouping of cases involving a family group and/or related to the borrower with the same officer.
- Special situations: Specific precautions in cases of atypical or irregular activities or with abnormal operations.
- Documentation: Direct information through the original lending file (documentation provided, tax returns, creditworthiness declared, investment purposes...), legal actions being taken based on whether or not the documentation is enforceable and gives us a right of action as creditors.

Next, the decentralised or centralised officer will do the following:

- Officer's diagnosis: Laying down the tactics to be followed to obtain recovery of all amounts due to the Institution, based on the above, and a negotiated solution of the situation must always be implemented, placing particular attention to how urgent it may be in some cases to take legal action at a very early stage to force recovery and/or seize assets and/or rights liable to be attached.
- In the case of centralised management, submission of information to the branch using standard forms. The officer must inform the branch of the decisions made with respect to the case entrusted to that officer, in order to keep the branch up to date and optimise efforts to avoid contradictory messages. Notwithstanding the above, the branch may view the essential details in its files.
- Information on procedural activity: decision as to the type of legal actions to be taken, both to claim the debt and others, issuing specific instructions to the Lawyer and advising that Lawyer as to creditworthiness and details of interest (unclaimed related transactions, location of addresses, registry reports, commercial reports).
- Contact of the officer with the defendants involved: in the case of legal persons, without prejudice to talks continuing with the contact person at the enterprise, contacts shall be made with all the defendants at the appropriate procedural stages.

- Officer responsibility: although the Lawyer is responsible for legally directing the procedure, the officer must always be the one to authorise the court appraisal of the assets or rights attached in order to prevent unnecessary expenses or losses for the Institution. In addition, the officer is the only person responsible for handling discussions with the obligor and other defendants, even if the negotiation was initially channelled through the Lawyer.
- Post-recovery decision: the officer shall decide whether to advise that an obligor who is no longer in arrears (no longer has overdue payments) and is therefore excluded from the Recovery sphere should be included in the monitoring portfolio and in the internal transaction precaution files.

The above stages do not always occur in succession, for, depending on amounts, timeframes and obligor (natural and legal person in some cases), cases are distinctly managed based on efficiency criteria.

In the case of legal persons (or for natural persons linked to legal persons who are being monitored), the positions of borrowers who have no overdue payments but show economic and financial signs which demand a stricter risks policy in accordance with their rating levels are kept under control and on watch.

The entire recovery management is supported by specific applications, which applications provide support to the Recovery officers and allow all steps taken theretofore to be controlled at all times.

During the entire recovery process, the case is subject to a structure of delegations and powers which implies that the main management decisions are constantly supervised by the different Committees. In addition, the Corporation and Central Services Audit Area monitors and controls on a quarterly basis by analysing a number of red flags in relation to controlling the echelons for approving the various proposals and their proper transactional conclusion, and reconciliation between operating applications and specific Monitoring and Recovery applications. Furthermore, quarterly insolvency risk and on-site audits are carried out for the entire activity in the Area.

If an out-of-court agreement is not to be arrived at and a claim has been filed in court to collect the debt, the officer in charge of the case will continue to be responsible for the process, but in addition the services of a lawyer shall be available to take charge of the court proceedings. The lawyers who work with the Recovery Area are mainly external, and the same law firms are usually used. This allows a group of professionals with longstanding expertise in proceedings of this kind to be available and at the same time to scale the number of assistants based on the activity. Moreover, a sub-application distributed on line provides external lawyers with various functionalities to manage the cases.

The decision to commence legal proceedings requires the following to be done, and requires the officer, recovery teams at the Offices of the Territorial Managers and the Office of the Recovery Manager to work co-ordinately:

- Preparing the pre-litigation documentation to bring the action.
- Setting the type of legal action to claim the debt based on the circumstances (creditworthiness, documentation, amount...).
- Informing the Lawyer, issuing all necessary instructions having regard to the type of proceedings, with information on the most relevant procedural milestones.
- Monitoring the ongoing legal proceedings making decisions as to attachments, appraisals and auctions.
- Arriving at agreements satisfactory to the Institution, at any procedural stage.

Upon foreclosure commencing, the legal proceedings may be non-suited if payment of all amounts due theretofore and a proportional part of the legal costs is accepted (avoidance of proceedings), in which case the mortgage loan is 'reinstated' and repayment continues thereafter.

If an out-of-court agreement cannot be arrived at and foreclosure leads to court auction, the same can end in the amount collected being whatever a third party bids for the mortgaged property, or with the award of

the property to the Institution. If necessary, the possible creditworthiness of all parties involved is assessed to claim uncollected amounts.

Creditors' Meetings

Where the Official State Gazette publishes a notice that an application for a creditors' meeting in respect of any enterprise has been accepted, the case will be taken over by the specialist management of specialised insolvency practitioners from the Offices of the Wholesale and Retail Recovery Managers and external lawyers are appointed to act in court in all of BANKIA's insolvency cases:

The essential criteria inspiring collection of overdue debts by practitioners in the sphere of collection are:

- Arriving at agreements with the obligors in order to enter into friendly settlements resulting in a recovery exceeding any foreseeable recovery in the event of foreclosure being sought in court, which solutions may include early repayments of the debt, handovers in lieu of payment, partial reductions (endeavouring to the extent possible to prevent the principal of the debt from being affected), extensions of time, improving to the extent possible the existing collaterals and/or price, and any other measure involving a diligent act of administration of the credit facility.
- Unitary treatment of all positions of a same holder or group, prioritising in any event a continuation of the mortgage security established on the property and an improvement of the repayment terms by borrowers in order to avoid potential defaults.
- Specialist Management depending on the nature of the holder, collaterals and amounts.
- Customer segmentation, for distinct management.
- Differentiation of departments with objectives and criteria adjusted to their respective portfolios, suited to BANKIA's territorial sphere.
- Differentiation by nature of the company, activity, size and turnover, with teams specialising in SMEs and micro-enterprises, enterprises, developers, and insolvencies.
- Retail banking support, the monitoring and recovery area taking over management exclusively for clients with large amounts or in insolvency proceedings.
- Maintaining and feeding internal delinquency databases and communication to authorised filing systems (risk monitoring).
- Even at the court stage, trying to reach a friendly settlement in order to avoid the award of properties and to allow debts to be regularised, as set out in paragraph one above. These settlements are always inspired by such principles as prudence, increased security and adjusted valuation of repayment capacities.
- Institution of court actions to claim the unpaid transaction, taking such procedural steps as may be appropriate from time to time, such as a decision to bid at auctions, assignment of successful bids, amount of the award, dropping of actions and similar steps.
- The various kinds of court actions that may be taken in the event of an enterprise being in default mean that the procedural approach to achieve a full collection is not uniform. Accordingly, in addition to executive or mortgage actions, ordinary actions are taken into account, including fast-track small claims, oral and exchange proceedings, actions to hold directors liable, criminal actions (fraud, misappropriation, embezzlement, etc.) or applications for insolvency, rescission actions, etc.

2.2.8 Indication of representations and collaterals given to the Issuer relating to the assets.

Representations of the Originator.

BANKIA shall, as holder of the Loans until assigned to the Fund and as issuer of the Pass-Through Certificates, represent as follows to the Fund and the Management Company in the Deed of Constitution and in the agreement assigning the Non-Mortgage Loan receivables:

1. In relation to BANKIA proper.

- (1) That BANKIA is a credit institution duly incorporated in accordance with the laws in force for the time being, entered in the Companies Register and the Bank of Spain's Register of Credit

Institutions, and is authorised to grant loans to enterprises (legal persons and autonomous enterprises) and operate in the mortgage market.

- (2) That neither at today's date nor at any time since it was incorporated has BANKIA been decreed to be insolvent (or formerly bankrupt or in suspension of payments). According to notices posted at the CNMV's website, the Orderly Bank Restructuring Fund ("FROB") has an indirect 68.395% interest in the share capital of BANKIA, S.A.
- (3) That BANKIA has obtained all necessary authorisations, including those required of its corporate bodies and, as the case may be, third parties who may be affected by the assignment of the Loan receivables and issue of the Pass-Through Certificates, to validly execute the Fund Deed of Constitution and the agreement assigning the Non-Mortgage Loan receivables, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.
- (4) That BANKIA has audited annual accounts for the last two years ended as at December 31, 2012 and 2011 which have been filed with the CNMV. The audit reports on the annual accounts for the last two financial years are unqualified. As for the annual accounts for the year 2010, although BANKIA has not been recently established, an exemption from the requirement to file the accounts for that financial year has been applied for and granted, in accordance with the provisions of article 2.2.1 of Royal Decree 926/1998, May 14, because those accounts do not represent BANKIA's current business.

2. In relation to the Loans.

- (1) That the assignment of the Loans, both the assignment of the Non-Mortgage Loan receivables and the issue of the Mortgage Loan Pass-Through Certificates, are transactions in the ordinary course of business of BANKIA and have been carried out at arm's length.
- (2) That the Loans have all been duly originated in a public document, being either a public deed or a loan agreement, or in a private document, and that BANKIA keeps a copy of the public deed or the notarised agreement or the private document at the Management Company's disposal, as the case may be.
- (3) That in order to be assigned to the Fund upon being established, BANKIA has chosen from the selected loans, set out in section 2.2.2 of the Prospectus Building Block, loans that have not fully matured and are in good standing or that have no payments that are more than thirty (30) days overdue up to a total principal outstanding balance to or slightly below EUR six hundred and forty-five million (645,000,000.00).
- (4) That, to the best of its knowledge and understanding, all the Loans exist and are valid and enforceable on their own terms and conditions and in accordance with the applicable laws.
- (5) That it holds legal and beneficial title to all the Loans, clear of any claims, and there is no obstacle whatsoever for the Loans to be assigned. In this sense, the respective public closing documents (deeds or agreements) or private documents supporting the Loans contain no clauses preventing their assignment or requiring any authorisation or notice for such assignment to be made, and where they are not freely transferable without the consent of or notice to the obligor, such consent has been secured or such notice has been made.
- (6) That the Loans are all denominated in Euros and payable exclusively in Euros.
- (7) That the Loan Obligors are all small and medium-sized and autonomous enterprises ("SMEs" as defined by the Bank of Spain in Technical Application no. 3/2013: non-financial entities which, whatever their legal form may be, or where the entity is part of a consolidated group, the consolidated group, carry on business with an annual turnover below EUR 50 million) domiciled in Spain and are not part of BANKIA group.

- (8) That, in granting all the Loans and in accepting, as the case may be, the subrogation of subsequent borrowers to the initial borrower's position, it has strictly adhered to the lending policies in force at the grant date set out in section 2.2.7 of the Prospectus Building Block.
- (9) That it is not aware of the existence of any lawsuits whatsoever in relation to the Loans that might be detrimental to their validity and enforceability.
- (10) That the Loans are clearly identified in BANKIA's information system as from being granted or subrogated to BANKIA and have been and are being serviced, analysed and monitored by BANKIA in accordance with the usual set procedures.
- (11) That upon the Fund being established, it has not come to BANKIA's notice that any of the Loan Obligors has been decreed to be insolvent or in a pre-insolvency status, or, before the entry into force of the Insolvency Act, bankrupt or in suspension of payments.
- (12) That, to the best of its knowledge and understanding, the Loan security arrangements, if any, are valid and enforceable in accordance with the applicable laws, and BANKIA is not aware of the existence of any circumstance which might prevent the security arrangements from being enforced.
- (13) That upon the Fund being established, it is not aware of having received any notice whatsoever of total prepayment of any Loans.
- (14) That none of the Loans has a final maturity date extending beyond July 3, 2049.
- (15) That it is not aware that the Obligors may howsoever object to paying any Loan amount.
- (16) That to the best of its knowledge nobody has a pre-emptive right over the Fund, as holder of the Loan receivables assigned.
- (17) That, to the best of its knowledge and understanding, the data and information relating to the loans selected to be assigned to the Fund given in section 2.2.2 of the Prospectus Building Block, fairly present their status on the relevant date and are accurate.
- (18) That the capital or principal of all the Loans has been fully drawn down by the Obligor.
- (19) That, based on its internal records, the Loans, if any, granted to a real estate developer are not directly financing the building or renovation of homes and/or commercial properties designed to be sold or leased, but on the contrary activities other than the aforesaid.
- (20) That, to the best of its knowledge and understanding, the Loans all stand as a valid and binding payment obligation for the relevant Obligor and are enforceable on their own terms.
- (21) That the Loan payment obligations are all satisfied by directly debiting an account opened at BANKIA.
- (22) That none of the Loans have clauses allowing deferment of periodic interest payment and principal repayment, other than the principal repayment exclusion period that may be in force at the origination date of each Loan.
- (23) That none of the Loans refers to finance lease transactions and is not a structured, syndicated or leveraged loan.
- (24) That none of the Mortgage Loans are for refinancings or restructurings, as defined in Bank of Spain Circular 6/2012 and in accordance with the criteria adopted by the Bank of Spain's Executive Committee at its April 30, 2013 meeting set out in the Bank of Spain letter of even date.

3. In relation to the Pass-Through Certificates and the Mortgage Loans.

- (1) That the Pass-Through Certificates are issued in accordance with Act 2/1981, Royal Decree 716/2009 and as established by Additional Provision Five of Act 3/1994, and other applicable laws. Mortgage Loan receivables are assigned to the Fund by issuing Pass-Through Certificates because the Mortgage Loans do not satisfy all the requirements established in Chapter II of Royal Decree 716/2009. This issue is consistent with the contents laid down in schedule I to Royal Decree 716/2009 relating to the special book register of mortgage loans and credits.
- (2) That, to the best of its knowledge and understanding, the particulars of the Mortgage Loans and the Pass-Through Certificates, represented in a multiple registered certificate, accurately reflect their current status and are true and complete.
- (3) That all the Mortgage Loans are secured with a real estate mortgage established as a senior mortgage on the legal and beneficial title to each and every one of the mortgaged properties, or ranked as a second mortgage, which are not encumbered with any restrictions on their disposal, conditions subsequent or any other limitation as to title. Those mortgage interests are entered in the Land Registry.
- (4) That the Mortgage Loans do not have any of the characteristics of credits excluded or restricted by article 12.1 a), c), d) and f) of Royal Decree 716/2009.
- (5) That all the mortgaged properties (i) are located in Spain, (ii) have been appraised by duly qualified institutions approved by BANKIA, which institutions are entered in the Bank of Spain's Register of Appraisal Firms, evidence of which appraisal has been provided in the form of an appropriate certificate, and (iii) in the case of properties relating to constructions in general, building work has been completed.
- (6) That the outstanding principal balance of each Mortgage Loan does not exceed 370% of the appraisal value of the mortgaged property or properties.
- (7) That the public deeds originating the Mortgage Loans provide that until the latter are fully repaid the Obligor is bound to have the mortgaged properties insured against the risk of fire and other damages during the contract term, at least satisfying the minimum requirements laid down by the mortgage market laws in force for the time being (appraisal value of the insured asset, excluding the value of items that are uninsurable by nature, particularly land). The validity of such insurance is not supported in the Originator's databases.
- (8) That the Mortgage Loans are not perfected in registered, negotiable or bearer securities, other than the Pass-Through Certificates hereby issued for subscription by the Fund.
- (9) That the Mortgage Loans are not earmarked for any issue whatsoever of mortgage bonds, mortgage participation certificates or pass-through certificates, other than the issue of the Pass-Through Certificates.
- (10) That it is not aware of any circumstance which might prevent foreclosure of the mortgage security.
- (11) That BANKIA shall not grant new loans with a mortgage on the properties already mortgaged as security for the Mortgage Loans or, as the case may be, the new mortgages shall be entered ranking junior to the mortgage underlying the relevant Mortgage Loan, in order thereby for there to be no detriment to the Mortgage Loan security.
- (12) That the Pass-Through Certificates shall be issued for the same term remaining until maturity of and at the same interest rate as each of the underlying Mortgage Loans.

2.2.9 Substitution of the securitised assets.

Set rules for substituting the Loans or the Pass-Through Certificates or otherwise repayment to the Fund.

1. In the event of Loan prepayment upon the relevant Loan capital being prepaid, there will be no substitution of the Non-Mortgage Loan receivables or of the relevant Pass-Through Certificates.
2. In the event that during the full term of the Loans it should be found that any of them fail to conform to the representations given in section 2.2.8 above upon the Fund being established, BANKIA agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or redeem the affected Loans not substituted, by terminating the assignment of the affected Loan receivables and, as the case may be, cancelling the relevant Pass-Through Certificate, subject to the following rules:
 - (i) The party becoming acquainted with the existence of a Loan in that circumstance, be it the Originator or the Management Company, shall advise the other party thereof. The Originator shall have a period of not more than fifteen (15) Business Days from said notice to remedy that circumstance if it may be so remedied or proceed, as the case may be, to a substitution of the affected Loans, notifying the Management Company of the characteristics of the loans intended to be assigned to take their stead, which shall fulfil the representations given in section 2.2.8 of this Building Block and be homogeneous as to residual term, class of interest rate, interest rate, instalment payment frequency, BANKIA's internal rating of the Obligor, security, and outstanding principal value as the affected Loans and also, in the case of Pass-Through Certificates to be replaced, credit quality in terms of ranking of the security, ratio of outstanding principal to the appraisal value of the mortgaged property or properties, in order for the financial balance of the Fund not to be affected by such substitution, nor indeed the ratings of the Bonds in connection with the provisions of section 7.5 of the Securities Note. Once the Management Company has checked the appropriateness of the substitute loan or loans, and after advising the Originator expressly of loans suitable for such substitution, such substitution shall be made by terminating the assignment of the affected Loan receivables and, as the case may be, cancelling the relevant Pass-Through Certificate, and simultaneously assigning the new substitute loans and, as the case may be, issuing the new substitute pass-through certificates.

The substitution shall be recorded in a public deed or a notarised agreement subject to the same formalities established for the assignment of the Loan receivables upon the Fund being established, in accordance with the specific characteristics of the new loans assigned. The Management Company shall provide the CNMV, the undertaking in charge of the Bond accounting record and the Rating Agencies with a copy of the public deed or the notarised agreement.
 - (ii) In the event that there should be no substitution of the affected Loans in accordance with rule (i) above, the assignment of the affected Loan receivables not substituted shall be terminated and, as the case may be, the relevant Pass-Through Certificate will be cancelled. That termination shall take place by a repayment in cash to the Fund by the Originator of the outstanding principal of the affected Loans not substituted, interest accrued and not paid, calculated until the repayment date, and any other amount owing to the Fund under those Loans.
 - (iii) In the event of (i) and (ii) above occurring, BANKIA shall be vested in all the rights attaching to those Loans accruing from the date of substitution or repayment to the Fund or accrued and not due, and overdue amounts on that same date.
3. In particular, the amendment by the Originator, as Servicer, during the life of the Loans of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originator in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by the Originator of its duties which should not be borne by the Fund or by the Management Company.

Upon any such breach occurring, the Fund may, through the Management Company: (i) demand payment of the relevant damages and losses and (ii) request replacement or repayment of the affected Loans, in accordance with the procedure provided for in paragraph 2 above of this section, which shall not result in the Originator guaranteeing that the transaction will be successfully completed, but only

the requisite redress of the effects resulting from the breach of its duties, in accordance with article 1124 of the Civil Code.

The expenses originated by the actions to remedy the Originator's breach shall be borne thereby and cannot be charged to the Fund or the Management Company. The Management Company shall notify the CNMV of each and every replacement of Loans on the terms of the procedure provided for in paragraph 2 above.

2.2.10 Relevant insurance policies relating to the assets.

The public deeds originating the Mortgage Loans provide that until the latter are fully repaid the Obligor is bound to have the mortgaged properties insured against the risk of fire and other damages during the contract term, at least satisfying the minimum requirements laid down by the mortgage market laws in force for the time being.

2.2.11 Information relating to the obligors where the securitised assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the assets, or where an obligor accounts for a material portion of the assets.

Not applicable.

2.2.12 Details of the relationship, if it is material to the issue, between the Issuer, guarantor and obligor.

There are no relationships between the Fund, the Originator, the Management Company and other parties involved in the transaction other than as set forth in section 5.2 of the Registration Document and section 3.2 of this Building Block.

Out of the selected mortgage loans, 19.20%, in terms of outstanding balance (35.45% of the selected mortgage loans), according to BANKIA's databases, are covered by damage insurance.

2.2.13 Where the assets comprise fixed income securities, a description of the principal terms.

Not applicable.

2.2.14 Where the assets comprise equity securities, a description of the principal terms.

Not applicable.

2.2.15 If the assets comprise equity securities that are not traded on a regulated or equivalent market, where they represent more than ten (10) per cent of the securitised assets, a description of the principal terms.

Not applicable.

2.2.16 Valuation reports relating to the property and cash flow/income streams where a material portion of the assets are secured on real property.

The appraisal values of the properties securing the selected mortgage loans correspond to appraisals made by appraisers for the purpose of granting and arranging the selected mortgage loans.

2.3 Actively managed assets backing the issue.

Not applicable.

2.4 Where the Issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

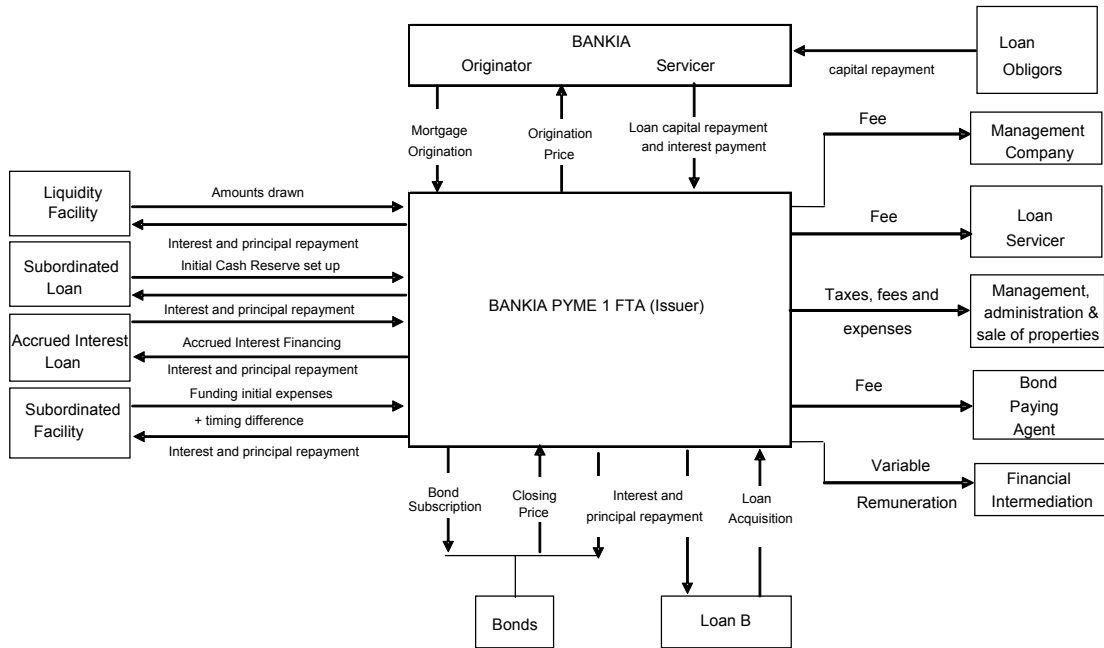
Not applicable.

3. STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction, including if necessary, a diagram.

Transaction structure diagram.

Interest and



Initial balance sheet of the Fund.

The balance sheet of the Fund on the Closing Date will be as follows:

ASSETS		LIABILITIES	
Receivables	645,000,000.00	Obligations and securities	451,500,000.00
Loans	645,000,000.00	Bonds	451,500,000.00
Liquid assets	29,825,000.00	Credit institution liabilities	223,325,000.00
Treasury Account (Cash Reserve)*	22,575,000.00	Loan B	193,500,000.00
Funds for paying the Fund's Expenses	750,000.00	Subordinated Loan	22,575,000.00
Other Treasury Account balances	6,500,000.00	Subordinated Facility	3,250,000.00
		Accrued Interest Loan	4,000,000.00
TOTAL	674,825,000.00	TOTAL	674,825,000.00
Memorandum Accounts		Liquidity Facility	5,418,000.00

* Assuming that all Fund set-up and Bond issue and admission expenses are not met on the Closing Date, as set out in section 6 of the Securities Note.

3.2 Description of the entities participating in the issue and of the functions to be performed by them.

- (i) EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and be the authorised representative of the Fund.

- (ii) BANKIA is the originator of the Loan receivables to be assigned to the Fund upon being established, shall be the Lead Manager and Subscriber of the Bond Issue and has structured the financial terms of the Fund and the Bond Issue.

In addition, BANKIA shall be Fund counterparty under the Guaranteed Interest Rate Account (Treasury Account), Loan B, Subordinated Loan, Accrued Interest, Subordinated Facility, Liquidity Facility, Loan Servicing and Pass-Through Certificate Custody, Bond Paying Agent and Financial Intermediation Agreements.

- (iii) GARRIGUES, as independent adviser, has provided legal advice for establishing the Fund and the Bond issue and has been involved in reviewing this Prospectus and, from a commercial and regulatory standpoint, in reviewing the transaction and financial service agreements referred to herein and the Deed of Constitution and the notarised assignment agreement.
- (iv) KPMG has audited the most significant features of a sample of the selected BANKIA loans from which the Loans will be taken to be assigned to the Fund upon being established.
- (v) DBRS and Fitch are the Rating Agencies that have rated the Bonds.

The description of the institutions referred to in the above paragraphs is given in section 5.2 of the Registration Document.

The Management Company represents that the summary descriptions of those agreements, given in the relevant sections of this Prospectus, which it shall enter into for and on behalf of the Fund, include the most substantial and relevant information on each agreement, duly reflect their contents and that no information has been omitted which might affect the contents of the Prospectus.

3.3 Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the Issuer.

3.3.1 Perfecting the assignment of the Loan receivables to the Fund.

The Management Company, for and on behalf of the Fund, and BANKIA as Originator, shall in the Deed of Constitution perfect the agreement assigning the Loan receivables to the Fund, effective from that same date, as follows:

- (i) The assignment of the Mortgage Loan receivables shall be perfected upon BANKIA issuing and the Fund subscribing for pass-through certificates (the “**Pass-Through Certificates**”) as established by Act 2/1981, Additional Provision Five of Act 3/1994, Additional Provision One of Royal Decree 716/2009 and other applicable laws.

The Pass-Through Certificates shall be represented by means of a multiple registered certificate which shall contain the minimum data provided for pass-through certificates in article 29 of Royal Decree 716/2009, and the registration particulars of the mortgaged properties securing the relevant Mortgage Loans.

The Pass-Through Certificates may be transferred by a written statement on the very certificate and, in general, by any of the means admitted by Law. Transfer of the Pass-Through Certificate and the new holder’s address shall be notified by the transferee to the issuer. They may only be acquired or held by professional investors, and may not be acquired by the unspecialised public.

Both in the event that any Pass-Through Certificate should be substituted, as prescribed in section 2.2.9.2 of this Building Block, and in the event that the Management Company, acting for and on behalf of the Fund, should proceed to foreclose a relevant Mortgage Loan, as prescribed in section 3.7.2.1.7 of this Building Block, and moreover if, upon Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, Pass-Through Certificates have to be

sold, BANKIA agrees to split, as the case may be, any multiple certificate into such individual or multiple certificates as may be necessary, or to substitute or exchange the same for the above purposes.

The multiple certificate representing the Pass-Through Certificates and the multiple or individual certificates, if any, into which the same is split shall be deposited at BANKIA, and relations between the Fund and BANKIA shall be governed by the Loan Servicing and Pass-Through Certificate Custody Agreement to be entered into between BANKIA and the Management Company for and on behalf of the Fund. That deposit shall be made for the benefit of the Fund and therefore BANKIA shall custody the documents supporting the Pass-Through Certificates deposited, on the Management Company's instructions.

Pursuant to section 2 of additional provision one of Royal Decree 716/2009, pass-through certificates may be issued exclusively to be placed among professional investors or pooled in asset securitisation funds. In addition, for the purposes of paragraph two of article 32.1 of Royal Decree 716/2009, the Fund's subscription for and holding of the Pass-Through Certificates shall not be subject to a marginal note on each entry of the mortgage underlying each Mortgage Loan in the Land Registry, given that securitisation funds are considered professional investors, as established in paragraph 3.a) of article 78 b of the Securities Market Act.

- (ii) The Non-Mortgage Loan receivables shall be assigned directly by BANKIA to the Fund upon the Fund being established by means of a notarised agreement.

The assignment by BANKIA to the Fund of the Loan receivables shall not be notified to either Obligors or third-party guarantors or the insurers with which the Obligors may have entered into the damage insurance contracts, if any, of the properties mortgaged under the Mortgage Loans underlying the Pass-Through Certificates. Where the Loans have other security interests or third-party personal surety other than a real estate mortgage, the assignment will not be initially notified either to the custodian of the assets, where that is an undertaking other than the Originator, or to the Obligors' guarantors. Where the Loans have security interests in which the custodian of the pledged assets is the Originator proper, the same shall be deemed to have received notice of the transfer upon appearing at the execution of the notarised agreement.

However, in the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the Servicer, or because the Management Company deems it reasonably justified upon the occurrence of any exceptional circumstance, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors, custodians of the pledged assets and mortgaged property insurers, if any), of the transfer to the Fund of the outstanding Loan receivables, and that payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors and third-party guarantors and mortgaged property insurers, if any, within twenty (20) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors and third-party guarantors, custodians of the pledged assets and mortgaged property insurers, if any.

Similarly and in the same events, the Management Company may request the Servicer to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant records, in order to guarantee maximum enforceability of the assignment of the Loan receivables and collaterals with respect to third parties, all on the terms given in section 3.7.2.1.7 of this Building Block.

3.3.2 Loan receivables assignment terms.

1. The Non-Mortgage Loan receivables will be assigned and Mortgage Loan Pass-Through Certificates will be issued fully and unconditionally for the entire term remaining from the date on which the Fund is established, until maturity of each Loan.

In accordance with article 348 of the Commercial Code and 1529 of the Civil Code, the Originator will be liable to the Fund for the existence and lawfulness of the Loans, and for the personality with which the assignment and the issue are made, but shall not be liable for the Obligors' solvency.

The Originator shall not bear the risk of Loan default and shall therefore have no liability whatsoever for the Obligors' default of principal, interest or any other Loan amount whatsoever they may owe, and shall not be answerable either for the enforceability of the securities collateral thereto. It will not be howsoever liable either to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to repurchase or substitute the Loans, saving as provided for in section 2.2.9 of this Building Block.

2. The assignment of Loan receivables shall be made for all the outstanding principal pending repayment on the assignment date, which shall be the date of establishment of the Fund, and for all ordinary interest on each Loan assigned.
3. The Fund shall have rights in and to the Loans from the date on which they are assigned and the Fund is established. Specifically, without limitation and for illustrative purposes only, the assignment shall confer on the Fund the following rights in relation to each Loan:
 - a) To receive all Loan capital or principal repayment amounts accrued.
 - b) To receive all Loan capital ordinary interest amounts accrued. This will in addition include interest accrued and not due on each Loan from the last interest settlement date, on or before the assignment date of each Loan (excluding overdue interest at that same date).
 - c) To receive all late-payment interest amounts on the Loans.
 - d) To receive any other amounts, assets, properties, securities or rights received as payment of Loan principal, interest or expenses, either in the form of the auction sale price or amount determined by a court decision or notarial procedure in enforcing the mortgage or non-mortgage securities or given as payment in kind, on the sale or utilisation of properties, assets or securities awarded or given as payment in kind, as the case may be, or, upon foreclosing, in the administration or interim possession of the properties, assets or securities in foreclosure proceedings.
 - e) To receive all possible rights or compensations on the Loans accruing for the Originator and derived therefrom, including, as the case may be, those derived from the damage insurance contracts, if any, attached to the properties mortgaged by the Mortgage Loans which are also assigned to the Fund, and those derived from any right collateral to the Loans, excluding the fees established for each Loan, which shall remain for the benefit of the Originator.
4. In the event of Loan prepayment upon a full or partial repayment of the capital, there will be no substitution of the affected Loans.
5. The Fund's rights resulting from the Loans shall be linked to payments made by the Obligors and shall therefore be directly affected by the evolution, late payments, prepayments or any other incident in connection therewith.
6. The Fund shall defray any and all expenses or costs advanced or disbursed by the Servicer derived from recovery actions in the event of a breach by the Obligors of their obligations, including enforcement proceedings against the same.
7. In the event of renegotiation consented to by the Management Company, for and on behalf of the Fund, of the Loans, or their due dates, the change in the terms shall affect the Fund.

8. Until the execution of the Deed of Constitution, BANKIA shall be the beneficiary of the damage insurance contracts entered into by the Obligors in relation to the properties mortgaged as security for the Mortgage Loans, up to the insured amount.

BANKIA shall thereupon perfect the assignment attached to the issue of the Pass-Through Certificates of the rights BANKIA has as the beneficiary of those damage insurance contracts taken out by the Obligors. As the holder of the Pass-Through Certificates, the Fund shall be entitled to any and all amounts received by BANKIA under such agreements.

3.3.3 Loan receivables sale or assignment price.

The price for selling the Non-Mortgage Loan receivables and subscribing for the Pass-Through Certificates shall be at par with the outstanding capital or principal (outstanding balance). The aggregate price payable by the Fund represented by the Management Company to BANKIA for the assignment of the Loan receivables shall be an amount equivalent to the sum of (i) the face value of the capital or principal outstanding on each Loan, and (ii) ordinary interest accrued and not due (excluding in any event overdue interest) on each Loan at the assignment date (the "**Accrued Interest**").

The part of the price consisting of the face value of the capital of all Loans shall be paid by the Fund on the Closing Date, upon the Bond Issue and Loan B being paid up.

The part of the price consisting of the Accrued Interest shall be paid by the Fund on the Closing Date once it has been paid the relevant Accrued Interest Loan amount.

Deferred payment of the sale price shall earn no interest.

If the establishment of the Fund and hence the assignment of the Loan receivables should terminate, in accordance with the provisions of section 4.4.4.(v) of the Registration Document, (i) the Fund's obligation to pay the total Loan receivables assignment price shall terminate, and (ii) the Management Company shall be obliged to restore to BANKIA any rights whatsoever accrued for the Fund upon the Loan receivables being assigned.

3.3.4 Compliance with Royal Decree 216/2008.

In compliance with the provisions of article 40 bis of Royal Decree 216/2008, February 15, in relation to the capital of financial institutions ("**Royal Decree 216/2008**"), introduced by Royal Decree 771/2011, June 3, and of rule fifty-six bis of Bank of Spain Circular 3/2008, May 22, to credit institutions, on determination and control of minimum capital requirements ("**Circular 3/2008**"), added by Bank of Spain Circular 4/2011, November 30, the Originator has notified the Management Company that it shall on an ongoing basis retain a material net economic interest in the Fund on the terms required by the Bank of Spain. In this regard, the Originator has notified the Management Company that "on an ongoing basis" shall be construed in the sense that the net economic interest retained is not covered or sold, other than for adjustments derived from repayment of the Bonds or Loan B or the Subordinated Loan described below and which do not affect fulfilment of the retention commitment. The Originator shall agree in the Deed of Constitution, after the sale of Bonds to a third party, to include at its website a reference to the location where all the updated details concerning retention of a net economic interest may be found.

Notwithstanding the above, a number of details shall be provided hereinafter in this Prospectus as to such retention. In particular:

- That, pursuant to article 40 bis.1.d) and rule 56bis of Circular 3/2008, the Originator, as originator of the securitisation, shall agree in the Deed de Constitution to initially retain the Loan B principal and the Subordinated Loan principal (first loss tranche), thereby for the retention to initially equal 33.5% of the Outstanding Balance of the Loans (securitised exposures) and, on an ongoing basis, part of the Loan B principal and the Subordinated Loan principal (first loss tranche), thereby for the retention to equal at all times a ratio of not less than five percent (5%) of the Outstanding Balance of the Loans from time to time, on the terms required to that end by the Bank of Spain.

- That the Originator shall agree in the Deed de Constitution, after the sale of Bonds to a third party, to notify the Management Company, on a quarterly basis, of fulfilment of the retention commitment taken on in order for the latter in turn to post that information at its website www.edt-sg.com. In connection with such notice, the Originator shall explicitly declare that it has not taken any action (credit risk cover, sale, short positions, etc.) undermining the application of the retention requirement.

In compliance with the provisions of paragraph two of article 40 quater of Royal Decree 216/2008 and rule 56bis of Circular 3/2008, the Originator shall make sure that potential investors may readily access all the relevant details in order that they may comply with their due diligence obligations. Accordingly, if the Bonds should be transferred to third parties, whatever the amount transferred may be, the Originator shall include at its website, www.bankia.es (or any future replacement website), a reference to the location where those details may be found which, to the extent considered relevant, shall include information as to credit quality and evolution of the underlying exposures, cash flows and real securities backing the securitisation exposures, and all such information as may be necessary in order to carry out thorough, documented stress tests with respect to the cash flows and the value of the real securities, if any, backing the underlying exposures.

3.4 Explanation of the flow of funds.

3.4.1 How the cash flow from the assets will meet the Issuer's obligations to holders of the securities.

Loan amounts due to the Fund and received by the Servicer will be paid by the Servicer into the Fund's Treasury Account on the first day after the date on which they are received by the Servicer or the following business day if that is not a business day, for same day value, as established in section 3.7.2.1 below.

Quarterly on each Payment Date Bondholders will be paid interest accrued and principal repayment on the Bonds on the terms set for each of them and in the Priority of Payments given in section 3.4.6.2 of this Building Block.

3.4.2 Information on any credit enhancement.

3.4.2.1 Description of the credit enhancement.

The following credit enhancement transactions are incorporated to the financial structure of the Fund:

(i) Loan B.

Subordination and deferment of Loan B interest payment and principal repayment, derived from their place in the application of Available Funds as well as the rules for Distribution of Available Funds for Amortisation in the Priority of Payments, or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the Bonds.

(ii) Cash Reserve set up by drawing down the Subordinated Loan.

Mitigates the credit risk derived from Loan delinquency and default and the interest rate risk occurring in the Fund because the Loans are subject to fixed interest and floating interest with benchmark indices and reset and settlement periods differing from the floating interest established for the Bonds and Loan B based on 3-month Euribor with quarterly accrual and settlement periods.

(iii) Treasury Account.

Partly mitigates the loss of return on the liquidity of the Fund due to the timing difference between Loan income received daily and until Bond and Loan B interest payment and principal repayment occurs on the next succeeding Payment Date.

3.4.2.2 Loan B.

The Management Company shall, on the date of establishment of the Fund, for and on behalf of the Fund, enter with BANKIA into an agreement whereby BANKIA shall grant to the Fund a commercial loan ("**Loan B**") totalling EUR one hundred and ninety-three million five hundred thousand (193,500,000.00) (the "**Loan B Agreement**").

The Loan B amount shall be exclusively allocated by the Management Company to paying part of the price at the face value of the Loans not covered by the Bond subscription payment amount.

The Loan B amount shall be delivered on the Closing Date by crediting the Treasury Account.

Outstanding Loan B principal will earn annual nominal floating interest, determined quarterly for each Interest Accrual Period, which shall be the Reference Rate determined for the Bonds plus a 0.25% margin. This interest will be payable only if the Fund should have sufficient liquidity on each Payment Date in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments. Interest shall be settled and be payable on the expiry date of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period, and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be the first Payment Date, April 14, 2014.

Section 4.9.3.5 of the Securities Note sets out the rules for repayment of Loan B principal.

All Loan B earned interest and principal repayment amounts payable to the lender shall be paid only if the Fund should have sufficient liquidity and will be subject to the Priority of Payments or to the Liquidation Priority of Payments, as appropriate.

All amounts, as set out in the preceding paragraphs, not delivered to the lender on a Payment Date shall be paid on the following Payment Dates on which the Available Funds allow such payment in the Priority of Payments or, upon liquidation of the Fund, in the Liquidation Priority of Payments and shall take precedence over Loan B amounts falling due on that Payment Date.

Amounts due by the Fund and not delivered as provided in the preceding paragraphs shall not earn late-payment interest.

Interest due and not paid on a Payment Date will not be accumulated to the Loan B principal.

The lender may fully or partially assign its rights under Loan B in accordance with the laws in force from time to time, notifying such assignment to the Management Company, in which case references to the lender herein shall be construed as made to the assignee(s) of the rights under Loan B.

The Loan B Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013.

3.4.2.3 Cash Reserve.

The Management Company shall set up on the Closing Date a cash reserve (the "**Cash Reserve**") by drawing fully the Subordinated Loan principal explained in section 3.4.3.1 below and shall subsequently, on each Payment Date, keep the Required Cash Reserve amount provisioned in the Priority of Payments.

The characteristics of the Cash Reserve shall be as follows:

Cash Reserve amount.

1. The Cash Reserve shall be set up on the Closing Date in an amount equal to EUR twenty-two million five hundred and seventy-five thousand (22,575,000.00) (the "**Initial Cash Reserve**"), i.e. 3.50% of the sum of (i) the face amount of the Bond Issue and (ii) the initial Loan B amount.

2. Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned up to the Required Cash Reserve amount established hereinafter out of the Available Funds in the Priority of Payments.

The required Cash Reserve amount on each Payment Date (the “**Required Cash Reserve**”) shall be the lower of:

- (i) EUR twenty-two million five hundred and seventy-five thousand (22,575,000.00).
 - (ii) The higher of:
 - a) 7.00% of the sum of (i) the Outstanding Principal Balance of the Bond Issue and (ii) the Outstanding Principal Balance of Loan B.
 - b) EUR eleven million two hundred and eighty-seven thousand five hundred (11,287,500.00).
3. Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:
- i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Loans is in excess of 3.30% of the Outstanding Balance of Non-Doubtful Loans.
 - ii) That the Cash Reserve is not provisioned up to the Required Cash Reserve amount on the relevant Payment Date.
 - ii) That two (2) years have not elapsed since the date of establishment of the Fund.

Yield.

The Cash Reserve amount shall remain credited to the Treasury Account, and will be remunerated on the terms of the Guaranteed Interest Rate Account (Treasury Account) Agreement.

Application.

The Cash Reserve shall be applied on each Payment Date to satisfying Fund payment obligations in the Priority of Payments and, upon Liquidation of the Fund, in the Liquidation Priority of Payments.

3.4.3 Details of any subordinated debt finance.

3.4.3.1 Subordinated Loan.

The Management Company shall, for and on behalf of the Fund, on the date of establishment of the Fund enter with BANKIA into an agreement whereby BANKIA shall grant to the Fund a commercial subordinated loan (the “**Subordinated Loan**”) totalling EUR twenty-two million five hundred and seventy-five thousand (22,575,000.00) (the “**Subordinated Loan Agreement**”). The Subordinated Loan amount shall be delivered on the Closing Date and be applied to setting up the Initial Cash Reserve on the terms for which provision is made in section 3.4.2.3 of this Building Block, although granting of the Loan by no means guarantees performance of the Loans.

Subordinated Loan principal shall be repaid on each Payment Date in an amount equal to the positive difference existing between the outstanding Subordinated Loan principal at the Determination Date preceding the relevant Payment Date and the Required Cash Reserve amount at the relevant Payment Date, and in the application priority established for that event in the application of Available Funds in the Priority of Payments.

In the event that the Fund should not have sufficient liquidity to make the relevant Subordinated Loan repayment on a Payment Date, in the Priority of Payments, the portion of principal not repaid shall be repaid on the next succeeding Payment Date along with the amount that should be repaid, as the case may be, on that same Payment Date, until fully repaid.

The Subordinated Loan shall at all events be finally due on the Final Maturity Date or, as the case may be, on the date on which the Management Company proceeds to Early Liquidation subject to the Liquidation Priority of Payments of the Fund.

Outstanding Subordinated Loan principal shall earn floating annual nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds for each Interest Accrual Period, and (ii) a 0.25% margin. This interest will be payable only if the Fund should have sufficient liquidity on each Payment Date in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments. Interest shall be settled and be payable on the expiry date of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be the first Payment Date, April 14, 2014.

Interest accrued and not paid on a Payment Date shall not be accumulated to the Subordinated Loan principal and shall not earn late-payment interest.

All Subordinated Loan amounts due and not paid by the Fund because of a shortfall of Available Funds shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments. Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Subordinated Loan on that Payment Date, in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013.

3.4.3.2 Subordinated Facility.

The Management Company shall, for and on behalf of the Fund, on the date of establishment of the Fund enter with BANKIA into an agreement whereby BANKIA shall grant to the Fund a commercial subordinated credit facility (the "**Subordinated Facility**") which may be drawn up to not more than EUR three million two hundred and fifty thousand (3,250,000.00) (the "**Subordinated Facility Agreement**").

The Fund shall be able to draw on the Subordinated Facility in two drawdowns, as follows:

- (i) A first drawdown, totalling EUR seven hundred and fifty thousand (750,000.00), which shall be delivered on the Closing Date by crediting the Treasury Account, and which shall be allocated by the Management Company exclusively to paying the initial expenses.
- (ii) A second drawdown, totalling not more than EUR two million five hundred thousand (2,500,000.00), which shall be delivered on the second (2nd) Business Day preceding the first Payment Date by crediting the Treasury Account, and which shall be allocated by the Management Company exclusively to covering the difference, if any, on the first Payment Date between Loan interest up to the first Payment Date and Bond and Loan B interest on that Payment Date.

The final amount of this second drawdown shall be determined by the Management Company before the second (2nd) Business Day preceding the first Payment Date.

- (iii) Once the second drawdown has been made, the Subordinated Facility amount shall be set at the sum of the amounts of the first and second drawdowns, and the amount, if any, not drawn up to the total initial maximum available amount may no longer be drawn.

Outstanding Subordinated Facility balances drawn will earn annual nominal floating interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Bond Reference Rate determined for each Interest Accrual Period, and (ii) a 0.25% margin. This interest will be payable only if the Fund should have sufficient liquidity on each Payment Date in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. Interest shall be settled and be payable on the expiry date of each interest accrual period on each Payment Date, and shall be calculated based on: (i) the exact

number of days in each Interest Accrual Period, and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be the first Payment Date, April 14, 2014.

The first interest settlement on the second Subordinated Facility drawdown to be made, as set out in (ii) above, on the second (2nd) Business Day preceding the first Payment Date, shall be made on that first Payment Date, and interest shall be calculated based on: (i) the exact number of days elapsed between the date of delivery to the Fund of the second Subordinated Facility drawdown and the first Payment Date, and (ii) a three-hundred-and-sixty- (360-) day year.

The undrawn portion of the maximum available Subordinated Facility amount will not accrue interest or a facility fee.

The Fund shall deliver to BANKIA, to repay Subordinated Facility amounts drawn down and until full repayment of the Subordinated Facility balance drawn down, out of the balance of the Available Funds remaining after paying all other obligations ranked senior in the Priority of Payments, or in the Liquidation Priority of Payments, as appropriate, the amounts tabled below, on the Payment Dates and in the ratios to the total Subordinated Facility principal drawn down:

Payment Date	Percentage Subordinated Facility Principal Repayment
14.04.2014	20.00%
14.07.2014	14.00%
14.10.2014	12.00%
14.01.2015	12.00%
14.04.2015	10.00%
14.07.2015	9.00%
14.10.2015	9.00%
14.01.2016	7.00%
14.04.2016	7.00%
	100.00%

All Subordinated Facility earned interest and drawdown repayment amounts payable by the Fund shall be paid only if the Fund should have sufficient liquidity and will be subject to the Priority of Payments or to the Liquidation Priority of Payments, as appropriate.

All amounts, as set out in the preceding paragraphs, not delivered to BANKIA shall be paid on the following Payment Dates on which the Available Funds allow such payment in the Priority of Payments or in the Liquidation Priority of Payments, as appropriate, and shall take precedence over Subordinated Facility amounts falling due on that Payment Date.

Amounts due by the Fund and not delivered as set out in the preceding paragraphs shall not earn late-payment interest.

The Subordinated Facility Agreement shall not be terminated in the event of the Fund being terminated, in accordance with the provisions of section 4.4.4 (v) of the Prospectus Registration Document.

In that event, the Subordinated Facility shall be used to pay the Fund set-up and Bond issue expenses and all other obligations undertaken by the Management Company, for and on behalf of the Fund, originated upon the Fund being established and which are due and payable, and principal repayment shall be deferred and subordinated to satisfaction of those obligations, out of the Fund's remaining resources.

3.4.3.3 **Accrued Interest Loan.**

The Management Company shall on the date of establishment of the Fund, for and on behalf of the Fund, enter with BANKIA into an agreement whereby BANKIA shall grant to the Fund a commercial subordinated loan (the "**Accrued Interest Loan**") totalling not more than EUR four million (4,000,000.00) (the "**Accrued Interest Loan Agreement**").

The Accrued Interest Loan amount shall be allocated by the Management Company exclusively to paying the part of the price of the Loans covering the Accrued Interest.

The final Accrued Interest Loan amount shall be determined by the Management Company and BANKIA before the Closing Date.

The Accrued Interest Loan amount shall be delivered on the Closing Date by crediting the Treasury Account.

Outstanding Accrued Interest Loan principal will earn annual nominal interest, floating quarterly for each Interest Accrual Period and equivalent to the Bond Reference Rate determined for each Interest Accrual Period plus a 0.25% margin. Interest shall be settled and be due on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period, and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be the first Payment Date, April 14, 2014.

On each Payment Date, starting on the first Payment Date, and until the Accrued Interest Loan has been fully repaid, the Fund will deliver to BANKIA, for Accrued Interest Loan principal repayment, the balance of the Available Funds remaining after paying all other obligations ranked senior in the Priority of Payments, or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments.

All earned interest amounts payable by the Fund shall be paid only if the Fund should have sufficient liquidity and will be subject to the Priority of Payments or to the Liquidation Priority of Payments, as appropriate

All amounts, as set out in the preceding paragraphs, not delivered by the Fund shall be paid on the following Payment Dates on which the Available Funds allow such payment in the Priority of Payments or in the Liquidation Priority of Payments and shall take precedence over Accrued Interest Loan amounts falling due on that Payment Date.

Amounts due by the Fund and not paid as set out in the preceding paragraphs shall not earn late-payment interest.

The Accrued Interest Loan Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013.

3.4.4 Investment parameters for the investment of temporary liquidity surpluses and parties responsible for such investment.

3.4.4.1 Treasury Account.

The Management Company, for and on behalf of the Fund, and BANKIA shall enter into a guaranteed interest rate account agreement (the “**Guaranteed Interest Rate Account (Treasury Account) Agreement**”) whereby BANKIA will guarantee a certain floating yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in Euros (the “**Treasury Account**”) opened at BANKIA, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following:

- (i) cash amount received upon subscription for the Bond Issue, Loan B and the Accrued Interest Loan being paid up;
- (ii) Loan principal repaid and interest collected;
- (iii) any other Loan amounts received payable to the Fund;
- (iv) Subordinated Loan principal drawn down and the Cash Reserve amount from time to time;
- (v) Subordinated Facility principal drawdowns;

- (vi) the Liquidity Facility drawing, if any, and the amount from time to time of the Unused Liquidity;
- (vii) the amounts of the returns obtained on Treasury Account balances; and
- (viii) the amounts, if any, of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BANKIA shall pay an annual nominal interest rate, floating quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account, equal to the Bond Reference Rate determined for each Bond Interest Accrual Period substantially matching each Treasury Account interest period. Interest shall be settled on the date of expiry of each interest accrual period on each settlement date, on January 5, April 5, July 5 and October 5, each interest accrual period including the initial settlement date but not including the final settlement date, and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-(360-) day year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund, inclusive, and the first settlement date, April 5, 2014, exclusive.

In the event that the rating of the unsecured and unsubordinated debt obligations of BANKIA or the institution in which the Treasury Account is opened (in both cases, the “**Treasury Account Provider**”) should, while the Bonds are outstanding, be downgraded below BBB (low) in accordance with the DBRS Rating in the long-term, or be downgraded below F3 or BBB- respectively in the short- or long-term by Fitch, the Management Company shall, within not more than thirty (30) calendar days from the date of the occurrence of any of the above, do one of the following to allow a suitable level of security to be maintained with respect to the commitments made in the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for there to be no detriment to the ratings given to the Bonds by the Rating Agency(ies):

- (a) Obtain from an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB (low) in accordance with the DBRS Rating (such rating not to be “Under Review (Negative)”) and/or rated at least as high as F3 and BBB- respectively in the short- and long-term by Fitch, an unconditional, irrevocable, first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by the Treasury Account Provider of its obligation to repay amounts credited to the Treasury Account, for such time as the Treasury Account Provider’s debt obligations remain downgraded below BBB (low) and/or F3 and/or BBB-.
- (b) Transfer the Treasury Account to an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB (low) in accordance with the DBRS Rating (such rating not to be “Under Review (Negative)”) and rated at least as high as F3 and BBB- respectively in the short- and long-term by Fitch, and arrange the best possible yield for its balances, which may differ from that arranged with the Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

If upon the occurrence of (b) above, BANKIA’s long-term unsecured and unsubordinated debt obligations should subsequently be upgraded back to being at least as high as BBB (low) in accordance with the DBRS Rating and at least as high as F3 and BBB- respectively in the short- and long-term by Fitch, the Management Company shall subsequently transfer the balances back to BANKIA under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by the substituted or secured Treasury Account Provider.

BANKIA agrees, forthwith upon a downgrade of the credit rating of the Treasury Account Provider’s unsecured and unsubordinated debt obligations below the minimum ratings, to use commercially reasonable efforts in order that the Management Company may do either of (a) or (b) above.

3.4.5 Collection by the Fund of payments in respect of the assets.

Asset payment collection management by the Fund is detailed in section 3.7.2.1.2 of the Building Block.

3.4.6 Order of priority of payments made by the Issuer.

3.4.6.1 Source and application of funds on the Bond Closing Date.

The source of the amounts available for the Fund on the Closing Date and their application until the first Payment Date, exclusive, shall be as follows

1. Source: the Fund shall have the following funds:

- a) Bond subscription payment.
- b) Drawdown of Loan B principal
- c) First drawdown of Subordinated Facility principal.
- d) Drawdown of Accrued Interest Loan principal.
- e) Drawdown of Subordinated Loan principal.

2. Application: in turn, the Fund will apply the funds described above to the following payments:

- a) Payment of the price for acquiring the Non-Mortgage Loan receivables and subscribing for the Pass-Through Certificates.
- b) Payment of the Fund set-up and Bond issue and admission expenses.
- c) Setting up the Initial Cash Reserve.

3.4.6.2 Source and application of funds from the first Payment Date, inclusive, until the last Payment Date or liquidation of the Fund, exclusive. Priority of Payments.

On each Payment Date, other than the Final Maturity Date or upon Early Liquidation of the Fund, the Management Company shall proceed successively to apply the Available Funds and the Available Funds for Amortisation in accordance with the order of priority of payments given hereinafter for each of them (the "Priority of Payments").

3.4.6.2.1 Available Funds: source and application.

1. Source.

The available funds on each Payment Date (the "Available Funds") to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account identified as such by the Management Company (based on information received from the Servicer concerning the items applied):

- a) Loan principal repayment income received during the Determination Period preceding the relevant Payment Date.
- b) Loan ordinary and late-payment interest income received during the Determination Period preceding the relevant Payment Date.
- c) The return received on amounts credited to the Treasury Account minus the return, if any, allocated to the Liquidity Deposit.
- d) The Cash Reserve amount on the Determination Date preceding the relevant Payment Date.
- e) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of assets, properties, securities or rights awarded or given as payment in kind for Loans.

- f) Additionally, on the first Payment Date, the amount of the second Subordinated Facility drawdown. The final amount of this second drawdown shall be determined by the Management Company before the second (2nd) Business Day preceding the first Payment Date.
- g) Additionally, on the first Payment Date, the remainder of the first Subordinated Facility drawdown to the extent not used.

Income under a), b) and e) above received by the Fund and credited to the Treasury Account from the Determination Date, exclusive, preceding the relevant Payment Date, inclusive, shall not be included among the Available Funds on the relevant Payment Date, and that amount shall remain credited to the Treasury Account, to be included in the Available Funds on the following Payment Date.

Additionally, and not included among the Available Funds, the Fund shall have the Liquidity Facility or, as the case may be, the Liquidity Deposit, on each Payment Date, to meet the payment obligations listed in 1st and 2nd place of section 2 below in the event of a shortfall of Available Funds, limited to the Maximum Liquidity Facility Amount.

2. Application.

The Available Funds shall be applied on each Payment Date to meeting payment or withholding obligations falling due on each Payment Date in the following order of priority, irrespective of the time of accrual, other than the application established in the 1st place, which may be made at any time as and when due:

1. Payment of the Fund's properly supported taxes and ordinary⁽¹⁾ and extraordinary⁽²⁾ expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement, the servicing fee payable to the Servicer, and any Fund set-up and Bond issue and admission expenses not paid from the Closing Date. In addition, the Servicer shall be paid expenses under the Servicing Agreement prepaid or disbursed on the Fund's behalf by and Loan amounts reimbursable to the Servicer, provided they are all properly supported.
2. Payment of interest due on the Bonds.
3. Payment of Used Liquidity interest.
4. Repayment of Used Liquidity.
5. Payment of Loan B interest due unless this payment is deferred to 7th place in the order of priority.

This payment shall be deferred to 7th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Loans since the Fund was established, reckoned at the amount of the Outstanding Balance as at the Doubtful Loan classification date, is in excess of 6.50% of the initial Outstanding Balance of the Loans upon the Fund being established and provided that the Bonds have not been and are not to be fully amortised on the relevant Payment Date.

6. Amortisation withholding in an amount equivalent to the positive difference existing at the Determination Date preceding the relevant Payment Date between (i) the sum of the Outstanding Principal Balance of the Bond Issue and the Outstanding Principal Balance of Loan B, and (ii) the Outstanding Balance of Non-Doubtful Loans.

Depending on the liquidity existing on each Payment Date, the amount actually applied to Amortisation Withholding shall be included among the Available Funds for Amortisation to be applied in accordance with the rules for Distribution of Available Funds for Amortisation established in section 3.4.6.2.2 below.

7. Payment of Loan B interest due when this payment is deferred from 5th place in the order of priority as established therein.
8. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.
9. Payment of Accrued Interest Loan interest due.
10. Payment of Subordinated Facility interest due.
11. Payment of Subordinated Loan interest due.
12. Repayment of Accrued Interest Loan principal.
13. Repayment of Subordinated Facility principal to the extent amortised.
14. Repayment of Subordinated Loan principal to the extent amortised.
15. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number on a given Payment Date and the Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

- (1) The following shall be considered ordinary expenses of the Fund:
- a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations, other than payment of the Fund set-up and Bond issue and admission expenses.
 - b) Rating Agency fees for monitoring and maintaining the Bond ratings.
 - c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.
 - d) Expenses of auditing the annual accounts.
 - e) Bond amortisation expenses.
 - f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

The Fund's ordinary expenses in its first full financial year, including the management fee due to the Management Company and those derived from the Paying Agent Agreement, are estimated at approximately EUR one hundred and seventy-five thousand (175,000.00). Because most of those expenses are directly related to the sum of (i) the Outstanding Principal Balance of the Bond Issue and (ii) the Outstanding Principal Balance of Loan B and that sum shall fall throughout the life of the Fund, the Fund's ordinary expenses will also fall as time goes by.

- (2) The following shall be considered extraordinary expenses of the Fund:
- a) Expenses, if any, deriving from preparing and perfecting an amendment to the Deed of Constitution and to the agreements, and from entering into additional agreements.
 - b) Expenses required to enforce Loans and their collaterals, and deriving from any recovery actions required.
 - c) Expenses required to manage, administer, maintain, value and dispose of or operate real properties, assets, securities or rights awarded to or given as payment in kind on the Loans.
 - d) Extraordinary expenses of audits and legal advice.
 - e) The remaining amount, if any, of the initial Fund set-up and Bond issue and admission expenses in excess of the Subordinated Facility principal.
 - f) In general, any other extraordinary expenses or costs required or not determined among ordinary expenses borne by the Fund or borne or incurred by the Management Company for and on behalf of the Fund.

3.4.6.2.2 Available Funds for Amortisation: source and application.

1. Source.

The Available Funds for Amortisation on each Payment Date shall be the Amortisation Withholding amount actually applied in sixth (6th) place of the order of priority of payments on the relevant Payment Date.

2. Distribution of Available Funds for Amortisation between the Bonds and Loan B.

The rules for Distribution of the Available Funds for Amortisation are set out in section 4.9.3.5 of the Securities Note.

3.4.6.3 Fund Liquidation Priority of Payments.

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or upon Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following available funds (the "**Liquidation Available Funds**"): (i) the Available Funds, and (ii) the amounts obtained by the Fund from time to time upon disposing of the Loan receivables and the remaining assets, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

1. Reserve to meet the final tax, administrative or advertising termination and liquidation expenses.
2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement and the servicing fee payable to the Servicer. In addition, the Servicer shall be paid expenses under the Servicing Agreement prepaid or disbursed on the Fund's behalf by and Loan amounts reimbursable to the Servicer, provided they are all properly supported.
3. Payment of interest due on the Bonds.
4. Payment of Used Liquidity interest.
5. Repayment of Used Liquidity.
6. Repayment of Bond principal.
7. Payment of Loan B interest due.
8. Repayment of Loan B principal.
9. Payment of Accrued Interest Loan interest due.
10. Repayment of Accrued Interest Loan principal.
11. Payment of Subordinated Facility interest due.
12. Repayment of Subordinated Facility principal.
13. Payment of Subordinated Loan interest due.
14. Repayment of Subordinated Loan principal.
15. Payment of the Financial Intermediation Margin.

Additionally, and not included among the Liquidation Available Funds, the Fund shall have the Liquidity Facility or, as the case may be, the Liquidity Deposit, upon liquidation of the Fund, designed to meet the payment or withholding obligations listed in 1st to 3rd place, both inclusive, in the event of a shortfall of Available Funds, limited to the Maximum Liquidity Facility Amount.

When accounts payable for different items exist in a same priority order number on the Final Maturity Date or upon Early Liquidation and the Liquidation Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Liquidation Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

3.4.6.4 Financial Intermediation Margin.

The Management Company shall, for and on behalf of the Fund, enter with the Originator into a Financial Intermediation Agreement designed to remunerate the Originator for the financial intermediation process carried out, enabling the financial transformation defining the Fund's activity, the assignment to the Fund of the Loan receivables and the ratings assigned to the Bonds.

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and shall accrue upon expiry of every quarterly accrual period, which shall comprise, except for the first period, the three calendar months next preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund, including losses, if any, brought forward from previous years, in each period with reference to its accounts and before the close of the last day of the calendar month next preceding every Payment Date. The Financial Intermediation Margin accrued at the close of the months of March, June, September and December, these being the last calendar month in each interest accrual period, shall be settled on the next succeeding Payment Date, provided that the Fund has sufficient liquidity in the Priority of Payments.

Exceptionally: (i) the first Financial Intermediation Margin accrual period shall be comprised between the date on which the Fund is established, inclusive, and March 31, 2014, inclusive, this being the last day in the calendar month preceding the first Payment Date, and (ii) the last Financial Intermediation Margin accrual period shall comprise a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, b) from the last day in the calendar month preceding the Payment Date before the date referred to in a), including a) but not including b). The first Financial Intermediation Margin settlement date shall be the first Payment Date, April 14, 2014.

If the Fund should not have sufficient liquidity on a Payment Date in the Priority of Payments to pay the full Financial Intermediation Margin, the unpaid amount due shall accumulate without any penalty whatsoever on the Financial Intermediation Margin accrued, as the case may be, in the following quarterly period and shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments. Financial Intermediation Margin amounts not paid on preceding Payment Dates shall be paid with priority over the amount payable on the relevant Payment Date.

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agencies should not confirm any of the provisional ratings assigned to the Bonds as final by 3pm (CET) on December 23, 2013.

3.4.7 Other arrangements upon which payments of interest and principal to investors are dependent.

3.4.7.1 Bond Issue Paying Agent.

The Management Company shall, for and on behalf of the Fund, enter with BANKIA into a paying agent agreement to service the Bond Issue (the "**Paying Agent Agreement**").

The obligations to be taken on by BANKIA (the "**Paying Agent**") under this Paying Agent Agreement are summarily as follows:

- (i) On each Bond Payment Date, out of the Fund's Treasury Account, paying Bond interest and, as the case may be, repaying Bond principal through Iberclear, after deducting the total amount of the interim tax withholding for return on investments to be made by the Management Company, on the Fund's behalf, in accordance with applicable tax laws.
- (ii) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis for the Management Company to calculate the Nominal Interest Rate applicable to the Bonds.

In the event that the Paying Agent's long-term unsecured and unsubordinated debt obligations should at any time during the life of the Bond Issue be downgraded below BBB (low) in accordance with the DBRS Rating, the Management Company shall, within not more than thirty (30) calendar days from the occurrence of the above, after first notifying that Rating Agency, do one of the following in order for the ratings given to the Bonds by that Rating Agency not to be adversely affected:

- (i) obtain from an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB (low) (such rating not to be "Under Review (Negative)") in accordance with the DBRS Rating, an unconditional, irrevocable, first demand guarantee securing for the Fund, merely upon the Management Company so requesting, the commitments made by the Paying Agent, for such time as the rating remains downgraded below BBB (low); or
- (ii) revoke the Paying Agent's designation as Paying Agent and thereupon designate another institution with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB (low) (such rating not to be "Under Review (Negative)") in accordance with the DBRS Rating, to take its place before terminating the Paying Agent Agreement.

All costs, expenses and taxes incurred in connection with doing and arranging (i) above shall be borne by BANKIA.

Should the Paying Agent be replaced, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established under the original Paying Agent Agreement.

The Paying Agent shall agree, forthwith upon its credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do one of the above.

In consideration of the services to be provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of the agreement, a fee that will be payable provided that the Fund has sufficient liquidity and in the Priority of Payments or, in the event of the Fund being liquidated, the Liquidation Priority of Payments.

In the event that, in the Priority of Payments, the Fund should not have sufficient liquidity to pay said full fee, then the amounts accrued and not paid shall be accumulated without any penalty whatsoever to the fee falling due on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid on the Payment Date on which they are settled, in the Priority of Payments or, in the event of the Fund being liquidated, in the Liquidation Priority of Payments.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013.

3.4.7.2 Liquidity Facility.

The Management Company shall, for and on behalf of the Fund, enter with BANKIA into a commercial liquidity facility agreement (the "**Liquidity Facility Agreement**" or the "**Liquidity Facility**"), designed to meet the payment obligations listed in 1st and 2nd place of the Priority of Payments if the Available Funds should fall short, or, in the event of the Fund being liquidated, in 1st to 3rd place of the Liquidation Priority of Payments, if the Liquidation Available Funds should fall short, on the terms set out hereinafter.

The maximum Liquidity Facility amount available (the “**Maximum Liquidity Facility Amount**”) on each Payment Date shall be the lower of:

- (i) EUR five million four hundred and eighteen thousand (5,418,000.00).
- (ii) The sum of (a) 2.70% of the Outstanding Principal of the Bond Issue and, as the case may be, (b) Used Liquidity interest due and not paid on the then-current Payment Date.

In the event that the rating of the long-term unsecured and unsubordinated debt obligations of BANKIA should be downgraded, at any time during the life of the Bonds, below BBB(low), in accordance with the DBRS Rating, or that the long or short-term rating should be respectively downgraded below BBB- or F3 by Fitch, the Management Company shall, within not more than thirty (30) days from that occurrence, draw the full amount available under the Liquidity Facility up to the Maximum Liquidity Facility Amount, the Maximum Liquidity Facility Amount in force from time to time to remain deposited in the Treasury Account until and unless BANKIA recovers the aforementioned ratings (the “**Liquidity Deposit**”). In this event, BANKIA’s remuneration for fully drawing down the Liquidity Facility principal shall be the same obtained by the Fund on the deposit of that drawing in the Treasury Account, to be settled after Treasury Account interest is settled, albeit not subject to the Priority of Payments or, upon the Fund being liquidated, not subject to the Liquidation Priority of Payments. The unused Liquidity Deposit (the “**Unused Liquidity**”) shall be repaid on each Payment Date, but shall not be subject to the Priority of Payments at a sum equal to the existing difference, if positive, between i) the Maximum Liquidity Facility Amount on the preceding Payment Date, and ii) the Maximum Liquidity Facility Amount at the relevant Payment Date.

The Management Company shall, for and on behalf of the Fund, draw on the Liquidity Facility or, if the same has been fully drawn down as provided for in the preceding paragraph, use the Liquidity Deposit, on each Payment Date, to meet the payment obligations listed in 1st and 2nd place of the Priority of Payments if the Available Funds should fall short or, in the event of the Fund being liquidated, in 1st to 3rd place of the Liquidation Priority of Payments, limited to the Maximum Liquidity Facility Amount, if the Liquidation Available Funds should fall short.

The Liquidity Facility principal drawn or the Liquidity Deposit amount used as provided for in the preceding paragraph (the “**Used Liquidity**”) shall be repaid on any Payment Date on which the Available Funds allow payment thereof to be made in the application priority provided for in the Priority of Payments or, upon the Fund being liquidated, in the Liquidation Priority of Payments.

Used Liquidity shall earn a floating annual interest rate quarterly, payable on each Payment Date, equal to the Bond Reference Rate determined for each Interest Accrual Period, plus a 0.25% margin. This interest will be settled on each Payment Date, and be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year.

Interest accrued payable but not paid by the Fund due to a shortfall of Available Funds on a Payment Date shall be accumulated on each Payment Date to the Used Liquidity amount.

All Used Liquidity amounts repayable and not paid by the Fund because of a shortfall of Available Funds on a Payment Date shall not earn default interest and shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments. Payment of amounts not paid on preceding Payment Dates shall take precedence over Used Liquidity amounts falling due on that Payment Date, in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments.

The Liquidity Facility Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013.

3.5 Name, address and significant business activities of the originator of the securitised assets.

The originator and assignor of the securitised Loans is BANKIA S.A.

Registered office: Calle Pintor Sorolla number 8, 46002 Valencia (Spain).

Significant economic activities of BANKIA.

The following is the relevant consolidated information for BANKIA Group at September 30, 2013, December 31, 2012 and September 30, 2012, and how the first and the last of those dates compare. Only the financial information at December 31, 2012 has been audited. That information was prepared by BANKIA in accordance with International Financial Reporting Standards applicable to it under Regulation (EC) 1606/2002 and Bank of Spain Circular 4/2004, as well as the changes made thereto by Circular 6/2008.

	(A)		(B)		(A-B)/B
	30.09.2013	31.12.2012	30.09.2012	31.12.2011	Δ%
BALANCE SHEET (EUR million)					
Total assets	261,284	282,310	288,808	302,846	-9.53%
Customer credit (gross)	133,179	145,744	182,904	193,839	-27.19%
Balance-sheet customer resources *	140,674	163,880	154,922	211,378	-9.20%
Other customer resources	19,710	14,592	18,311	20,012	7.64%
Total customer resources	160,384	178,472	173,233	231,390	-7.42%
Net assets	11,238	-6,056	5,218	12,493	115.38%
Equity	10,754	13,852	6,681	16,047	60.96%
PROFIT & LOSS ACCOUNT (EUR million)					
Interest margin	1,734	3,089	2,449	2,637	-29.20%
Gross margin	2,718	4,010	3,197	4,099	-14.98%
Net margin	305	-19,047	-9,045	-1,867	-103.37%
Pre-tax profit	357	-22,189	-10,083	-4,307	-103.54%
Profit attributed to the Group	362	-19,056	-7,053	-2,979	-105.13%
DATA PER SHARE AND MARKET VALUE					
Price	0.805	0.391	1.30	3.595	-38.08%
Market value (EUR million)	9,271	780	2,592	6,229	257.66%
Earnings per share	0.03	-10.14	-3.54	-2.34	-100.89%
Book value	0.98	-3.04	2.62	7.21	-62.71%
PBVR				0.50	
RELEVANT RATIOS (%)					
ROE ⁽¹⁾	4.64	-	-	-	
ROA ⁽¹⁾	0.17	-	-	-	
RORWA ⁽¹⁾	0.36	-	-	-	
Efficiency ratio with depreciation	53.19	57.18	54.43	59.53	-2.28%
Delinquency rate	13.6	12.99	13.3	7.63	2.26%
SME loan delinquency rate *	17.11	14.73	16.85	10.79	1.54%
Mortgage delinquency rate	7.79	7.12	5.22	4.04	49.23%
Coverage rate	62.6	61.77	71.4	60.18	-12.32%
CAPITAL RATIOS (BIS REGULATIONS) (%)					
BIS ratio	11.27	9.81	8.0	8.51	40.88%
Core capital	11.24	5.16	4.7	8.32	139.15%
TIER I	11.06	5	4.5	8.07	145.78%
ADDITIONAL INFORMATION					
Number of shares (million)	11,517	1,994	1,994	1,733	477.59%
Number of shareholders	512,996	426,888	428,561	350,964	19.70%
Number of employees	17,230	20,358	20,126	21,382	-14.39%

	(A)		(B)		(A-B)/B Δ%
	30.09.2013	31.12.2012	30.09.2012	31.12.2011	
Number of branches	2,462	3,083	3,107	3,248	-20.76%

* Objective delinquency (subjective delinquency not included)

⁽¹⁾ Not calculated where there are losses.

3.6 Return on and/or repayment of the securities linked to others which are not assets of the Issuer.

Not applicable.

3.7 Administrator, calculation agent or equivalent.

3.7.1 Management, administration and representation of the Fund and of the holders of the securities.

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund, on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution and the Prospectus.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998.

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Bondholders and all other ordinary creditors of the Fund shall have no recourse against the Fund Management Company, other than for a breach of its duties or failure to observe the provisions of the Deed of Constitution and the Prospectus.

3.7.1.2 Administration and representation of the Fund.

The Management Company's obligations and actions in fulfilment of its duty to manage and be the authorised representative of the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus:

- (i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.
- (ii) Making such decisions as may be appropriate in connection with liquidation of the Fund, including the decision to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, as provided for in the Deed of Constitution and in this Prospectus. Moreover, making all appropriate decisions in the event of the establishment of the Fund terminating.
- (iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.
- (iv) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts.
- (v) Providing Bondholders, the CNMV and the Rating Agencies with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Prospectus.

- (vi) Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and in this Prospectus and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.
- (vii) The Management Company may extend or amend the agreements entered into on behalf of the Fund, substitute, as the case may be, each of the Fund service providers on the terms provided for in each agreement, and indeed, if necessary, enter into additional agreements. In any event, those actions shall require that the Management Company notify or first secure the authorisation, if necessary, of the CNMV and notify the Rating Agencies, and provided that such actions are not detrimental to the ratings assigned to the Bonds by the Rating Agencies. In addition, the Management Company may amend the Deed of Constitution, on the terms laid down in article 7 of Act 19/1992, set out in section 4.4.1 of the Registration Document. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.
- (viii) Exercising the rights attaching to the ownership of the Non-Mortgage Loan receivables and the Pass-Through Certificates acquired by the Fund and the properties, securities or rights awarded or given to pay for the Loans, and, in general, carrying out all such acts of administration and disposition as may be required for properly servicing, managing and being the authorised representative of the Fund.
- (ix) Checking that the Loan income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of assignment of the Loan receivables and on the terms of their respective agreements communicated by the Originator, and that the Loan amounts receivable are provided by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.
- (x) Determining on each Interest Rate Fixing Date and for each Interest Accrual Period thereafter, the Nominal Interest Rate to be applied for the Bond and calculating and settling the accrued interest amounts payable on each Payment Date.
- (xi) Calculating and determining on each Determination Date the principal to be amortised and repaid on the Bonds and Loan B on the relevant Payment Date.
- (xii) Determining the interest rate applicable to each of the relevant borrowing, lending and hedge transactions and calculating and settling the interest and fee amounts receivable and payable by the Fund under the same, and the fees payable for the various financial services arranged for.
- (xiii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund counterparties in the financial and service provision agreements listed in section 3.2 of this Building Block.
- (xiv) Watching that the amounts credited to the Treasury Account return the yield set in the Agreement.
- (xv) Calculating the Available Funds, the Available Funds for Amortisation, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.
- (xvi) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds.

3.7.1.3 Resignation and substitution of the Management Company.

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 18 and 19 of Royal Decree 926/1998 set forth hereinafter and with subsequent rules statutorily established in that connection.

Resignation.

- (i) The Management Company may resign its duties to manage and be the authorised representative of all or part of the funds managed whenever it deems this fit, applying to be substituted in a letter addressed to the CNMV, including a designation of the substitute management company. That letter

shall enclose a letter from the new management company, declaring its willingness to take over those duties and applying for the appropriate authorisation.

- (ii) The CNMV's substitution authorisation shall be subject to meeting of the following requirements:
 - (a) The substituted Management Company's delivery of the accounting records and data files to the new management company. That delivery will only be taken to have been made when the new management company is able to fully take over its function and that circumstance is notified to the CNMV.
 - (b) The ratings accorded to the Bonds by the Rating Agencies should not fall as a result of the proposed substitution.
- (iii) The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.
- (iv) The substitution expenses originated shall be borne by the resigning Management Company and may in no event be passed on to the Fund.
- (v) The substitution shall be published within fifteen days by means of a notice inserted in two nationwide newspapers and in the bulletin of the organised secondary market where the Bonds issued by the Fund are listed. Furthermore, the Management Company shall notify the Rating Agencies of that substitution.

Forced substitution.

- (i) In the event that the Management Company should be adjudged insolvent or have its licence to operate as a securitisation fund management company revoked by the CNMV, it shall find a substitute management company, in accordance with the provisions of the foregoing section.
- (ii) In the event for which provision is made in the preceding section, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of this Prospectus and of the Deed of Constitution.

The Management Company agrees to execute such public and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Prospectus. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand in connection with the Fund.

3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to reputable creditworthy third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the ratings accorded to the Bonds by the Rating Agencies being downgraded, and (iv) shall be notified to the CNMV and, where statutorily required, first be authorised by the CNMV. Notwithstanding any subcontracting or subdelegation, the Management Company shall not be exonerated or released, under that subcontract or subdelegation, from any of the liabilities undertaken in this Prospectus which may legally be attributed or ascribed to it.

3.7.1.5 Management Company's remuneration.

In consideration of the functions to be discharged by the Management Company, the Fund will pay it a management fee consisting of:

- (i) An initial fee earned upon the Fund being established and payable on the Closing Date.
- (ii) A periodic fee calculated on the sum of (i) the Outstanding Principal Balance of the Bond Issue and (ii) the Outstanding Principal Balance of Loan B, which shall accrue daily from the establishment of the Fund until it terminates and shall be settled and paid by Interest Accrual Periods in arrears on each Payment Date subject to the Priority of Payments or, in the event of liquidation and termination of the Fund, the Liquidation Priority of Payments. The periodic fee amount on each Payment Date may not be lower than the minimum amount determined. In the event that during the life of the Fund the General National Retail Price Index published by the National Statistics Institute for each calendar year should undergo a positive change, the minimum amount shall be cumulatively reset in the same proportion, from the year 2015, inclusive, and be effective from January 1 of each year.

If on a Payment Date, in the Priority of Payments, the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue interest at the Bond Reference Rate for the relevant Interest Accrual Period. The unpaid amount and interest due shall build up for payment on the fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

3.7.2 Servicing and custody of the securitised assets.

BANKIA, Originator of the Loan receivables to be assigned to the Fund, as established in article 2.2.b) of Royal Decree 926/1998, and for the Pass-Through Certificates as established in article 23.3 of Royal Decree 716/2009, shall continue as attorney for the Management Company to be responsible for custody and servicing of the Loans, and relations between BANKIA and the Fund, represented by the Management Company, shall be governed by the Loan Servicing and Pass-Through Certificate Custody Agreement (the “**Servicing Agreement**”) in relation to custody and servicing of the Loans and custody of the Pass-Through Certificate supporting documents.

BANKIA (the “**Servicer**” in the Servicing Agreement) shall accept the appointment received from the Management Company and thereby agrees as follows:

- (i) To be the Loan custodian and servicer subject to the system terms and ordinary custody and servicing procedures established in this Prospectus and in the Deed of Constitution.
- (ii) To continue servicing the Loans, devoting the same time and efforts to them as it would devote and use to service its own loans and in any event on the terms for which provision is made in this Prospectus and in the Deed of Constitution.
- (iii) That the procedures it applies and will apply to service and manage the Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.
- (iv) To full faithfully observe the instructions issued by the Management Company, provided that they observe the provisions of this Prospectus, the Deed of Constitution and the laws for the time being in force.
- (v) To pay the Fund damages and losses resulting from a breach of the obligations undertaken, although the Servicer shall not be liable for actions put in place on the Management Company’s instructions.
- (vi) To manage, administer, market and sell the real or other properties acquired by the Fund originating in the Loans, ensuring that the Fund’s interests are observed at all times, and applying in so doing the same management policies and resources it applies to administer its own real or other properties.

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund, as servicer of the Loans, and as custodian of the relevant agreements and of the Pass-Through Certificates, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

Any action going beyond the servicing and management duties provided for in the following paragraphs of this section of the Building Block shall require the express authorisation of the Management Company, on behalf of the Fund.

If BANKIA must be replaced in servicing of the Loans and custody of the documents representing the Pass-Through Certificates, BANKIA agrees to carry on discharging its duties until the very moment it is actually replaced, in order that such a replacement is not howsoever detrimental to the Fund and Bondholders.

The Servicer agrees not to take any action whatsoever to hold the Fund liable.

The Servicer will continue being responsible for processing the computer records and maintaining the filing systems relating to the Loans and the Obligors, in accordance with Personal Data Protection Act 15/1999, December 13, and implementing regulations, and shall therefore indemnify the Fund and the Management Company as the representative against any damage resulting therefor.

3.7.2.1 Ordinary system and procedures for servicing and managing the Loans.

1. Custody of deeds, agreements, documents and files.

The Servicer shall keep all Loan deeds, agreements, documents and data files in safe custody and shall not give up their possession, custody or control other than with the Management Company's prior written consent for it to do so, unless a document should be required to institute proceedings to claim a Loan, or any other competent authority should so require informing the Management Company.

All computer records relating to the Loans shall be maintained so that they may be identified and told apart from the records relating to other loans held by the Servicer.

The Servicer shall allow the Management Company or the auditors or other advisers of the Fund duly authorised thereby reasonable access at all times to such deeds, agreements, documents and files. The Servicer shall, in addition, whenever it is asked to do so by the Management Company, provide within five (5) Business Days of that request and free of charge, a copy or photocopy of any of such deeds, agreements and documents.

2. Collection management.

The Servicer shall continue managing collection of all Loan amounts payable by the Obligors and any other item including under the mortgaged property insurance contracts securing the Mortgage Loans. The Servicer shall use all reasonable efforts for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

The Servicer shall, as collections manager, receive for the Management Company, on behalf of the Fund, any and all Loan principal repayment and interest and other amounts paid by Obligors owing to the Fund. The Servicer will subsequently pay those amounts on the relevant Collection Date, by crediting the Treasury Account.

The Servicer will under no circumstances pay any Loan payment amount whatsoever to the Fund not previously received.

Loan amounts due to and received by the Servicer shall be paid by the Servicer in full into the Fund's Treasury Account on the first day after the day on which they were received by the Servicer, or the following business day if that is not a business day, for same day value (the "**Collection Dates**"). In this connection, business days shall be deemed to be all those that are business days in accordance with the banking sector in the city of Madrid.

Notwithstanding the above, in relation to Loan amounts paid by the Obligors, the Servicer shall notify the Management Company of the amount thereof on a daily basis.

If however in exceptional cases the Servicer should not pay in any amount received from the Obligors owing to the Fund on the relevant Collection Date, it shall pay in the amount delayed for value date on

the Collection Date when it would have been due in accordance with the provisions of the preceding paragraphs. If due to a transfer of the Treasury Account or for any other reason the delayed amount should not be paid into the Fund for value date as due, the Servicer shall, on each Payment Date, pay to the Fund, for same day value, an amount equivalent to the interest that would have been due to the Fund on the delayed amounts credited to its Treasury Account. The accrual period for that interest, in respect of each of the delayed amounts, shall be taken to be the period elapsed between the Collection Date and the value date on which the Servicer actually made the payment. Interest settlement shall be carried out by the Management Company, on behalf of the Fund, notifying and duly justifying this to the Servicer at least two (2) Business Days before each Payment Date.

The Servicer shall notify the Management Company on a daily basis of the details of the Loan amounts received by sending a software or computer file appropriate for transaction movements.

3. Fixing the interest rate.

In the case of floating-rate Loans, the Servicer shall continue fixing the interest rates applicable in each interest period as established in the respective Loan agreements, submitting such communications and notices as may be established therein.

4. Information.

The Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each Loan, fulfilment by the Obligor of their obligations under the Loans, delinquency status, changes in the characteristics of the Loans, and actions for payment in the event of late payment, legal actions and auction of real estate or assets, the foregoing subject to the procedures and with the frequency established in the Servicing Agreement.

Furthermore, the Servicer shall prepare and hand to the Management Company such additional information concerning the Loans or the rights attaching thereto as the Management Company may reasonably request, and in particular the documents required for the Management Company, as the case may be, to bring legal actions.

5. Loan subrogation.

The Servicer shall be authorised to permit substitutions in the Obligor's position under the Loan agreements, exclusively where the new Obligor's characteristics are not less creditworthy than those of the former Obligor and those characteristics observe the lending policies described in section 2.2.7 of this Building Block, and further provided that the expenses derived from that change are fully borne by the Obligor. The Management Company may fully or partially limit this authority of the Servicer or set conditions therefor, in the event that those substitutions might adversely affect the ratings accorded to the Bonds by the Rating Agencies.

In relation to the Mortgage Loans, a mortgagor may apply to the Servicer for subrogation under the Mortgage Loans pursuant to Act 2/1994. Subrogation of a new creditor under the Mortgage Loan and the ensuing payment of the amount due shall, as the case may be, result in early amortisation of the respective Pass-Through Certificate.

6. Authorities and actions in relation to Loan renegotiation procedures.

The Servicer may not voluntarily cancel the Loans or their mortgages or security arrangements for any reason other than payment of the Loan, relinquish or settle in regard thereto, forgive the Loans in full or in part or extend the same, or in general do anything that may diminish the legal effectiveness or economic value of the Loans or of the mortgages or security arrangements, without prejudice to its heeding requests by Obligor using the same efforts and procedure as if they were own loans.

Notwithstanding the above, the Management Company, as manager of third-party portfolios and having regard to Obligor's requests to the Servicer directly or under Act 2/1994, may instruct or first authorise the Servicer to agree with the Obligor, subject to the terms and conditions for which provision is made in this section, for a novation changing the relevant Loan, either by an interest rate renegotiation or by

an extension of the maturity period, or by establishing a principal repayment exclusion period or by modifying the loan repayment system, provided in the case of Mortgage Loans that those novations are not detrimental to the mortgage ranking.

Without prejudice to the provisions hereinafter, any novation changing a Loan entered into by the Servicer shall be made exclusively with the prior consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a change. The Management Company may nevertheless initially authorise the Servicer to entertain and accept Loan interest rate and term renegotiations, and to establish a principal repayment exclusion period or modify the loan repayment system, requiring the Management Company's prior consent being necessary, subject to the following general enabling requirements:

a) Renegotiating the interest rate.

Loan interest rate may be renegotiated subject to the following rules and limitations:

1. The Servicer may under no circumstances entertain on its own account, and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Loan. The Servicer shall, without encouraging interest rate renegotiation, act in relation to such renegotiation bearing in mind the Fund's interests at all times.
2. Subject to the provisions of paragraphs 3 and 4 below, the Servicer may renegotiate the Loan interest rate clause on terms that are deemed to be at arm's length and that do not differ from those applied by the actual Servicer in renegotiating or granting its floating- and fixed-rate credits and loans. For these purposes, arm's length interest rate shall be deemed to be the rate offered by the Servicer in the Spanish market for loans or credit facilities granted to enterprises in an amount and on terms substantially similar to the renegotiated Loan.
3. The fixed rate of a Loan shall under no circumstances be renegotiated down in the event that the average interest rate of all fixed-rate Loans weighted by the outstanding capital of each fixed-rate Loan is below 5.64%.
4. Timely renegotiation of the interest rate applicable to a floating-rate Loan may occur in the event that (i) the change is to a floating interest rate with a benchmark index for determination is equal to (a) Euribor or Mibor or (b) any mortgage market reference rates or benchmark indices, established in section 3 of rule six bis of Bank of Spain Circular no. 8/1990, September 7 (or any replacement law), or (c) any market rate established in the future for transactions similar to those included among the Fund assets, by mutual agreement between the Servicer and the Management Company, and (ii) the average margin or spread weighted by the outstanding principal of outstanding floating-rate Loans is in excess of 129 percentage basis points.

The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel, suspend or modify the Servicer's authorisation previously granted for it to renegotiate the interest rate.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Loans may be deferred ("**extending the term**") subject to the following rules and limitations:

- (i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Loan which may result in an extension thereof. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind the Fund's interests at all times.
- (ii) The term of a specific Loan may be extended provided that the new final maturity or final repayment date does not extend beyond July 3, 2049.

The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's power to extend the term.

c) Loan principal repayment exclusion.

Loan principal repayment may be stopped (the "**principal repayment exclusion**") subject to the following rules and limitations:

- (i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a temporary stoppage in Loan principal repayment which may trigger a Loan principal repayment exclusion. The Servicer shall, without encouraging principal repayment exclusion, act in relation to the same bearing in mind the Fund's interests at all times.
- (ii) The maximum Loan principal repayment exclusion period established shall be thirty (30) months.
- (iii) The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's power to establish Loan principal repayment exclusions.

d) Loan repayment system.

The Loan repayment system may be modified by the Servicer subject to the following rules and limitations:

- (i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a modification in the Loan repayment system. The Servicer shall, without encouraging a change, act in relation to the same bearing in mind the Fund's interests at all times.
- (ii) If the Loan instalment principal payment frequency is six-monthly or greater (six-monthly, quarterly, monthly, etc.) the Servicer may change the Loan repayment system provided that the repayment system involves periodic instalments and their frequency is at least six-monthly.
- (iii) If the Loan instalment principal payment frequency is less than six-monthly (annual, biannual, single, etc.), the Servicer may change the Loan repayment system provided that the repayment system involves periodic instalments and their frequency is maintained or increased.

The amount of the sum of the capital or principal assigned to the Fund of the Loans (both in good standing and in default) with respect to which there is an extension of the term to maturity of the Loans and/or an establishment of principal repayment exclusion and/or a change of the repayment system, individually or simultaneously, may not exceed 15% of the sum of (i) the face amount of the Bond Issue and (ii) the initial Loan B amount.

The renegotiations conducted in accordance with the preceding paragraph may be equivalent or not to refinancings or restructurings, as defined in Bank of Spain Circular 6/2012 and in accordance with the criteria adopted by the Bank of Spain's Executive Committee at its April 30, 2013 meeting set out in the Bank of Spain letter of even date.

If there should be any renegotiation of the interest rate of a Loan or its due dates, or an establishment of principal repayment exclusion or modification of the repayment system for a Loan, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Loans to be updated.

In the event of a renegotiation of the interest rate of the Loans and/or their due date and/or principal repayment exclusion and/or repayment system, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.

The contractual documents supporting the novation of the renegotiated Loans will be kept by the Servicer, in accordance with the provisions of paragraph 2 of this section.

7. Action against Obligor in the event of Loan default.

Actions in the event of late payment.

The Servicer shall use the same efforts and procedure for claiming overdue Loan amounts it applies for the rest of its portfolio loans.

In the event of default of payment obligations by the Obligor, the Servicer shall do the things described in section 2.2.7 B) Managing Delinquency of this Building Block, taking for that purpose the steps it would ordinarily take if they were its own portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. Needless to say, these actions include all such legal and other actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors or their guarantors.

Legal actions.

The Servicer shall, using its fiduciary title to the Loans or using the power referred to in the following paragraph, take all relevant actions against Obligors failing to meet their Loan payment obligations and against guarantors, if any. Such an action shall be brought using the appropriate court procedure, be that enforcement proceedings, as prescribed in articles 517 et seq. of the Civil Procedure Act, or the relevant declaratory proceedings.

In the above connection and for the purposes prescribed in articles 581.2 and 686.2 of the Civil Procedure Act, and in the event that this should be necessary, the Management Company shall confer in the Deed of Constitution as full and extensive a power of attorney as may be required at Law on BANKIA in order that the latter may, acting through any of its attorneys properly empowered for those purposes, on the Management Company's instructions, for and on behalf of the Fund, or in its own name but for the Management Company as the Fund's authorised representative, demand in or out of court that any Loan Obligor and guarantors, if any, pay the debt and take legal action against the same, in addition to other authorities required to discharge its duties as Servicer. These authorities may be extended and amended in another deed if necessary or appropriate.

The Servicer shall generally commence the relevant legal proceedings, if, for a period of seven (7) months, a Loan Obligor having failed to honour his or her or its payment obligations should not resume payments to the Servicer and the latter, with the Management Company's consent, should not obtain a payment commitment satisfactory to the Fund's interests. In the event of Loan default, the payment agreements shall be entered into subject to the Management Company's consent and their terms shall be subject to the terms and calculation established in section 6 above. In addition, the Servicer shall forthwith proceed to file an executive (or declaratory, as the case may be) action if the Management Company, acting for the Fund, and after analysing the specific circumstances of the case, should deem this necessary.

If however in accordance with the above the Servicer should fail to file the executive (or declaratory, as the case may be) action without there being proper reasons therefor, the Management Company may, on behalf of the Fund, proceed directly to commence the appropriate legal proceedings to fully claim the debt.

In the event that the proceedings commenced by the Servicer should be stopped without there being proper reasons therefor, the Management Company may, as the case may be, on behalf of the Fund, take over from the latter and continue with the legal proceedings.

In addition to the Servicer's legal actions against Obligors as provided for above in this section, the Management Company, for the Fund, may also take action against Obligors who are in breach of their Loan payment obligations and against guarantors, if any. That action shall be brought observing the formalities for the relevant legal procedure in accordance with the provisions of the Civil Procedure Act, satisfying, as the case may be, the requirements as to right of action allowing that to be done.

If this should be legally required, and for the purposes prescribed in the Civil Procedure Act, BANKIA shall confer in the Deed of Constitution as full and extensive an irrevocable power of attorney as may be required at Law in order for the Management Company, acting for and on behalf of the Fund, to demand through a notary public any Loan Obligor to pay the debt.

1. As for the Mortgage Loans, in the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies currently provided for mortgage participation certificates in article 31 of Royal Decree 716/2009, which also apply to pass-through certificates:

- (i) To demand the Servicer to apply for foreclosure.
- (ii) To take part on an equal standing with the Servicer, as issuer of the Pass-Through Certificates, in the foreclosure the latter shall have instituted against the Obligor, intervening to that end in any foreclosure proceedings commenced by the former.
- (iii) If the Servicer should fail to take that action within sixty (60) business days of a notice served through a Notary demanding payment of the debt, the Management Company shall, for and on behalf of the Fund, be secondarily entitled to apply for Mortgage Loan foreclosure claiming both principal and interest.
- (iv) In the event that the proceedings instituted by the Servicer should come to a standstill, the Fund, duly represented by the Management Company, may be subrogated to the position of the former and continue the foreclosure proceedings, without the above period having to elapse.

In the events provided in (iii) and (iv) above, the Management Company may, for and on behalf of the Fund, apply to the Judge or Notary with jurisdiction to commence or continue the respective foreclosure proceedings, attaching to the application the original Pass-Through Certificate, the notice served through a Notary Public provided for in (iii) above and an office certificate as to mortgage registration and subsistence. The Servicer shall be bound to issue a certification of the balance outstanding on the Mortgage Loan.

The Management Company, for and on behalf of the Fund as holder of the Pass-Through Certificates, may also take part on an equal standing with the Servicer in the foreclosure proceedings and may in this sense, on the terms for which provision is made in the Civil Procedure Act, request the award of the mortgaged property as Mortgage Loan payment.

2. In the event of default by the Obligor (or third-party guarantors, if any) of Non-Mortgage Loan payment obligations, the Management Company, acting for the Fund, shall have an executive action against those Obligors (and third-party guarantors, if any), taking the steps provided for such proceedings in the Civil Procedure Act (articles 517.4 and 517.5) or the relevant declaratory action.
3. In the event of default by the Obligor (or third-party guarantors, if any) of payment obligations of Loans secured with pledges, the Management Company, acting for the Fund, shall avail of an action to enforce those pledges, after entering, as the case may be, the assignment of the respective Loan in the relevant register. In particular:
 - a) In the case of Loans secured with a money pledge, and subject to delivery, as the case may be, of the bank-book, passbook, receipt or public deed supporting the pledged credit right or entry or recording therein or in the relevant originals, protocols or records concerning transfer of the pledge, the enforcement means provided for in the agreement proper, in the Civil Procedure Act and in the Civil Code (article 1872).
 - b) In the case of Loans secured with a pledge in units in investment funds (in book-entry form), and after first entering the assignment of the security in the register of the institution in charge of the book record of the units, the enforcement means provided for in the agreement proper, in the Civil Procedure Act and in the Civil Code (article 1872).

- c) In the case of Loans secured with a pledge of listed securities, without limitation, a request may be made for the certifications referred to in articles 18 to 21 of Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14, to be provided.

The description of the above actions and procedures shall not imply a waiver by the Servicer or the Management Company of any other court or out-of-court actions or procedures whatsoever available against the Obligors or any guarantors or other third parties, if any, to recover the amounts due or keep in place or enforce the Loan security arrangements.

The Servicer agrees to periodically advise of the bringing of legal actions and the most significant milestones in the court recovery process (including, inter alia, valuation of the properties mortgaged as security for the Mortgage Loans and properties seized as security for the Loans, auctions scheduled, and the proposals to take a stand and bid at the same). The Servicer and the Management Company, on behalf of the Fund, will subsequently define the procedure for submitting such information by data carrier or electronic means. In addition, the Servicer will provide the Management Company with all such documents as the latter may request from time to time in relation to said Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

9. Mortgage Loan mortgaged property damage insurance.

The Servicer shall not take or fail to take any action resulting in cancellation of any fire and damage insurance policy covering the Mortgage Loan mortgaged properties or reducing the amount payable in any claim thereunder.

In the event of a claim, the Servicer shall coordinate actions for collecting compensations derived from the property damage insurance policies on the terms and conditions of the Mortgage Loans and the actual policies, paying the amounts received to the Fund.

9. Set-off.

In the exceptional event that any Loan Obligor should have a liquid receivable, due and payable vis-à-vis the Servicer, and because the assignment is made without the Obligor being aware, any Loan should be fully or partially set-off against that receivable, the Servicer shall remedy that circumstance or, if it cannot be remedied, proceed to pay to the Fund the amount set off plus accrued interest which would have been payable to the Fund until the date on which payment is made, calculated on the terms applicable to the relevant Loan.

10. Subcontracting and Non-Exclusive Services.

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement and described in this Prospectus and in the Deed of Constitution other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the ratings assigned to the Bonds by the Rating Agencies being downgraded. Notwithstanding any subcontracting or subdelegation, the Servicer shall not be excused or released under that subcontract or subdelegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

The Servicer may provide services similar to those referred to in this Agreement to other persons, firms or companies engaging in a business similar to or competitive with the business of the Management Company, or servicing other Asset Securitisation Funds.

11. Auction and award of real and other properties.

The Servicer agrees to notify the Management Company of the places, dates, terms and valuation of the real estate mortgaged as security for the Mortgage Loans and of the assets attached as security for the Loans, auctions scheduled, and proposed action and bid, in suitable advance in order that the

Management Company may put in place such actions as it shall see fit and submit instructions on the subject to the Servicer in suitable time.

The Servicer agrees to attend auctions of real property and other assets, but shall thereat abide at all times by the general or specific instructions it shall have received from the Management Company, and shall therefore only tender a bid or apply for the award of the real property or asset to the Fund, in pursuance of the instructions received from the Management Company.

12. Managing and selling real and other properties.

In the event of real or other properties being awarded to the Fund, the Management Company shall proceed, through the Servicer or as the case may be directly, to take possession of, enter in the registry, as the case may be, and safekeep and market and sell the same within the shortest possible space of time and at arm's length. Accordingly, the Servicer's responsibilities shall include managing, administering, marketing and selling the real or other properties acquired by the Fund as if the same was the proprietor, ensuring that the Fund's interests are observed at all times, and applying in so doing the same management policies and the same material, human and organisational resources it applies to administering and holding its own real or other properties.

3.7.2.2 Term, substitution and replacement servicer.

The services shall be provided by the Servicer until all the obligations undertaken by the Servicer as Originator of the Loans assigned to the Fund terminate, once all the Loans have been repaid, or when liquidation of the Fund concludes after it terminates, without prejudice to a possible early revocation of its appointment in accordance with the provisions of the following paragraphs.

In the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the Servicer or because the Management Company deems this reasonably justified upon the occurrence of any exceptional circumstance, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors, custodians of the pledged assets or the mortgaged property insurers, if any) of the transfer to the Fund of the outstanding Loan receivables, and that payments thereunder will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors and third-party guarantors, custodians of the pledged assets and mortgaged property insurers, if any, within twenty (20) Business Days of receiving the request and in the event of insolvency of the Servicer, the Management Company itself shall notify Obligors and third-party guarantors, custodians of the pledged assets and mortgaged property insurers, if any, directly or, as the case may be, through a new Servicer it shall have designated.

Similarly, and in the same events, the Management Company may request the Servicer to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant accounting records, in order to guarantee maximum efficiency of the assignment of Loan receivables and collaterals with respect to third parties, all on the terms given in section 3.7.2.1.7 of this Building Block.

The Servicer agrees to deliver to the Management Company the personal details of the Obligors and of third-party credit support providers and insurers, if any, as required in order to serve notice on the same.

Upon early termination of the Servicing Agreement as established in the preceding paragraphs, the outgoing Servicer shall provide the new Servicer, on demand by the Management Company and as determined thereby, with the necessary documents and data files it may have in order for the new Servicer to carry on the relevant activities.

The following commitments are established among the responsibilities taken on by the Servicer under the Servicing Agreement:

1. To provide the Management Company with all information on the Loans allowing the same to be individually monitored and controlled. That information must be sufficient in order for the same to be serviceable by a third party with expertise in servicing loans and other assets awarded or handed over in lieu of payment for the same.
2. The Servicer agrees, upon the occurrence of a Servicer Alert, to make a record of Obligors' personal data (and, as the case may be, third-party guarantors) available upon the Management Company's request as required to issue collection orders on the Obligors or their guarantors or to proceed to call the collaterals (hereinafter "Personal Data Record" or "PDR"), the disclosure of which is limited by the Data Protection Act.
3. Upon the Management Company's request, to deposit the PDR with a Notary, to be reviewed or used in due course by the Management Company in case of need in relation to Loan servicing duties.
4. In the event of substitution of the Servicer, to use its best efforts to work with the Management Company and the new servicer in the substitution process and, as the case may be, notifying Obligors (and, as the case may be, third-party guarantors, the custodians of pledged assets and the mortgaged property insurers).
5. To do such things and enter into such agreements in which the Servicer must be involved in order for the new servicer to effectively take over.

The Management Company, in its duty to monitor and control servicing of the Loans and other assets awarded or handed over in lieu of payment for the same, is in a position to detect a breach of the level of effort required of the Servicer.

In this connection, the Management Company may consider that a "**Servicer Alert**" exists in the following events: (i) if the Fund no longer receives Loan amounts from the Servicer owing to the Fund and which the Servicer should have received but failed to pay to the Fund, (ii) discontinuance for a relevant period, in the Management Company's opinion, of the flow of periodic information from the Servicer, (iii) major failings, in the Management Company's opinion, in the information provided therein, (iv) breach by the Servicer of any other obligations laid down in the Servicing Agreement, which is considered relevant by the Management Company, and (v) decline in the Servicer's creditworthiness, measured by the failure to meet the capital requirements, for a period of six (6) months, in accordance with Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985, May 25, as currently worded ("**Act 13/1985**") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of June 26, 2013, on prudential requirements for credit institutions and investment firms, or other equivalent rules taking their stead.

If the Management Company should consider that a Servicer Alert has occurred, it may duly notify:

1. The Servicer.
2. The CNMV, as the Fund's supervisor.
3. The Fund's creditors, by reporting a material event.
4. The Rating Agencies.

In addition, the Servicer shall duly notify the Bank of Spain or other replacement supervisory institution and the receiver in the Servicer's insolvency, as the case may be.

If the Management Company should declare that a Servicer Alert has occurred on the terms described in the preceding section, the following procedure shall be triggered within sixty (60) days:

1. The Management Company shall request the Servicer to immediately place the PDR in trust with a notary.
2. The Management Company shall select an institution eligible to be designated to replace the Servicer in due course.

3. In so designating the above, the Management Company shall take into account, among other factors: (i) experience in servicing loans, credit facilities and other assets awarded or handed over in lieu of payment for the same, (ii) experience in managing loans and credit facilities in default, (iii) experience in servicing bad loans and credit facilities, (iv) standing in the territory, (v) creditworthiness, (vi) information and control systems and mechanisms and (vii) cost. The Management Company may request reports from experts to complete the designation procedure.

In the event of Servicer insolvency, administration by the Bank of Spain, material breach by the Servicer of the obligations laid down in the Servicing Agreement or change in its financial circumstances resulting in a serious detriment to or risk for Bondholders' rights and interests, the Management Company shall, inter alia, do any of the following:

1. Demand the Servicer to enter into a subcontract with or outsource to a third party the performance of such obligations by another institution which, in the Management Company's opinion, has suitable legal and technical qualifications.
2. Have a third party with sufficient credit rating and quality guarantee all or part of the Servicer's obligations.
3. Revoke the Servicer's appointment, in which case the Management Company shall first designate a new Servicer having sufficient credit quality and accepting the obligations contained in the Servicing Agreement.

In the event of insolvency of the Servicer, 3 above shall be the only possible action.

Any expense or cost arising out of the actions referred to in the preceding paragraphs shall be borne by the Servicer and at no event by the Fund or the Management Company.

The Servicing Agreement shall be fully terminated in the event that the Rating Agencies should not confirm the provisional ratings assigned to the Bonds as final ratings by 3pm (CET) on December 23, 2013.

3.7.2.3 Liability of the Servicer and indemnity.

The Servicer shall at no time have any liability whatsoever in relation to the Management Company's obligations as manager of the Fund and manager of Bondholders' interests, nor in relation to the Obligors' Loan obligations, without prejudice to the liabilities undertaken thereby in the Deed of Constitution as Originator of the Loan receivables acquired by the Fund.

The Servicer agrees to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same due to any breach by the Servicer of its Loan custody, servicing, management and reporting, loan default recovery actions and Pass-Through Certificate custody obligations, established in this Prospectus and in the Deed of Constitution.

The Management Company shall, for and on behalf of the Fund, have an enforcement action against the Servicer where the breach of the obligation to pay to the Fund any and all principal repayment and interest and other Loan amounts owing to the Fund paid by the Obligors does not result from the Obligors' default and is attributable to the Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company, as the representative of the Fund, who shall have that action on the terms described in this section.

3.7.2.4 Servicer's remuneration.

In consideration of its Loan custody, servicing and management and Pass-Through Certificate supporting document custody, the Servicer shall be entitled to receive in arrears on each Payment Date during the term of the Servicing Agreement, a servicing fee, which shall accrue on the exact number of days elapsed in each Determination Period preceding the Payment Date and on the daily average Outstanding Balance of the Loans during that Determination Period. In addition, the Servicer shall be entitled, in consideration of the administration, management and sale of the properties awarded or handed over in lieu of payment to the Fund, to receive additional fees, as the case may be. If BANKIA should be replaced in that servicing task, the Management Company will be entitled to change the fees for the new Servicer, which may be in excess of those agreed with BANKIA. The servicing fees will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments.

If the Fund should fail, through its Management Company, due to a liquidity shortfall in the Fund Priority of Payments, to pay on a Payment Date the full fees due to the Servicer, overdue amounts shall accumulate without any penalty whatsoever on the fees payable on the following Payment Dates, until fully paid.

In relation to any and all amounts due to the Fund under the Servicing Agreement, the Servicer expressly and irrevocably waives any right to set-off against the Fund which it might otherwise avail of under articles 1195 et seq. of the Civil Code.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Loan servicing and management expenses of an exceptional nature incurred, such as in connection with court and/or recovery or declaratory actions, as the case may be, including procedural expenses and costs, or managing and overseeing the sale of assets or properties, if any, awarded to the Fund, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, in the event of liquidation of the Fund, in the Liquidation Priority of Payments.

3.7.2.5 Out-of-pocket expenses.

The Management Company shall for its part be bound, on behalf of the Fund, to reimburse the Servicer, on the Bond Payment Dates and subject to proper evidence being first produced thereof, for any amounts advanced by the Servicer required in order to proceed to claim in or out of court the amounts due by the Obligors, or for administering and managing the sale of the real or other properties, if any, awarded to the Fund and any other exceptional out-of-pocket expense incurred as a result of the provision of the services laid down in this Agreement, and subject to the Priority of Payments or, in the event of the Fund being liquidated, the Liquidation Priority of Payments of the Fund.

If the Fund, through its Management Company, should, due to a shortage of liquidity, fail to pay on a Payment Date all the out-of-pockets paid by the Servicer, the unpaid amounts shall be settled without any penalty whatsoever on the following Payment Dates, until reimbursed in full.

The Fund shall be bound to return to the Servicer any amounts howsoever described received from the same and which were actually due to the Servicer, subject to the Priority of Payments or, as the case may be, the Liquidation Priority of Payments of the Fund.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

BANKIA is the Fund's counterparty under the transactions listed below. The details relating to BANKIA and its activities are respectively given in section 5.2 of the Registration Document and section 3.5 of this Building Block.

- (i) Treasury Account:
 - Guaranteed Interest Rate Account (Treasury Account) Agreement
 - Description in section 3.4.4.1 of this Building Block.
- (ii) Loan B:

Loan B Agreement

Description in section 3.4.2.2 of this Building Block.

(iii) Subordinated Loan:

Subordinated Loan Agreement

Description in section 3.4.3.1 of this Building Block.

(iv) Subordinated Facility:

Subordinated Facility Agreement

Description in section 3.4.3.2 of this Building Block.

(v) Accrued Interest Loan:

Accrued Interest Loan Agreement

Description in section 3.4.3.3 of this Building Block.

(vi) Financial Intermediation:

Financial Intermediation Agreement

Description in section 3.4.6.4 of this Building Block.

(vii) Liquidity Facility:

Liquidity Facility Agreement

Description in section 3.4.7.2 of this Building Block.

4. POST-ISSUANCE REPORTING

4.1 Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

4.1.1 Ordinary information.

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Notices to Bondholders referred to each Payment Date.

1. Within the period comprised between the Interest Rate Fixing Date and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rate resulting for the Bonds for the Interest Accrual Period after that Payment Date.
2. Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify Bondholders of the following information:
 - i) Interest resulting from the Bonds, along with the amortisation of the Bonds.
 - ii) Furthermore, and if appropriate, interest and amortisation amounts accrued on the Bonds and not settled due to a shortfall of Available Funds, in accordance with the rules of the Priority of Payments.

- iii) The Outstanding Principal Balances of the Bonds, after the amortisation to be settled on each Payment Date, and the ratio of such Outstanding Principal Balances to the initial face amount of each Bond.
- iv) Obligors' Loan principal prepayment rate during the calendar quarter preceding the Payment Date.
- v) The average residual life of the Bonds estimated assuming that Loan principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3.1 below and notice 1 will also be served on the Paying Agent and Iberclear not less than one (1) Business Day before each Payment Date.

b) Information referred to each Payment Date:

In relation to the Loans on the Determination Date preceding the Payment Date:

1. Outstanding Balance.
2. Interest and principal amount of instalments in arrears.
3. Loan interest rate and, if a floating rate, benchmark indices.
4. Loan maturity years.
5. Outstanding Balance of Doubtful Loans and cumulative amount of Doubtful Loans from the date of establishment of the Fund.

In relation to the Fund's economic and financial position:

1. Report on the source and subsequent application of the Available Funds and Available Funds for Amortisation in accordance with the Priority of Payments of the Fund.

The above information shall be posted at the Management Company's website.

c) Annually, in relation to the Fund's Annual Accounts:

Annual accounts (balance sheet, profit & loss account and management report) and audit report within the period provided for by law to do so or, otherwise, within three (3) months of the close of each fiscal year, which shall be filed with the CNMV.

4.1.2 Extraordinary notices.

The following shall be the subject of an extraordinary notice:

1. The Nominal Interest Rate determined for the Bonds for the first Interest Accrual Period.
2. Other:

Any material event occurring in relation to the Loans, the Bonds, the Fund and the Management Company proper, which, being exceptional, may materially influence trading of the Bonds and, in general, any material change in the Fund's assets or liabilities, change in the Deed of Constitution, as the case may be, or in the event of termination of the establishment of the Fund or a decision in due course to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall send to the CNMV the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section 4.4.4 of the Registration Document.

The amendment of the Deed of Constitution shall be notified by the Management Company to the Rating Agencies and be disclosed by the Management Company through the Fund's periodic public information and be posted at the Management Company's website, as the case may be. Where required, a supplement to the Prospectus shall be prepared and disclosed as material information in accordance with the provisions of article 82 of the Securities Market Act.

4.1.3 Procedure to notify Bondholders.

Notices to Bondholders issued by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

Ordinary notices to Bondholders shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

Unless otherwise provided in the Deed of Constitution and in the Prospectus, extraordinary notices shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by publication in an extensively circulated business and financial or general newspaper in Spain, and those notices shall be deemed to be given on the date of that publication, any Business Day or other calendar day (as established in this Prospectus) being valid for such notices.

Exceptionally, the Nominal Interest Rate determined for the Bonds for the first Interest Accrual Period shall be notified in writing by the Management Company by 3pm (CET) on December 23, 2013 to the Subscriber. The Management Company will also notify this to the Paying Agent, AIAF and Iberclear.

3. Notices and other information.

The Management Company may provide Bondholders with ordinary and extraordinary notices and other information of interest to them through its own Internet pages or other similarly characterised teletransmission means.

4.1.4 Information to the CNMV.

The information on the Fund shall be submitted to the CNMV using the forms contained in CNMV Circular 2/2009, March 25, on Securitisation Fund accounting rules, annual accounts, public financial statements and non-public statistical information statements, and so will such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

4.1.5 Information to the Rating Agencies.

The Management Company shall provide the Rating Agencies with periodic information as to the position of the Fund and the performance of the Loans in order that they may monitor the Bond ratings and extraordinary notices, or any other hereafter taking its place. The Management Company shall also use its best efforts to provide that information when it is reasonably required to do so and, in any event, whenever there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

Mario Masiá Vicente, as General Manager for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, signs this Prospectus at Madrid, on December 18, 2013.

GLOSSARY OF DEFINITIONS

“Accrued Interest Loan Agreement” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANKIA, for a sum of not more than EUR four million (4,000,000.00).

“Accrued Interest Loan” shall mean the loan granted by BANKIA to the Fund, in accordance with the provisions of the Accrued Interest Loan Agreement.

“Act 19/1992” shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7, as currently worded.

“Act 2/1981” shall mean Mortgage Market Regulation Act 2/1981, March 25, as currently worded.

“Act 2/1994” shall mean Mortgage Loan Subrogation and Amendment Act 2/1994, March 30, as currently worded.

“Act 3/1994” shall mean Act 3/1994, April 14, adapting Spanish laws in the matter of credit institutions to the Second Banking Coordination Directive and introducing other changes in relation to the financial system, as currently worded.

“Act 6/2011” shall mean Act 6/2011, April 11, amending Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985, May 25, Securities Market Act 24/1988, July 28, and Legislative Royal Decree 1298/1986, June 28, in relation to adapting credit institutions law in force to European Communities law.

“AIAF” shall mean AIAF Mercado de Renta Fija.

“Amortisation Withholding” shall mean, on each Payment Date, the positive difference, if any, at the Determination Date preceding the relevant Payment Date, between (a) the sum of (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Principal Balance of Loan B, and (b) the Outstanding Balance of Non-Doubtful Loans.

“Available Funds for Amortisation” shall mean the amount to be allocated to Bond amortisation on each Payment Date, which shall be the Amortisation Withholding amount actually applied in sixth (6th) place of the Priority of Payments for applying the Available Funds on the relevant Payment Date.

“Available Funds” shall mean, in relation to the Priority of Payments and on each Payment Date, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, which shall have been credited to the Treasury Account, as established in section 3.4.6.2.1 of the Building Block.

“BANKIA” shall mean BANKIA S.A.

“Bond Issue” shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR four hundred and fifty-one million five hundred thousand (451,500,000.00).

“Bond Paying Agent Agreement” shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BANKIA, as Paying Agent.

“Bonds” shall mean the Bonds issued by the Fund having a total face value of EUR four hundred and fifty-one million five hundred thousand (451,500,000.00), consisting of four thousand five hundred and fifteen (4,515) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Business Day” shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET 2 calendar (or calendar hereinafter taking its stead).

“Cash Reserve” shall mean the Initial Cash Reserve set up on the Closing Date and subsequently provisioned up to the Required Cash Reserve amount.

“CET” shall mean “Central European Time”.

“Circular 3/2008” shall mean Bank of Spain Circular 3/2008, May 22, to credit institutions, on determination and control of minimum capital requirements, as currently worded.

“Closing Date” shall mean December 27, 2013, the date on which the cash amount for subscribing for the Bonds shall be paid up.

“CNMV” shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“Collection Dates” shall mean the dates on which the Servicer pays into the Fund’s Treasury Account Loan amounts due to the Fund and received by the Servicer: i.e. the first day after the day on which they were received by the Servicer, or the following business day if that is not a business day, for same day value.

“Corporation Tax Regulations” shall mean the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30.

“CPR” shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

“DBRS Rating” shall mean the public rating assigned by DBRS or, where there is no such rating, the private rating issued by DBRS and, if there are no such ratings, the internal assessments made by DBRS.

“DBRS” shall mean DBRS Ratings Limited.

“Deed of Constitution” shall mean the public deed recording the establishment of the Fund, assignment by BANKIA to the Fund of Non-Mortgage Loan and Mortgage Loan receivables, the latter upon BANKIA issuing and the Fund subscribing for Pass-Through Certificates, and issue by the Fund of the Asset-Backed Bonds.

“Delinquent Loans” shall mean Loans that are delinquent at a date with arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans.

“Determination Dates” shall mean the dates falling on the fifth (5th) Business Day preceding each Payment Date.

“Determination Period” shall mean the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally, (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, April 7, 2013, inclusive, and (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date b) but including the last date a).

“Distribution of Available Funds for Amortisation” shall mean the rules for applying the Available Funds for Amortisation between the Bonds and Loan B on each Payment Date established in section 4.9.3.5 of the Securities Note.

“Doubtful Loans” shall mean Loans that are delinquent at a date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information obtained from the Servicer.

“Early Amortisation” shall mean final Bond amortisation on a date preceding the Final Maturity Date in case of Early Liquidation of the Fund in the events and in accordance with and subject to the requirements established in section 4.4.3 of the Registration Document.

“Early Liquidation Events” shall mean the events contained in section 4.4.3 of the Registration Document in which the Management Company, following notice duly served on the CNMV, is entitled to proceed to early liquidation of the Fund.

“Early Liquidation of the Fund” shall mean liquidation of the Fund and thereby early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

“Euribor” shall mean the Euro Interbank Offered Rate, currently calculated and distributed by the THOMPSON REUTERS financial information system under an FBE (“Fédération Bancaire de l’Union Européene”) mandate, which is the term interbank deposit offered rate in Euros calculated as the daily average of the quotations supplied for fifteen maturity terms by a panel currently consisting of several Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is set at 11am (CET), accurate to three decimal places. Euribor definitions approved by the FBE and the Financial Markets Association (ACI) supplementing the current definition of Euribor shall be considered included for the purpose of the Euribor Reference Rate without having to amend these Reference Rate terms or have the Management Company notify Bondholders.

“Final Maturity Date” shall mean the final Bond amortisation date, i.e. July 14, 2053 or the following Business Day if that is not a Business Day.

“Financial Intermediation Agreement” shall mean the agreement designed to remunerate BANKIA for the financial intermediation process carried out, enabling the financial transformation defining the Fund’s activity, the assignment to the Fund of the Loan receivables and the ratings assigned to the Bonds, entered into between the Management Company, for and on behalf of the Fund, and BANKIA.

“Financial Intermediation Margin” shall mean the variable subordinated remuneration to be received by the Originator in an amount equal to the positive difference, if any, between the income and expenditure accrued by the Fund, including losses, if any, brought forward from previous years, in each period with reference to its accounts and before the close of the last day of the calendar month next preceding every Payment Date.

“Fitch” shall mean both Fitch Ratings España, S.A.U. and Fitch Ratings Limited.

“Fund” shall mean BANKIA PYME I FONDO DE TITULIZACIÓN DE ACTIVOS.

“Guaranteed Interest Rate Account (Treasury Account) Agreement” shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BANKIA.

“Iberclear” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.

“Initial Cash Reserve” shall mean the Cash Reserve set up on the Closing Date by drawing down the Subordinated Loan totalling EUR twenty-two million five hundred and seventy-five thousand (22,575,000.00).

“Interest Accrual Period” shall mean the days elapsed between every two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, exclusive, and the last Interest Accrual Period shall be equivalent to the exact number of days elapsed between the last Payment Date, inclusive, and the liquidation date, exclusive.

“Interest Rate Fixing Date” shall mean the second Business Day preceding each Payment Date.

“IRR” shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

“**KPMG**” shall mean KPMG Auditores S.L.

“**Lead Manager**” shall mean BANKIA.

“**Liquidation Available Funds**” shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or upon Early Liquidation, the amounts to be allocated to meeting the Fund’s payment or withholding obligations, as follows: (i) the Available Funds, and (ii) the amounts obtained by the Fund from time to time upon disposing of the Loan receivables and of the assets remaining. Additionally, and not included among the Liquidation Available Funds, the Fund shall have, as the case may be, in accordance with the provisions of section 4.4.3.3.(iii) of the Registration Document, the amount drawn under the loan taken out for early amortisation of outstanding Bonds designed only for settling these items.

“**Liquidation Priority of Payments**” shall mean the priority of the Fund’s payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or upon Early Liquidation of the Fund.

“**Liquidity Deposit**” shall mean the deposit set up in the Treasury Account upon the Management Company drawing the full amount available under the Liquidity Facility up to the Maximum Liquidity Facility Amount, in the event that the rating of the long-term unsecured and unsubordinated debt obligations of BANKIA should be downgraded, at any time during the life of the Bonds, below BBB(low), in accordance with the DBRS Rating, or that the long or short-term rating should be respectively downgraded below BBB- or F3 by Fitch.

“**Liquidity Facility Agreement**” shall mean the liquidity facility agreement entered into between the Management Company, for and on behalf of the Fund, and BANKIA.

“**Liquidity Facility**” shall mean the liquidity facility granted by BANKIA to the Fund in accordance with the provisions of the Liquidity Facility Agreement.

“**Loan B Agreement**” shall mean the agreement whereby BANKIA shall grant to the Fund a commercial subordinated loan (“**Loan B**”) totalling EUR one hundred and ninety-three million five hundred thousand (193,500,000.00).

“**Loan B**” shall mean the loan granted by BANKIA to the Fund in accordance with the provisions of the Loan B Agreement.

“**Loans**” shall mean the receivables on loans owned by BANKIA granted to small and medium-sized and autonomous enterprises (“**SMEs**” as defined by the Bank of Spain in Technical Application no. 3/2013: entities which, whatever their legal form may be, or where the entity is part of a consolidated group, the consolidated group, carry on business with an annual turnover below EUR 50 million) domiciled in Spain, assigned by BANKIA to the Fund upon being established.

In this Prospectus the term “Loans” shall be used to refer collectively to the Non-Mortgage Loan receivables and the Mortgage Loan receivables or the Pass-Through Certificates perfecting the assignment of the Mortgage Loans.

“**Management and Subscription Agreement**” shall mean the Bond Issue management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, and BANKIA as Lead Manager and Subscriber of the Bond Issue.

“**Management Company**” shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

“**Maximum Liquidity Facility Amount**” shall mean, on each Payment Date, the lower of: (i) EUR five million four hundred and eighteen thousand (5,418,000.00) and (ii) the sum of (a) 2.70% of the Outstanding Principal of the Bond Issue and, as the case may be, (b) Used Liquidity interest due and not paid on the then-current Payment Date.

“**Mortgage Loans**” shall mean the Loans with real estate mortgage security whose receivables are assigned by BANKIA to the Fund upon BANKIA issuing and the Fund subscribing for Pass-Through Certificates.

“Nominal Interest Rate” shall mean the nominal interest rate, floating quarterly and payable quarterly, applicable to the Bonds and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin as detailed in section 4.8.1.2 of the Securities Note.

“Non-Delinquent Loans” shall mean Loans that at a date are not deemed to be Delinquent Loans, also excluding Doubtful Loans.

“Non-Doubtful Loans” shall mean Loans that are not deemed to be Doubtful Loans at a date.

“Non-Mortgage Loans” shall mean Loans without special security, loans with other non-real estate security interests and/or loans with third-party personal surety, originated in a public document, which are enforceable or in a private document, whose receivables are assigned by BANKIA to the Fund upon being sold by BANKIA and acquired by the Fund.

“Obligors” shall mean the Loan borrowers (small and medium-sized and autonomous enterprises (“SMEs” as defined by the Bank of Spain in Technical Application no. 3/2013: entities which, whatever their legal form may be, or where the entity is part of a consolidated group, the consolidated group, carry on business with an annual turnover below EUR 50 million) domiciled in Spain).

“Originator” shall mean BANKIA.

“Outstanding Balance of the Loans” shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Loans.

“Outstanding Principal Balance of Loan B” shall mean the sum of the outstanding principal to be repaid (outstanding balance) at a date on Loan B.

“Outstanding Principal Balance of the Bond Issue” or **“Outstanding Principal Balance of the Bonds”** shall mean the sum of the Outstanding Principal Balance of the Bonds making up the Bond Issue.

“Pass-Through Certificates” shall mean the Mortgage Loan pass-through certificates issued by BANKIA and subscribed for by the Fund.

“Paying Agent” shall mean the firm servicing the Bonds. The Paying Agent shall be BANKIA (or any other institution taking its stead as Paying Agent).

“Payment Date” shall mean January 14, April 14, July 14 and October 14 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be April 14, 2014.

“Priority of Payments” shall mean the priority for applying the Fund’s payment or withholding obligations both for applying the Available Funds and for distribution of Available Funds for Amortisation on each Payment Date other than the Final Maturity Date or upon Early Liquidation of the Fund.

“Rating Agencies” shall mean DBRS and Fitch.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET) on the Interest Rate Fixing Date, or, if this Euribor rate should not be available or be impossible to obtain, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

“Regulation 486/2012” shall mean Commission Delegated Regulation (EU) No. 486/2012, March 30, 2012, amending Regulation 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements,

“Regulation 809/2004” shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded following the amendment by Commission Delegated Regulation (EU) No. 486/2012, March 30, 2012.

“Required Cash Reserve” shall mean, on each Payment Date, the lower of: (i) EUR twenty-two million five hundred and seventy-five thousand (22,575,000.00) and (ii) the higher of a) 7.00% of the sum of (i) the Outstanding Principal Balance of the Bond Issue and (ii) the Outstanding Principal Balance of Loan B, and b) a sum of EUR eleven million two hundred and eighty-seven thousand five hundred (11,287,500.00). Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the circumstances provided for in section 3.4.2.2 of the Building Block concur on the Payment Date.

“Royal Decree 1065/2007” shall mean Royal Decree 1065/2007, July 27, approving General Regulations for tax management and inspection actions and procedures and implementing rules common to procedures applicable to taxes.

“Royal Decree 1145/2011” shall mean Royal Decree 1145/2011, July 29, amending the General Regulations for tax management and inspection actions and procedures and implementing rules common to procedures applicable to taxes, approved by Royal Decree 1065/2007, July 27.

“Royal Decree 116/1992” shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14, as currently worded.

“Royal Decree 1310/2005” shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose, as currently worded.

“Royal Decree 216/2008” shall mean Royal Decree 216/2008, February 15, in relation to the capital of financial institutions.

“Royal Decree 716/2009” shall mean Royal Decree 716/2009, April 24, implementing certain aspects of Mortgage Market Regulation Act 2/1981, March 25, and other mortgage and financial system rules, as currently worded.

“Royal Decree 771/2011” shall mean Royal Decree 771/2011, June 3, amending Royal Decree 216/2008, February 15, in relation to the capital of financial institutions and Royal Decree 2606/1996, December 20, in relation to credit institution deposit guarantee funds.

“Royal Decree 926/1998” shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies, as currently worded.

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, as currently worded.

“Servicer” shall mean the institution in charge of Loan custody and servicing and Pass-Through Certificate supporting document custody under the Loan Servicing and Pass-Through Certificate Custody Agreement, i.e. BANKIA (or any other institution taking its stead as Servicer).

“Servicing Agreement” shall mean the Loan custody, management and servicing and Pass-Through Certificate supporting document custody agreement entered into between the Management Company, acting for and on behalf of the Fund, and BANKIA, as Servicer.

“Subordinated Facility Agreement” shall mean the commercial subordinated credit facility agreement entered into by the Management Company, for and on behalf of the Fund, and BANKIA, for a sum of EUR three million two hundred and fifty thousand (3,250,000.00).

“Subordinated Facility” shall mean the credit facility granted by BANKIA to the Fund, in accordance with the provisions of the Subordinated Facility Agreement.

“Subordinated Loan Agreement” shall mean the commercial loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANKIA, for a sum of EUR twenty-two million five hundred and seventy-five thousand (22,575,000.00).

“Subordinated Loan” shall mean the loan granted by BANKIA to the Fund, in accordance with the provisions of the Subordinated Loan Agreement.

“Subscriber” shall mean BANKIA.

“Treasury Account” shall mean the financial account in Euros opened at BANKIA in the Fund’s name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive all payments.

“Unused Liquidity” shall mean the unused Liquidity Deposit.

“Used Liquidity” shall mean the principal drawn on the Liquidity Facility or the Liquidity Deposit amount used to meet the payment obligations listed in 1st and 2nd place of the Priority of Payments if the Available Funds should fall short or, in the event of the Fund being liquidated, in 1st to 3rd place of the Liquidation Priority of Payments, limited to the Maximum Liquidity Facility Amount, if the Liquidation Available Funds should fall short.