

PROSPECTUS

July 2009

PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS
EUR 510,000,000

Series A	EUR 383,700,000	Aaa
Series B	EUR 70,200,000	B3
Series C	EUR 56,100,000	Caa1

Backed by loans assigned and serviced by



Lead Manager and Subscriber



Paying Agent

CAJA MADRID

Fund established and managed by



Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores
on July 28, 2009

Material Event concerning

PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS

Pursuant to the Prospectus for **PYME BANCAJA 8 Fondo de Titulización de Activos** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On May 25, 2012, this Management Company notified Material Event reporting that the Rating Agency Moody’s Investors Service (“**Moody’s**”) had on May 17, 2012, downgraded the credit ratings assigned to BANKINTER, S.A. (“**BANKINTER**”), which circumstance was reported because BANKINTER was the Fund’s counterparty under the Guaranteed Interest Rate Account (Treasury Account) Agreement and under the Paying Agent Agreement.
- Effective as of October 25, 2012, the Fund’s Treasury Account was transferred from BANKINTER to BANCO SANTANDER, S.A. (“**SANTANDER**”) which bank was subrogated to the Guaranteed Interest Rate Account (Treasury Account) Agreement by signing the relevant subrogation agreement amending but not terminating the same on October 24, 2012.

On October 24, 2012, SANTANDER was designated Bond Paying Agent to replace BANKINTER, by duly signing the relevant subrogation agreement amending but not terminating the same.

The ratings for SANTANDER’s short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies are currently as follows:

	Moody’s
Short-term	P-2
Long-term	Baa2

- In addition, the Management Company, for and on behalf of the Fund, BANKIA, S.A. (“**BANKIA**”), as the only holder of all the Bonds issued by the Fund, and SANTANDER, as the new counterparty, have agreed to amend the Guaranteed Interest Rate Account (Treasury Account) and Paying Agent Agreements. Following the amendments, the following sections of the Fund Prospectus shall read as follows.

Section	Description
3.4.4.1 Building Block Paragraphs 3 et seq. (Treasury Account)	<p>In the event that the rating of the long-term unsecured and unsubordinated debt obligations of the institution in which the Treasury Account is opened (the “Treasury Account Provider”) should, at any time during the life of the Bond Issue, be downgraded below Baa3 in the long-term by Moody’s, or that the rating of its long-term unsecured and unsubordinated debt obligations should, at any time during the life of Series A Bonds, be downgraded below BBB by S&P, the Management Company shall, following an agreement with BANKIA, within not more than thirty (30) calendar days from the time of the occurrence of the downgrade below Baa3, or within not more than sixty (60) calendar days (extendable by a further thirty (30) calendar days provided that S&P is notified in writing of the adoption of any action valid for S&P) from the time of the occurrence of the downgrade below BBB, as the case may be, do one of the following, allowing a suitable level of guarantee to be maintained with respect to the Treasury Account Provider’s commitments under the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected:</p> <p>a) Obtain from an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody’s and/or, if Series A remains outstanding, with long-</p>

Section	Description
	<p>term unsecured and unsubordinated debt obligations rated at least as high as BBB by S&P, an unconditional, irrevocable and 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 the amounts credited to the Treasury Account, for such time as the Treasury Account Provider's debt obligations remain downgraded below Baa3 and/or BBB.</p> <p>b) Transfer the Treasury Account to an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody's and, if Series A remains outstanding, with long-term debt obligations rated at least as high as BBB by S&P, arranging the highest 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.</p> <p>Notwithstanding the above provisions, if BANKIA should, solely for the purpose of Series A Bonds still being eligible collateral in European Central Bank monetary policy operations, notify the Management Company in writing that the Treasury Account Provider's credit ratings must be higher than those provided for above (the "Treasury Account Provider's New Minimum Ratings"), the Management Company shall, following an agreement with BANKIA, after receiving the aforementioned notice from BANKIA, do one of the above, albeit with reference to the New Minimum Ratings to have been notified by BANKIA to the Management Company, in the event that the Treasury Account Provider's ratings should be below the New Minimum Ratings.</p> <p>The Treasury Account Provider's New Minimum Ratings required upon request by BANKIA shall not be binding until satisfactory notice thereof is served by the Management Company on the Rating Agencies. In addition, the measures, if any, applied or to be applied to meet the Treasury Account Provider's New Minimum Ratings shall be communicated.</p> <p>Once New Minimum Ratings have been notified, no further New Minimum Ratings may be adopted.</p> <p>All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by BANKIA.</p> <p>BANKIA agrees, upon the Treasury Account Provider's credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do one of a) or b) above, with the minimum ratings required therein or adapted, as the case may be, to the New Minimum Ratings.</p> <p>BANKIA agrees, upon the Management Company's request and provided that its unsecured and unsubordinated debt obligations have the minimum ratings required above or, as the case may be, the New Minimum Ratings, to provide the Treasury Account by taking over as Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement or, as the case may be, under a new agreement.</p>
<p>3.4.7.2 Building Block Paragraphs 3 to 6 (Paying Agent Agreement)</p>	<p>In the event that the rating of the Paying Agent's unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below Baa3 in the long-term by Moody's or that the rating of its long-term unsecured and unsubordinated debt obligations should, at any time during the life of Series A Bonds, be downgraded below BBB by S&P, the Management Company shall, following an agreement with BANKIA, within not more than thirty (30) calendar days from the time of the occurrence of the downgrade below Baa3 or within not more than sixty (60) calendar days from the time of the occurrence of the downgrade below BBB, after notifying the Rating Agencies, do one</p>

Section	Description
	<p>of the following:</p> <p>a) Obtain from an institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody's and/or, if Series A Bonds remain outstanding, with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB by S&P, an unconditional and irrevocable first demand guarantee securing for the Fund, merely upon the Management Company so requesting, payment of the Paying Agent's commitments for such time as the ratings of the Paying Agent's debt obligations remain downgraded below Baa3 and/or BBB as aforesaid.</p> <p>b) Revoke the Paying Agent's designation and thereupon designate another institution with long-term unsecured and unsubordinated debt obligations rated at least as high as Baa3 by Moody's and, if Series A Bonds remain outstanding, with long-term unsecured and unsubordinated debt obligations rated at least as high as BBB by S&P, to take its place before terminating the Paying Agent Agreement, or, as the case may be, under a new paying agent agreement.</p> <p>Notwithstanding the above provisions, if BANKIA should, solely for the purpose of Series A Bonds still being eligible collateral in European Central Bank monetary policy operations, notify the Management Company in writing that the Paying Agent's credit ratings must be higher than those provided for above (the "Paying Agent's New Minimum Ratings"), the Management Company shall, following an agreement with BANKIA, after receiving the aforementioned notice from BANKIA, do one of the above, albeit with reference to the New Minimum Ratings to have been notified by BANKIA to the Management Company, in the event that the Paying Agent's ratings should be below the New Minimum Ratings.</p> <p>The Paying Agent's New Minimum Ratings required upon request by BANKIA shall not be binding until satisfactory notice thereof is served by the Management Company on the Rating Agencies. In addition, the measures, if any, applied or to be applied to meet the Paying Agent's New Minimum Ratings shall be communicated.</p> <p>Once New Minimum Ratings have been notified, no further New Minimum Ratings may be adopted.</p> <p>All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by BANKIA.</p> <p>BANKIA agrees, forthwith upon the credit rating of the Paying Agent's debt obligations being downgraded, to use commercially reasonable efforts in order that the Management Company may do one of a) or b) above, with the minimum ratings required therein or adapted, as the case may be, to the New Minimum Ratings.</p>

Issued to serve and avail as required by law, at Madrid on November 2, 2012.

Mario Masiá Vicente
General Manager

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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 809/2004 of 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.

PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS (the “Fund” and/or the “Issuer”) is a separate closed-end fund devoid of legal personality and, in accordance with Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies (“Royal Decree 926/1998”), is managed by a management company, EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the “Management Company” or “EUROPEA DE TITULIZACIÓN”). 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, there shall be early liquidation of the Fund and early amortisation of the Bonds issued by the same, as provided for in the Deed of Constitution and in 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 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, as the case may be, prepayment of the Loans, 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 in each Series.

Bondholders and all other creditors of the Fund shall have no recourse against the Fund Management Company other than as derived from a breach of its obligations 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 claimed amount.

d) Applicability of the Bankruptcy Act.

Both CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA (the “Originator” or “BANCAJA”) and the Fund Management Company and the remaining counterparties under the agreements entered into by the Fund 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 (“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 the Bankruptcy 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, 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 Bankruptcy 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.

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

e) Third-party breach of contract.

The Management Company shall, for and on behalf of the Fund, enter into agreements with third parties for the provision of certain services in relation to the Fund's operations and to the Bonds.

Bondholders could be adversely affected if any counterparty should be in breach of the obligations taken on under any such agreements. However, these agreements have provided for certain mechanisms in order to mitigate such potential breaches, namely things to do in the event of any such counterparties being downgraded, and described throughout this Prospectus. All of this shall be without prejudice to the legal implications of any breach by the relevant counterparties in accordance with the provisions of Spanish law.

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.

Given that the Originator will fully subscribe for the Bond Issue and even in the event that it should hereafter fully or partially dispose of the Bonds, 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.

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

d) Duration.

Calculation of the average life and duration of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to fulfilment of Loan repayment and to assumed Loan prepayment rates that may not be fulfilled. Loan repayment performance is influenced by a number of economic and social factors such as market interest rates, the Obligors' financial circumstances and the general level of economic activity, preventing their predictability.

e) Late-payment interest.

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

f) Subordination of the Bonds.

Series B Bond interest payment is deferred with respect to Series A Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments. Series C Bond interest payment is in turn deferred with respect to Series A and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series B Bond principal repayment is deferred with respect to Series A Bonds, saving the provisions of section 4.9.3.5 of the Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments. Series C Bond principal repayment is in turn deferred with respect to Series A and Series B Bonds, saving the provisions of section 4.9.3.5 of the Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments. However, there is no certainty that these subordination rules will protect Series A, B and C Bondholders from the risk of loss.

The subordination rules among the different Series are established in the Priority of Payments and in the Liquidation Priority of Payments in accordance with section 3.4.6 of the Building Block.

g) Deferment of interest.

This Prospectus and the other supplementary documents relating to the Bonds provide for deferment of Series B and C Bond interest payment in the event of the circumstances provided for in section 3.4.6.2.1.2 of the Building Block occurring.

Series A Bond interest is not subject to these interest deferment rules.

h) Bond Rating.

The credit risk of the Bonds issued by the Fund has been assessed by Moody's Investors Service España S.A. (the "Rating Agency").

The Rating Agency may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to its 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.

i) Ratings not confirmed.

The Rating Agency's failure to confirm the provisional ratings given to the Bonds by 2pm (CET) on July 30, 2009 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) Loan default risk.

Holders of the Bonds issued by the Fund shall bear the risk of default on the Loans pooled in the Fund.

BANCAJA, 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, BANCAJA will be liable to the Fund exclusively for the existence and lawfulness of the Loans, on the terms and conditions declared in the Deed of Constitution and in this Prospectus, and for the personality with which the Mortgage Loan Pass-Through Certificates are issued and the Non-Mortgage Loan receivables are assigned. It 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 the Non-Mortgage Loan receivables or the Pass-Through Certificates where any of them fail 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 BANCAJA or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BANCAJA, the Management Company and any of their affiliated or associated 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 in each Series distinctly 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 in the different Series derived from the Priority of Payments and the Liquidation Priority of Payments is a mechanism for distinctly hedging the different Series, respectively.

d) Loan prepayment risk.

The Loans will be prepaid when Loan Obligors prepay the portion of capital pending repayment, or in the event that BANCAJA 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 early amortisation risk shall pass quarterly on each Payment Date to Bondholders by the partial amortisation of the Bonds, in accordance with the terms for amortisation of each Series and with 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.

BANCAJA's mortgage delinquency rate at March 31, 2009 (5.31%) and, in any event, the other assumed values referred to at the beginning of that section have been taken into account in calculating the amounts and details tabled in section 4.10 of the Securities Note. This delinquency rate would not result in: (i) the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series B and C principal coming into play, or (ii) a reduction of the Required Cash Reserve, as set down in section 3.4.2.2 of the Building Block.

f) Selected loan origination date concentration.

As described in section 2.2.2 d) of the Building Block, the selected portfolio selected loans originated in the years 2007, 2008 and 2009 account for 89.18%, in terms of outstanding principal, of the total selected portfolio. The weighted average age of the portfolio is 18.59 months at June 30, 2009, the selected portfolio selection date.

g) Geographical concentration.

There are 1,377 (55.06% of the total) selected mortgage loans at June 30, 2009 to be assigned to the Fund upon being established with obligors domiciled in the Valencian Community, and their outstanding principal is EUR 336,842,998.59 (53.43% of the total), as detailed in section 2.2.2.n) of the Building Block.

Given this concentration level, any circumstance whatsoever having a substantial negative effect on the Valencian Community could affect payments of the Loans backing the Bond Issue.

h) Concentration by obligor.

As described in section 2.2.2.a) of the Building Block, the obligor owing the highest amount among all obligors represents 1.00%, in terms of outstanding principal, of the total loans selected at June 30, 2009 to be assigned to the Fund upon being established. The ten highest obligors altogether represent 7.89% of that total.

Given these concentration levels, any circumstance whatsoever having an adverse effect on these obligors could affect payments of the Loans backing the Bond Issue.

i) Sector concentration.

The selected loans at June 30, 2009 to be assigned to the Fund upon being established with obligors whose business (Spanish Business Activity Code *CNAE*) is comprised within building construction (22.41% of the total in terms of outstanding principal) and real estate activities (16.74% of the total in terms of outstanding principal) sector altogether represent 736 loans (29.43% of the total), and their outstanding principal amounts to EUR 246,798,052.21 (39.15% of the total).

Among the ten obligors weighing most in the selected loan portfolio at June 30, 2009, those in sectors 41 Building construction and 68 Real estate activities are 7 Obligor with 12 loans in all and an outstanding principal of EUR 36,013,314.37 (5.71% in terms of selected loan outstanding principal as at June 30, 2009).

Out of the 736 loans with obligors whose business lies within the building construction and real estate business sector, 74 loans (their outstanding principal being EUR 68,524,920.01 at June 30, 2009, representing 10.87% of the total selected loan portfolio in terms of outstanding principal) are secured with a real estate mortgage on rustic or urban land. The total selected loans secured with a rustic or urban land real estate mortgage (106 loans with an outstanding principal of EUR 86,123,263.61 at June 30, 2009) represent 13.66%, in terms of outstanding principal, of the total selected portfolio at June 30, 2009.

Given these concentration levels, any circumstance whatsoever having a material adverse effect on the building construction business and real estate business could affect payments of the Loans backing the Bond Issue.

j) Selected loan repayment system.

There are 80 selected loans (3.20% of the total) at June 30, 2009 to be assigned to the Fund upon being established whose repayment system consists of an only payment at maturity (bullet loans), their outstanding principal being EUR 89,315,447.82 (14.17% of the total), as detailed in section 2.2.2.i) of the Building Block.

The interest payment frequency of these 80 selected loans is: monthly (48 loans), quarterly (30 loans) and six-monthly (2 loans).

k) Selected loan portfolio assumptions.

The selected loan performance assumptions made in this Prospectus (prepayment, delinquency, default and other rates) are merely theoretical and are given for the sake of illustration only, and those assumptions may therefore in any event differ from actual rates in the future.

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 “**Management Company**”), the company sponsoring PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente, General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, is expressly acting for establishing the Fund pursuant to authorities conferred by the Board of Directors’ Executive Committee on June 30, 2009.

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 import.

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. The Management Company shall proceed to notify the CNMV of such designation.

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.

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 section 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 "PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- PYME BANCAJA 8 FTA
- PYME BANCAJA 8 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 establishment and existence of the Issuer.

4.4.1 Date of establishment of the Fund.

The Management Company and BANCAJA, as Originator of the Loan receivables, shall proceed to execute on July 29, 2009 a public deed whereby PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCAJA 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 on the Non-Mortgage Loan receivables and on the Mortgage Loan Pass-Through Certificates to be respectively issued and subscribed for under the Deed of Constitution.

The Deed of Constitution may be amended on the terms laid down in article 7 of Act 19/1992. In any event, those actions shall require that the Management Company first notify the CNMV, proving that the requirements established in the aforesaid article 7 are satisfied, and notify the Rating Agency, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. Upon the CNMV checking that the statutory requirements for amendment are satisfied, the Management Company shall execute the relevant deed of amendment and submit a certified copy thereof to the CNMV. The amendment of the Deed of Constitution shall be notified by the Management Company to the Rating Agency and be disclosed by the Management Company through the Fund's periodic public information, and be posted at the Management Company's website. The Deed of Constitution can also be corrected upon a request by the CNMV.

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 March 18, 2052 or the following Business Day if that is not a Business Day, (the “**Final Maturity Date**”), other than in the event of Early Liquidation before then as set forth in section 4.4.3 of this Registration Document or if 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**”), 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 payment obligations derived from the Bonds in each Series then outstanding may be honoured and settled in full in the Liquidation Priority of Payments.

Payment obligations derived from the Bonds in each Series on the Early Liquidation date of the Fund shall at all events be deemed to be the Outstanding Principal Balance of the Series 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, as provided for in article 11.b) of Royal Decree 926/1998, is permanently damaged. 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, or the statutory term to do so or otherwise 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 within at least one (1) year since the Fund was established the Management Company should have the express consent and acceptance of all the Bondholders in each and every Series and all the counterparties under the agreements in force with the Fund, as regards both payment of amounts resulting from, and the procedure for, such Early Liquidation.
- (v) When a default occurs indicating a major permanent imbalance in relation to any of the Bonds issued or that it is about to occur.
- (vi) Upon the lapse of thirty-six (36) months from the date of the last maturity of the Loans, even if they still have overdue amounts.

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 Agency of that notice.
- (iii) The notice of the Management Company’s resolution to proceed to Early Liquidation of the Fund shall contain a description (i) of the event or events triggering Early Liquidation of the Fund, (ii) of the liquidation procedure, and (iii) of the manner in which 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 fair mark-to-market price, initially not less than the sum of the principal still outstanding plus interest accrued and not paid on the relevant Loans, subject to the provisions of paragraph (iv) below.
- (ii) Proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.
- (iii) Be entitled to arrange for a credit facility, with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or a loan, which shall be fully allocated to early amortisation of the Bonds in the Series then outstanding. Financial expenses due shall be paid and credit facility or loan principal shall be repaid in accordance with the Liquidation Priority of Payments.
- (iv) 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 and shall therefore invite a bid from at least five (5) entities who may, in its view, give a fair market value. The Management Company shall be bound to accept the best bid received for the Loans and for the assets on offer. In order to set the fair market value, the Management Company may secure such valuation reports as it shall deem necessary.

In (i), (iii) and (iv) above, the Originator shall have a right of first refusal on the terms established by the Management Company and will therefore have priority over third parties to voluntarily acquire the Loan receivables and other remaining assets still on the assets of the Fund, and/or may grant to the Fund the credit facility or the loan, if any, designed for early amortisation of the Bonds in the Series then outstanding. The Management Company shall therefore send the Originator a list of the assets and of third-party bids received, if any, and the Originator may use that right for all the Loans and the remaining assets offered by the Management Company or the credit facility or the loan 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 above right of first refusal shall at no event imply an agreement or statement that the Loan receivables will be repurchased and the exercise of that right is not designed to implicitly support securitisation.

4.4.3.4 The Management Company shall forthwith apply all proceeds from time to time 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, other than the amounts, if any, drawn under the credit facility or the loan arranged for early amortisation of the Bonds in the Series then outstanding, which shall be applied to honouring the payment obligations of the Bonds in these Series.

4.4.4 Termination of the Fund.

The Fund shall terminate in any case, after complying with and observing 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 March 18, 2052 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 Agency should not confirm any of the assigned provisional ratings as final ratings by 2pm (CET) on July 30, 2009. In this event, the Management Company shall terminate the establishment of the Fund, assignment of the Non-Mortgage Loan receivables, issue of and subscription for the Pass-Through Certificates and the Bond Issue.

In this 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 with the Start-Up Loan, and the Start-Up Loan 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 set 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.

In any event, the Management Company, acting for and on behalf of the Fund, shall not proceed to terminate the Fund and strike it off the relevant administrative registers until the Loans and the remaining assets of the Fund have been liquidated and the Liquidation Available Funds have been distributed, in the Liquidation Priority of Payments.

Upon a period of six (6) months elapsing from liquidation of the Fund's remaining assets and distribution of the Liquidation Available Funds, the Management Company shall execute a statutory declaration before a notary public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the Liquidation Available Funds were distributed in the Liquidation Priority of Payments; notice of this shall be given in a nation-wide newspaper 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.

In accordance with the provisions of article 1.1 of Royal Decree 926/1998, the Fund has no own legal personality and the Management Company is entrusted with establishing, managing and being the authorised representative of those funds, 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) Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"), failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other financial system changes ("**Act 3/1994**"), as currently worded, (iv) the Securities Market Act in force as of the date of establishment of the Fund, (v) Act 41/2007, December 8, amending Mortgage Market Regulation Act 2/1981, March 25, and other mortgage and financial system rules, regulating reverse mortgages and dependency insurance and establishing a certain taxation rule ("**Act 41/2007**"), (vi) Royal Decree 716/2009, April 24, implementing certain aspects of Mortgage Market Regulation and Other

Mortgage and Financial System Rules Act 2/1981, March 25 (“**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, (viii) Regulation (EC) No. 809/2004, 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, article 5.10 of Act 19/1992, 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 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, April 14, 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 Fund’s current tax system 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 and repayment are not subject to or 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 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.
- (iv) The management and custody services provided to the Fund are exempt from Value Added Tax.
- (v) The assignment of the Non-Mortgage Loan receivables to the Fund and the issue by BANCAJA of and subscription by the Fund for the Pass-Through Certificates are transactions subject to and exempt from Value Added Tax and Capital Transfer and Documents Under Seal Tax.
- (vi) Fulfilment of the reporting duties established by Additional Provision Two of Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985, as amended by Act 23/2005, November 18, introducing productivity boosting tax reforms, and Act 4/2008, December 23, shall apply to the Fund.

At the registration date of this Prospectus, the procedure to satisfy those reporting duties was implemented by Royal Decree 1065/2007, July 27, establishing reporting duties with respect to preferred stock and other debt instruments and certain income obtained by individuals resident in the European Union (“**Royal Decree 1065/2007**”).

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 receivables on non-mortgage loans (both types of loans, the “**Loans**”) owned by CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA granted to non-financial small and medium-sized enterprises (legal persons) (“**SMEs**”, based on the Originator’s internal rating criteria - annual turnover less than or equal to EUR 50 million-) domiciled in Spain (the “**Obligors**”), and to issue

asset-backed bonds (the “**Asset-Backed Bonds**” or the “**Bonds**”) the subscription for which is designed to finance acquisition of the Loan receivables.

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

- (i) Loans with real estate mortgage security and with additional security, if any, as specified in section (ii) below, originated in a public deed (the “**Mortgage Loans**”).

The Mortgage Loan receivables shall be assigned to the Fund upon BANCAJA issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981 and Additional Provision Five of Mortgage Market Regulation Act 2/1981, March 25 (“**Act 2/1981**”), 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 and/or with third-party personal guarantees, originated in a public document, which are enforceable (Civil Procedure Act article 517) (the “**Non-Mortgage Loans**”).

The Non-Mortgage Loan receivables shall be directly assigned to the Fund upon being sold by BANCAJA and acquired by the Fund, on the terms provided for in section 3.3 of this 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 receivables and the Mortgage Loans or the Pass-Through Certificates perfecting the assignment of the latter’s receivables.

Loan interest and repayment income received by the Fund shall be allocated quarterly on each Payment Date to interest payment and principal repayment on the Bonds on the specific terms of each series (collectively, the “**Series**” and each one of them individually, the “**Series**”) making up the Bond Issue and in the Priority of Payments established for Fund payments.

Moreover, the Fund, represented by the Management Company, arranges a number of financial and service transactions in order to consolidate the financial structure of the Fund, enhance the safety or regularity in payment of the Bonds, cover timing differences between the scheduled principal and interest flows on the Loans and the Bonds, 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 each Bond Series.

5.2 Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (“**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.: 6612

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

- CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA is the Originator of the Loan receivables assigned to the Fund upon being established, shall be the Lead Manager and the Subscriber of the Bond Issue, and also takes responsibility for the contents of the Securities Note.

Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANCAJA has structured the financial terms of the Fund and the Bond Issue. In addition, it takes on the functions of article 35.3 of the same Royal Decree.

Moreover, BANCAJA shall be the Fund’s counterparty under the Start-Up Loan, Subordinated Loan, Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements.

BANCAJA is a Savings Bank incorporated in Spain and entered in the Companies Register of Castellón at volume 532, General Section book 99, sheet CS-2749, folio 1, entry 1, and in the Bank of Spain’s Special Register of Savings Banks under number 49, its code number being 2077.

TIN: G-46/002804 Business Activity Code No.: 6419

Registered office: Caballeros number 2, 12001 Castellón (Spain).

Principal place of business: Cardenal Benlloch number 67, 46021 Valencia (Spain).

Ratings for BANCAJA's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agency, valid at the registration date of this Prospectus:

Moody's Ratings	
Short-term	P-2 (June 2009)
Long-term	A3 (June 2009)
Outlook	Negative

- CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID ("**CAJA MADRID**") shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account) and Bond Paying Agent Agreements.

CAJA MADRID is a Savings Bank established in Spain and entered in the Special Register of Savings Banks at the Economy and Finance Ministry under number 99, and in the Companies Register of Madrid at folio 20, general volume 3067, sheet M-52454, entry one.

TIN: G-28029007 Business Activity Code No.: 6419

Registered office: Plaza de Celenque number 2, 28013 Madrid (Spain).

Ratings for CAJA MADRID's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agency, valid at the registration date of this Prospectus:

Moody's Ratings	
Short-term	P-1 (June 2009)
Long-term	A1 (June 2009)
Outlook	Negative

- Moody's Investors Service España, S.A. shall be the Rating Agency rating each Series in the Bond Issue.

Moody's Investors Service España, S.A. is a Spanish company licensed as a rating agency by the CNMV, and is affiliated to and operates in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (both of them "**Moody's**" without distinction).

TIN: A-80448475

Registered Office: Bárbara de Braganza number 2, 28004 Madrid (Spain)

- The firm J&A Garrigues S.L.P. ("**GARRIGUES**"), an independent law firm, 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.

TIN: B-81709081

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

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

Deloitte is entered in the Official Register of Auditors (ROAC) of Spain under number S0692.

TIN: B-79104469

Registered Office: Plaza Pablo Ruiz Picasso s/n (Torre Picasso), 28020 Madrid (Spain).

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 on December 31, 2008 and 2007 have been audited by the firm Deloitte S.L., with place of business in Madrid, and entered in the Official Register of Auditors (ROAC) of Spain under number S0692.

The audit reports on the year 2008 and 2007 annual accounts have no provisos.

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 manages 106 securitisation funds at the registration date of this Prospectus, 22 being mortgage securitisation funds and 84 being asset securitisation funds.

The following table itemises the 106 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 June 30, 2009.

Securitisation Fund	Establishment	Initial	Bond Issue		Bond Issue		Bond Issue
		Bond Issue	Balance 30.06.2009	Δ%	Balance 31.12.2008	Δ%	Balance 31.12.2007
		EUR	EUR		EUR		EUR
TOTAL		143,065,296,652.96	97,186,638,644.62	1,8%	95,428,214,189.99	38.32%	68,990,485,268.28
Mortgage (FTH)		15,117,046,652.96	6,674,986,881.99	-5,5%	7,064,807,436.13	-12.05%	8,032,640,378.73
Bankinter 15 FTH	08.10.2007	1,525,500,000.00	1,342,479,156.00	-3,8%	1,395,112,380.00		1,525,500,000.00
Bankinter 14 FTH	19.03.2007	964,000,000.00	806,142,166.13	-3,4%	834,115,075.93		910,605,771.09
Bankinter 12 FTH	06.03.2006	1,200,000,000.00	844,167,341.44	-4,5%	883,553,888.64	-10,7%	989,229,621.92
Valencia Hipotecario 2 FTH	07.12.2005	950,000,000.00	597,732,005.25	-5,2%	630,751,948.45	-11,7%	714,150,188.05
Bankinter 11 FTH	28.11.2005	900,000,000.00	631,258,508.16	-4,4%	660,398,419.92	-10,7%	739,129,526.88
Bankinter 7 FTH	18.02.2004	490,000,000.00	226,916,186.98	-5,1%	239,121,435.14	-11,4%	269,780,744.80
Bankinter 5 FTH	16.12.2002	710,000,000.00	271,284,175.39	-6,3%	289,676,798.81	-14,4%	338,235,796.10
BZ Hipotecario 4 FTH	27.11.2002	313,400,000.00	85,242,893.96	-7,8%	92,465,223.44	-15,3%	109,224,548.96
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	171,826,909.82	-7,2%	185,213,314.44	-13,1%	213,157,220.89
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	281,155,091.30	-6,9%	302,038,681.15	-14,7%	354,117,610.15
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	402,313,204.54	-7,1%	432,999,671.58	-14,4%	505,642,125.86
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	97,092,829.00	-8,2%	105,771,208.78	-15,4%	125,077,501.09
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	416,065,857.41	-7,8%	451,287,203.74	-15,5%	533,845,866.60

Securitisation Fund	Establishment	Initial	Bond Issue		Bond Issue		Bond Issue
		Bond Issue EUR	Balance 30.06.2009 EUR	Δ%	Balance 31.12.2008 EUR	Δ%	Balance 31.12.2007 EUR
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	63,594,416.60	-9.5%	70,236,608.06	-16.8%	84,455,223.08
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	52,259,057.20	-10.2%	58,205,527.00	-17.8%	70,792,127.80
BZ Hipotecario 2 FTH	28.04.2000	285,000,000.00	34,527,188.50	-10.7%	38,645,672.22	-18.4%	47,380,418.96
Rural Hipotecario I FTH	22.02.2000	200,000,000.00	28,598,626.22	-12.2%	32,562,907.76	-21.2%	41,327,704.16
Bankinter 2 FTH	25.10.1999	320,000,000.00	70,949,609.43	-9.1%	78,041,823.55	-16.7%	93,704,625.41
Bankinter 1 FTH	12.05.1999	600,000,000.00	83,608,478.82	-11.6%	94,625,851.08	-20.1%	118,501,046.04
BZ Hipotecario 1 FTH	16.04.1999	350,000,000.00	32,257,963.16	-14.4%	37,673,057.52	-23.8%	49,438,391.72
Hipotecario 2 FTH	04.12.1998	1,051,771,182.67	109,372,992.66	-13.3%	126,168,514.90	-23.9%	165,880,884.18
Bancaja 2 FTH	23.10.1998	240,404,841.75	26,142,224.02	0.0%	26,142,224.02	-21.9%	33,463,434.99
Bancaja 1 FTH	18.07.1997	120,202,420.88	liquidated		liquidated		liquidated
BBV-MBS I FTH	30.11.1995	90,151,815.66	liquidated		liquidated		liquidated
Hipotecario 1 FTH	20.09.1993	69,116,392.00	liquidated		liquidated		liquidated
Asset (FTA)		127,948,250,000.00	90,511,651,762.63	2.4%	88,363,406,753.86	45.0%	60,957,844,889.55
BBVA RMBS 8 FTA	16.07.2009	1,220,000,000.00					
FTGENVAL Bancaja 1 FTA	27.05.2009	300,000,000.00	300,000,000.00				
Bankinter 19 FTA	27.04.2009	1,650,000,000.00	1,650,000,000.00				
Bancaja - BVA VPO 1 FTA	03.04.2009	390,000,000.00	390,000,000.00				
Bankinter Empresas 1 FTA	16.03.2009	710,000,000.00	679,580,547.56				
PYME Valencia 2 FTA	13.03.2009	500,000,000.00	471,538,325.50				
BBVA Empresas 2 FTA	09.03.2009	2,850,000,000.00	2,850,000,000.00				
Rural Hipotecario XI FTA	25.02.2009	2,200,000,000.00	2,141,504,109.25				
MBS Bancaja 6 FTA	02.02.2009	1,000,000,000.00	969,795,732.80				
Financiación Bancaja 1 FTA	22.12.2008	550,000,000.00	443,862,791.35	-19.3%	550,000,000.00		
Valencia Hipotecario 5 FTA	17.12.2002	500,000,000.00	488,733,789.20	-2.3%	500,000,000.00		
Bancaja 13 FTA	09.12.2008	2,895,000,000.00	2,785,603,816.67	-3.8%	2,895,000,000.00		
BBVA RMBS 7 FTA	24.11.2008	8,500,000,000.00	7,890,303,690.40	-7.2%	8,500,000,000.00		
BBVA RMBS 6 FTA	10.11.2008	4,995,000,000.00	4,814,830,830.64	-3.6%	4,995,000,000.00		
Bankinter 18 FTA	10.11.2008	1,500,000,000.00	1,463,070,437.00	-2.5%	1,500,000,000.00		
PYME Bancaja 7 FTA	10.10.2008	1,100,000,000.00	868,615,680.32	-18.8%	1,069,150,856.96		
Bankinter 4 FTPYME FTA	15.09.2008	400,000,000.00	372,685,328.00	-6.8%	400,000,000.00		
BBVA-8 FTPYME FTA	21.07.2008	1,100,000,000.00	901,853,472.62	-10.3%	1,005,182,459.39		
Rural Hipotecario X FTA	25.06.2008	1,880,000,000.00	1,742,697,615.04	-4.3%	1,820,587,870.08		
Bankinter Leasing 1 FTA	23.06.2008	400,000,000.00	400,000,000.00	0.0%	400,000,000.00		
Bankinter 17 FTA	09.06.2008	1,000,000,000.00	935,127,415.75	-3.9%	972,781,741.00		
BBVA RMBS 5 FTA	26.05.2008	5,000,000,000.00	4,592,956,165.00	-4.8%	4,823,797,380.00		
MBS Bancaja 5 FTA	08.05.2008	1,850,000,000.00	1,616,933,170.62	-8.5%	1,767,311,250.78		
BBVA Consumo 3 FTA	14.04.2008	975,000,000.00	854,410,779.30	-12.4%	975,000,000.00		
Bancaja 12 FTA *	09.04.2008	2,100,000,000.00	1,925,052,772.32	-5.3%	2,033,236,240.16		
Bankinter 16 FTA	10.03.2008	2,043,000,000.00	1,858,391,608.80	-3.3%	1,922,024,851.80		
BBVA-7 FTGENCAT FTA	11.02.2008	250,000,000.00	175,494,680.35	-16.3%	209,714,529.60		
Valencia Hipotecario 4 FTA	21.12.2007	978,500,000.00	892,290,230.76	-3.0%	919,895,774.04	-6.0%	978,500,000.00
Ruralpyme 3 FTA	19.12.2007	830,000,000.00	631,841,195.92	-10.5%	706,144,431.44	-14.9%	830,000,000.00
BBVA RMBS 4 FTA	19.11.2007	4,900,000,000.00	4,186,763,204.00	-6.1%	4,459,929,696.00	-9.0%	4,900,000,000.00
Bankinter 3 FTPYME FTA	12.11.2007	617,400,000.00	484,847,676.00	-7.7%	525,513,852.00	-14.9%	617,400,000.00
BBVA Empresas 1 FTA	05.11.2007	1,450,000,000.00	898,411,900.00	-16.3%	1,073,707,300.00	-26.0%	1,450,000,000.00
FTPYME Bancaja 6 FTA	26.09.2007	1,027,000,000.00	554,628,296.30	-22.0%	710,816,961.05	-27.0%	973,986,053.81
BBVA RMBS 3 FTA	23.07.2007	3,000,000,000.00	2,581,808,040.00	-5.8%	2,739,937,080.00	-6.6%	2,933,975,280.00
PYME Valencia 1 FTA	20.07.2007	865,300,000.00	460,786,913.68	-14.1%	536,115,603.28	-30.2%	768,500,284.00
Bancaja 11 FTA	16.07.2007	2,022,900,000.00	1,713,956,647.20	-6.8%	1,838,382,680.00	-7.1%	1,977,845,666.00
BBVA Leasing 1 FTA	25.06.2007	2,500,000,000.00	1,957,311,533.68	-21.7%	2,500,000,000.00	0.0%	2,500,000,000.00
BBVA-6 FTPYME FTA	11.06.2007	1,500,000,000.00	816,133,730.47	-16.4%	975,935,302.62	-25.9%	1,317,554,103.99
BBVA Finanzia Autos 1 FTA	30.04.2007	800,000,000.00	595,232,079.20	-14.6%	697,029,804.80	-12.9%	800,000,000.00
MBS Bancaja 4 FTA	27.04.2007	1,873,100,000.00	1,401,815,483.15	-10.9%	1,573,100,000.00	-8.9%	1,727,599,220.00
Rural Hipotecario IX FTA	28.03.2007	1,515,000,000.00	1,211,209,992.48	-4.4%	1,267,346,992.47	-9.6%	1,401,597,880.00
BBVA RMBS 2 FTA	26.03.2007	5,000,000,000.00	3,950,666,400.00	-4.9%	4,152,695,095.00	-9.5%	4,587,025,405.00
BBVA RMBS 1 FTA	19.02.2007	2,500,000,000.00	1,978,192,440.00	-4.6%	2,073,701,700.00	-8.7%	2,270,879,040.00
Bancaja 10 FTA	26.01.2007	2,631,000,000.00	2,063,232,817.80	-6.3%	2,202,073,104.00	-7.5%	2,381,068,878.00
BBVA Consumo 2 FTA	27.11.2006	1,500,000,000.00	1,094,428,254.86	-19.3%	1,356,588,688.04	-9.6%	1,500,000,000.00
Ruralpyme 2 FTPYME FTA	24.11.2006	617,050,000.00	365,829,929.90	-9.3%	403,363,458.20	-19.4%	500,199,171.30
Bankinter 13 FTA	20.11.2006	1,570,000,000.00	1,234,074,052.38	-4.2%	1,288,480,982.94	-17.9%	1,570,000,000.00
Valencia Hipotecario 3 FTA	15.11.2006	911,000,000.00	673,041,892.14	-4.6%	705,744,244.09	-9.4%	778,999,823.33
BBVA-5 FTPYME FTA	23.10.2006	1,900,000,000.00	794,500,021.76	-18.4%	974,218,142.16	-28.1%	1,354,988,445.36
PYME Bancaja 5 FTA	02.10.2006	1,178,800,000.00	359,276,017.64	-27.2%	493,376,579.84	-32.6%	732,026,693.30
Bankinter 2 PYME FTA	26.06.2006	800,000,000.00	448,003,358.80	-9.4%	494,613,353.00	-17.9%	602,635,264.80
Consumo Bancaja 1 FTA	26.06.2006	612,900,000.00	330,897,681.27	-23.3%	431,331,180.57	-29.6%	612,900,000.00
Rural Hipotecario VIII FTA	26.05.2006	1,311,700,000.00	919,286,319.76	-4.3%	960,987,411.88	-11.3%	1,082,823,864.72
BBVA Consumo 1 FTA	08.05.2006	1,500,000,000.00	938,430,939.75	-21.8%	1,199,925,867.75	-20.0%	1,500,000,000.00
MBS BANCAJA 3 FTA	03.04.2006	810,000,000.00	479,671,662.80	-5.8%	509,113,362.00	-11.7%	576,853,171.20
Bancaja 9 FTA	02.02.2006	2,022,600,000.00	1,225,834,720.00	-6.9%	1,316,933,640.00	-10.3%	1,468,344,310.00
BBVA Autos 2 FTA	12.12.2005	1,000,000,000.00	569,315,725.30	-18.3%	697,184,035.75	-30.3%	1,000,000,000.00
EdT FTPYME Pastor 3 FTA	05.12.2005	520,000,000.00	145,743,637.11	-16.0%	173,518,158.86	-25.5%	232,785,467.78

Securitisation Fund	Establishment	Initial Bond Issue EUR	Bond Issue Balance 30.06.2009		Bond Issue Balance 31.12.2008		Bond Issue Balance 31.12.2007 EUR
			EUR	Δ%	EUR	Δ%	
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	662,248,067.66	-5,2%	698,705,903.35	-12,2%	795,789,260.08
FTPYME Bancaja 4 FTA	07.11.2005	1,524,000,000.00	282,331,118.08	-17,5%	342,336,309.04	-44,3%	614,803,420.00
BBVA-4 PYME FTA	26.09.2005	1,250,000,000.00	281,218,193.88	-22,0%	360,632,613.03	-34,5%	550,956,981.29
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	1,072,333,579.28	-5,0%	1,129,269,953.14	-11,7%	1,278,975,488.94
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	376,855,849.52	-7,2%	406,244,255.92	-14,8%	476,949,943.28
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	560,799,137.51	-12,7%	642,055,733.17	-23,2%	835,495,733.83
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	617,564,802.30	-5,4%	652,623,985.37	-11,3%	735,608,293.92
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	858,257,633.06	-5,7%	909,687,849.80	-11,4%	1,026,987,917.65
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	627,283,144.14	-5,5%	663,544,032.70	-11,6%	750,388,699.40
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	216,395,143.01	-19,8%	269,966,083.10	-34,7%	413,334,243.11
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	64,888,436.89	-13,4%	74,962,808.98	-24,6%	99,469,641.03
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	255,656,855.00	-25,5%	343,148,435.00	-39,2%	564,298,650.00
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	151,733,422.78	-15,5%	179,663,794.99	-28,1%	249,775,984.80
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	815,482,644.34	-5,8%	865,846,478.84	-12,6%	990,445,484.28
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	463,399,088.35	-5,2%	488,624,113.56	-11,9%	554,652,864.75
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	212,926,049.42	-9,8%	236,017,686.48	-19,2%	291,929,875.34
Valencia H 1 FTA	23.04.2004	472,000,000.00	215,566,973.09	-7,1%	232,007,756.74	-13,7%	268,739,092.92
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	514,673,839.72	-5,9%	546,915,812.87	-12,5%	625,104,837.56
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	700,240,725.08	-6,6%	749,696,558.52	-13,9%	870,772,845.80
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	288,368,456.48	-6,6%	308,893,570.42	-13,2%	356,056,225.36
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	651,210,739.49	-5,6%	689,596,864.79	-12,0%	783,705,979.58
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	87,993,446.30	-12,4%	100,471,032.89	-25,9%	135,575,823.37
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	316,362,429.55	-7,3%	341,277,231.90	-13,9%	396,415,664.95
Bancaja 3 FTA	29.07.2002	520,900,000.00	310,884,205.24	-9,8%	344,588,694.79	-33,8%	520,900,000.00
FTPYME Bancaja 1 FTA	04.03.2002	600,000,000.00	liquidated	-100,0%	64,005,795.00	-74,6%	252,024,264.00
BBVA-2 FTPYME-ICO	01.12.2000	900,000,000.00	38,940,437.70	-28,7%	54,615,458.88	-44,0%	97,443,577.80
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	251,597,740.00	-14,7%	295,005,440.00	-22,1%	378,681,480.00
BBVA-1 FTA	24.02.2000	1,112,800,000.00	75,934,052.16	-0,8%	76,510,839.04	-32,9%	114,074,593.92

* Early Liquidation has occurred on July 22, 2009.

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)	30.06.2009	Δ%	31.12.2008	Δ%	31.12.2007
Equity *	10,260,817.24	66.54%	6,161,104.95	99.05%	3,095,298.97
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	8,457,779.74	94.07%	4,358,067.45	237.24%	1,292,261.47
<i>Legal</i>	360,607.50	0.00%	360,607.50	0.00%	360,607.50
<i>Voluntary</i>	8,097,172.24	102.56%	3,997,459.95	329.07%	931,653.97
Year's profit	2,894,104.01	-29.41%	4,099,712.29	33.72%	3,065,805.98

* Does not include year's profit

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 the Public Limited 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 Roberto Vicario Montoya (*) (**)
Vice-Chairman:	Mr Pedro María Urresti Laca (**)
Directors:	Mr Ignacio Echevarría Soriano (*) (**) Ms Ana Fernández Manrique (**) Mr Mario Masiá Vicente (*) Mr Justo de Rufino Portillo (*) (**) Mr Borja Uriarte Villalonga 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 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 as at the registration date of this Registration Document.

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
Bankinter, S.A.	1.5623
Caja de Ahorros del Mediterráneo	1.5420
Banco Sabadell, S.A.	1.5317
Banco Cooperativo Español, S.A.	0.7965
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, S.A.	0.7658
BNP Paribas España, S.A.	0.7658
Caja de Ahorros y Monte de Piedad de Madrid	0.3829
Caja de Ahorros de Salamanca y Soria - Caja Duero	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 50,000.

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:

- a) the Deed of Constitution of the Fund;
- 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 of the BANCAJA's selected loans from which the Loans will be taken to be assigned to the Fund upon being established;
- e) the Rating Agency's letters notifying the provisional and final ratings assigned to each Series in the Bond Issue;
- f) the letter from BANCAJA taking responsibility, with the Management Company, for the Securities Note;
- 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 of association 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.

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

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.

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Mr Mario Masiá Vicente, General Manager of the Management Company using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, is expressly acting for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on June 30, 2009.

Mr Benito Castillo Navarro, duly authorised for these presents, acting for and on behalf of CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA, Lead Manager of the Bond Issue by PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Mr Benito Castillo Navarro is acting as attorney for BANCAJA using the authorities conferred by BANCAJA in a power of attorney executed as a deed before Valencia Notary Public Mr Antonio Beasus Codes on May 5, 1992, his document number 974, and, for establishing the Fund, in pursuance of the authorities conferred by BANCAJA's Board of Directors in a resolution dated June 25, 2009.

1.2 Declaration by those responsible for the Securities Note.

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 import.

Mr Benito Castillo Navarro 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 import.

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) BANCAJA has structured the financial terms of the Fund and the Bond Issue.
- c) BANCAJA is the Originator of the Loan receivables to be pooled in the Fund.
- d) BANCAJA is involved as Lead Manager and as Subscriber of the Bond Issue.
- e) BANCAJA shall be the Fund's counterparty under the Start-Up Loan, Subordinated Loan, Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements.
- f) CAJA MADRID shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account) and Paying Agent Agreements.
- g) DELOITTE have audited certain features and attributes of a sample of all of BANCAJA's selected loans from which the Loans will be taken to be assigned to the Fund upon being established.
- h) Moody's is the Rating Agency that has rated each Bond Series.
- i) GARRIGUES, an independent adviser, has provided legal advice for establishing the Fund and the Bond Issue and has been involved in reviewing this Prospectus, the transaction and financial service agreements referred to herein and the Deed of Constitution.

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 underwriting.

4.1.1 Total amount of the securities.

The total face value amount of the issue of Asset-Backed Bonds (the "**Bond Issue**") is EUR five hundred and ten million (510,000,000.00), consisting of five thousand one hundred (5,100) Bonds denominated in euros comprised of three Bond Series as follows:

- a) Series A having a total face amount of EUR three hundred and eighty-three million seven hundred thousand (383,700,000.00) comprising three thousand eight hundred and thirty-seven (3,837) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or "**Series A Bonds**").
- b) Series B having a total face amount of EUR seventy million two hundred thousand (70,200,000.00) comprising seven hundred and two (702) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or "**Series B Bonds**").
- c) Series C having a total face amount of EUR fifty-six million one hundred thousand (56,100,000.00) comprising five hundred and sixty-one (561) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or "**Series C Bonds**").

4.1.2 Bond issue price.

The Bonds are issued at 100 percent of their face value. The issue price of each Bond in each Series A, B and C is EUR one hundred thousand (100,000.00) per Bond, clear of taxes and subscription costs for the subscriber through the Fund.

The expenses and taxes attaching to the Bond issue shall be borne by the Fund.

4.1.3 Subscription for the Bond Issue.

The Bond Issue shall be subscribed for by BANCAJA (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.

BANCAJA shall receive no fee whatsoever for subscribing for Bond Issue.

BANCAJA shall be involved as Lead Manager in the Bond Issue and shall receive no fee whatsoever for managing the Bond Issue.

The Management and Subscription Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on July 30, 2009 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.

Subscribing for or holding Bonds in one Series does not imply subscribing for or holding Bonds in the other Series.

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) the Securities Market Act and applicable implementing regulations, (iv) Regulation 809/2004, (v) Royal Decree 1310/2005, (vi) Act 2/1981, as worded by Act 41/2007, and (vii) all other legal and statutory provisions in force and applicable from time to time.

The Deed of Constitution, the Bond issue and the agreements relating to transactions for hedging financial risks and provision of services on the Fund’s behalf shall be subject to Spanish Law and shall be governed by and construed in accordance with Spanish Laws.

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

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. (“**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 the 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.

Series B Bond interest payment is deferred with respect to Series A Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond interest payment is in turn deferred with respect to Series A and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series B Bond principal repayment is deferred with respect to Series A Bonds, saving the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond principal repayment is deferred with respect to Series A and Series B Bonds, saving the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, 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 each Series in the Fund priority of payments.

Payment of interest accrued by Series A 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.

Payment of interest accrued by Series B Bonds is (i) third (3rd) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be sixth (6th), and (ii) fifth (5th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series C Bonds is (i) fourth (4th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be seventh (7th), and (ii) seventh (7th) 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 each Series in the Fund priority of payments.

The Amortisation Withholding amount designed for amortising the Bonds in the Series as a whole without distinction between the Series is fifth (5th) 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 in each Series shall be repaid in accordance with the rules for Distribution of Available Funds for Amortisation contained in section 4.9.3.5 of this Securities Note.

Repayment of Series A Bond principal is fourth (4th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Repayment of Series B Bond principal 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.

Repayment of Series C Bond principal is eighth (8th) 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.

4.7.1 General.

The economic and financial rights for Bondholders associated with acquiring and holding the Bonds shall be, for each Series, 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 prepayment of the Loans, a breach by the Originator of its obligations or by the counterparties under the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds in each Series.

Bondholders and all other creditors of the Fund shall have no recourse against the Management Company other than as derived from breaches of its obligations 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.

All matters, disagreements, actions and claims arising out of the Management Company establishing, 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.

4.8 Nominal interest rate and provisions relating to interest payable.

4.8.1 Bond nominal interest rate.

The Bonds in each Series 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 for each Series.

The resultant yearly nominal interest rate (hereinafter the “**Nominal Interest Rate**”) for each Series shall be payable quarterly in arrears on each Payment Date on the Outstanding Principal Balance of the Bonds in each Series at 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, contributions 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 each Bond Series 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, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, July 31, 2009, inclusive, and the first Payment Date, December 18, 2009, 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 in each Series 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 margin for each Series as follows:
 - **Series A:** 0.30% margin.
 - **Series B:** 0.50% margin.
 - **Series C:** 0.70% margin.

The resultant Nominal Interest Rate shall be expressed as a percentage to three decimal spaces rounding the relevant figure 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 each Bond Series 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 described 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 five- (5-) month Euribor set at 11am (CET) on the 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 Euribor rate established in paragraph 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 interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable five- (5-) month deposit transactions in euros, in an amount equivalent to the face amount of the Bond Issue, 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 Business Day preceding the Closing Date.

The substitute Reference Rate shall be expressed as a percentage to three decimal spaces rounding the relevant figure to the nearest thousandth, rounding up when equidistant.

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, five- (5-) month Euribor available immediately before 11am (CET) on the Business Day preceding the Closing Date, calculated and distributed as described in (i) above, shall apply.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with paragraphs i), ii) and 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 each Bond Series 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 of the Bonds in each Series for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the 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 CNMV, the Paying Agent, AIAF and Iberclear.

The nominal interest rates determined for each Bond Series 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.

Interest settlement for each Series, payable on each Payment Date for each Interest Accrual Period, shall be calculated for each Series 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.

P = Outstanding Principal Balance of the Series at the Determination Date preceding that Payment Date.

R = Nominal Interest Rate of the Series 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.

Interest on the Bonds in each Series will be paid until finally amortised by Interest Accrual Periods in arrears on March 18, June 18, September 18 and December 18 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a “**Payment Date**”), and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds in each Series shall be December 18, 2009, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, July 31, 2009, inclusive, and December 18, 2009, 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 in each Series 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.

Bond interest accrued shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments or 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 any Series, in the Priority of Payments, unpaid amounts shall accumulate on the following Payment Date to interest on that Series, if any, payable 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 in the relevant Series.

The Fund, through its Management Company, may not defer Bond interest payment beyond March 18, 2052, 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, and therefore the Management Company shall, for and on behalf of the Fund, enter into the Paying Agent Agreement with CAJA MADRID as set out 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 in each Series 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 in a same Series 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 each Bond Series.

4.9.2.1 Amortisation of Series A Bonds.

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

The first partial amortisation of Series A Bonds shall occur on the first Payment Date (December 18, 2009), in accordance with the rules for Distribution of Available Funds for Amortisation.

Final amortisation of Series A Bonds shall occur on the Final Maturity Date (March 18, 2052 or the following Business Day if that is not a Business Day), notwithstanding possible full amortisation before that date due to the partial amortisation for which provision is made or because 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.

4.9.2.2 Amortisation of Series B Bonds.

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

The first partial amortisation of Series B Bonds shall occur once Series A Bonds have been fully amortised. However, even if Series A has not been fully amortised, the Available Funds for Amortisation shall also be applied to amortising Series B on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series B in accordance with the rules for Distribution of Available Funds for Amortisation, in such a way that the ratio of the Outstanding Principal Balance of Series B to the Outstanding Principal Balance of the Bond Issue remains at 27,529%, or higher percentage closest thereto.

Final amortisation of Series B Bonds shall occur on the Final Maturity Date (March 18, 2052 or the following Business Day if that is not a Business Day), notwithstanding possible full amortisation before that date due to the partial amortisation for which provision is made or because 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.

4.9.2.3 Amortisation of Series C Bonds.

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

The first partial amortisation of Series C Bonds shall occur once Series A and Series B Bonds have been fully amortised. However, even if Series A and Series B have not been fully amortised, the Available Funds for Amortisation shall also be applied to amortising Series C on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series C in accordance with the rules for Distribution of Available Funds for Amortisation, in such a way that the ratio of the Outstanding Principal Balance of Series C to the Outstanding Principal Balance of the Bond Issue remains at 22,000%, or higher percentage closest thereto.

Final amortisation of Series C Bonds shall occur on the Final Maturity Date (March 18, 2052 or the following Business Day if that is not a Business Day), notwithstanding possible full amortisation before that date due to the partial amortisation for which provision is made or because 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 in each Series.

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 in each Series on each Payment Date other than the Final Maturity Date or upon Early Liquidation of the Fund on the specific amortisation terms for each Series established in sections

4.9.2.1 to 4.9.2.3 of this Securities Note and on the terms described hereinafter in this section common to all three Series.

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 December 11, 2009.

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, December 11, 2009, 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, on which the Loans and the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date but including the last date.

4.9.3.2 **Outstanding Principal Balance of the Bonds.**

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

By addition, the Outstanding Principal Balance of the Bond Issue shall be the sum of the Outstanding Principal Balance of all three Series A, B and C making up the Bond Issue.

4.9.3.3 **Outstanding Balance of the Loans.**

The outstanding balance (the “**Outstanding Balance**”) of a Loan at a date 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 are delinquent at a date 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 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 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 fifth (5th) place in the Priority of Payments to withhold the amount altogether designed for amortising the Bonds as a whole, making no distinction between the different Series (“**Amortisation Withholding**”), in an amount equal to the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) 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 make up the available funds for amortisation (the “**Available Funds for Amortisation**”) and be applied in accordance with the rules for 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 each Series subject to the following rules (“**Distribution of Available Funds for Amortisation**”):

1. The Available Funds for Amortisation shall be sequentially applied firstly to amortising Series A until fully amortised and repaid, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised, subject to the provisions of rule 2 below for pro rata amortisation of those Series.
2. Even if Series A has not been fully amortised, the Available Funds for Amortisation shall also be applied to amortising Series B and, as the case may be, Series C on the Payment Dates on which the following circumstances are all satisfied (“**Conditions for Pro Rata Amortisation**”) in relation to these Series:
 - a) In order to amortise Series B, that on the Determination Date preceding the relevant Payment Date:
 - i) the Outstanding Principal Balance of Series B is at least as high as 27,529% of the Outstanding Principal Balance of the Bond Issue, and
 - ii) the Outstanding Balance of Delinquent Loans does not exceed 1.25% of the Outstanding Balance of Non-Doubtful Loans.
 - b) In order to amortise Series C, that on the Determination Date preceding the relevant Payment Date:
 - i) the Outstanding Principal Balance of Series C is at least as high as 22,000% of the Outstanding Principal Balance of the Bond Issue, and
 - ii) the Outstanding Balance of Delinquent Loans does not exceed 1.00% of the Outstanding Balance of Non-Doubtful Loans.
 - c) Additionally, in order to amortise Series B and, as the case may be, Series C pro rata:
 - i) that the Required Cash Reserve amount is to be fully provisioned on the relevant Payment Date; and
 - ii) that on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Non-Doubtful Loans is at least as high as 10 percent of the face amount of the initial Outstanding Balance upon the Fund being established.

In the event that amortisation of Series B and, as the case may be, of Series C should apply on a Payment Date because the Conditions for Pro Rata Amortisation of Series B and of Series C are respectively satisfied, the Available Funds for Amortisation shall also be applied to amortising Series B and, as the case may be, to amortising Series C, in such a way that the ratio of the Outstanding Principal Balance of Series B and, as the case may be, the Outstanding Principal Balance of Series C to the Outstanding Principal Balance of the Bond Issue respectively remain at 27,529% and 22,000%, or higher percentages closest thereto.

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

Subject to the Fund's obligation, through its Management Company, to proceed to final amortisation of the Bonds on the Final Maturity Date or amortisation of each Series 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 hence 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 shall be on March 18, 2052 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 any or all the Series in the Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall be made subject to the Liquidation Priority of Payments.

4.10 **Indication of yield.**

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

- i) Each Loan repayment schedule and system as established in the relevant contracts.
- 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 the Bonds are amortised, and therefore their average life and duration.
- iii) The floating interest rates which shall apply to the Loans resulting in the repayment amount on every instalment differing.
- iv) The Obligors' delinquency 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:

- Loan interest rate: 4.42% weighted average interest rate at June 30, 2009 of the selected loan portfolio which has been used for calculating the repayment and interest instalments of each of the selected loans;
- maintenance of the selected loan repayment systems at June 30, 2009, including, as the case may be, the selected principal repayment exclusion, and the due date of the instalments;
- Loan portfolio delinquency: 5.31% of the Outstanding Balance of the Loans -BANCAJA's mortgage delinquency rate at March 31, 2009-, with 77.40% recoveries within 18 months of becoming delinquent, the remaining loans not recovered becoming doubtful;
- Loan portfolio doubtful rate: 1.20%, with 75% recovery within 18 months of becoming doubtful;
- 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: 0.17% for an 18% CPR; 0.15% for a 20% CPR; and 0.14% for a 22% CPR;
- that the Loan prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is July 31, 2009; and
- that there is no extension of the term or an interest rate renegotiation for any of the selected loans.

The actual adjusted life and the yield or return on the Bonds will also depend on their floating rate. The following nominal interest rates are assumed for each Series for the first Interest Accrual Period, resulting from 5-month Euribor (1.122%) at July 17, 2009, and the margins set for each Series in accordance with section 4.8.1.2 of this Securities Note:

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	1.422%	1.622%	1.822%

For subsequent Interest Accrual Periods, the floating interest rate of the Bonds in each Series is assumed to be constant as follows, resulting from 3-month Euribor (0.954%) at July 17, 2009 and the margins set for each Series in accordance with section 4.8.1.2 of this Securities Note:

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	1.254%	1.454%	1.654%

The weighted average interest rate of the mortgage loans selected at June 30, 2009, as detailed in section 2.2.2.h) of this Building Block, is 4.42%, which is above the 1.49% weighted average interest rate of the Bonds that has been presumed for hypothetical purposes for the first Interest Accrual Period.

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 CPRs, based on the performance over the last six months of similarly characterised loans previously securitised by BANCAJA, would be as follows:

% CPR:	18.00	20.00	22.00
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Series A Bonds			
Average life (years)	1.73	1.63	1.54
IRR	1.321%	1.321%	1.321%
Duration (years)	1.68	1.59	1.50
Final maturity	18 09 2013	18 06 2013	18 03 2013
(in years)	4.14	3.89	3.64

Series B Bonds			
Average life (years)	5.31	4.94	4.62
IRR	1.497%	1.497%	1.497%
Duration (years)	5.03	4.70	4.40
Final maturity	18 03 2016	18 12 2015	18 06 2015
(in years)	6.64	6.39	5.89

Series C Bonds			
Average life (years)	7.13	6.62	6.13
IRR	1.651%	1.651%	1.651%
Duration (years)	6.64	6.19	5.75
Final maturity	19 09 2016	18 03 2016	18 09 2015
(in years)	7.15	6.64	6.14

The Management Company expressly states that the servicing tables described hereinafter for each Series 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 18.00%, 20.00% and 22.00% 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 for each Series from the second Interest Accrual Period, the interest rate in all the Series is known to float.
- It is assumed that the Management Company will exercise the Early Liquidation option of the Fund and thereby 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.
- In this scenario, the Conditions for Pro Rata Amortisation of Series B and C do not apply.
- The assumptions mentioned at the beginning of this section 4.10 are reasonable and are based on the historical performance of loans granted by BANCAJA to SMEs, saving the delinquency rate figure, which is calculated on BANCAJA's delinquency rate at March 31, 2009.

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 18%

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	2,261.96	102,261.96	100,000.00	7,891.79	107,891.79	100,000.00	11,740.01	111,740.01
29/07/2009									
18/12/2009	14,044.42	560.90	14,605.32	0.00	639.79	639.79	0.00	442.57	442.57
18/03/2010	10,968.14	269.47	11,237.61	0.00	363.50	363.50	0.00	413.50	413.50
18/06/2010	8,186.28	240.31	8,426.59	0.00	371.58	371.58	0.00	422.69	422.69
20/09/2010	8,299.89	218.73	8,518.61	0.00	379.66	379.66	0.00	431.88	431.88
20/12/2010	8,620.37	185.44	8,805.81	0.00	367.54	367.54	0.00	418.09	418.09
18/03/2011	5,895.31	152.90	6,048.21	0.00	355.42	355.42	0.00	404.31	404.31
20/06/2011	7,000.89	144.02	7,144.91	0.00	379.66	379.66	0.00	431.88	431.88
19/09/2011	7,147.07	117.24	7,264.30	0.00	367.54	367.54	0.00	418.09	418.09
19/12/2011	5,441.66	94.58	5,536.24	0.00	367.54	367.54	0.00	418.09	418.09
19/03/2012	4,489.80	77.33	4,567.13	0.00	367.54	367.54	0.00	418.09	418.09
18/06/2012	4,190.83	63.10	4,253.93	0.00	367.54	367.54	0.00	418.09	418.09
18/09/2012	3,759.67	50.36	3,810.03	0.00	371.58	371.58	0.00	422.69	422.69
18/12/2012	3,542.15	37.90	3,580.05	0.00	367.54	367.54	0.00	418.09	418.09
18/03/2013	3,258.12	26.38	3,284.50	0.00	363.50	363.50	0.00	413.50	413.50
18/06/2013	3,039.69	16.52	3,056.22	0.00	371.58	371.58	0.00	422.69	422.69
18/09/2013	2,115.71	6.78	2,122.49	3,254.55	371.58	3,626.13	0.00	422.69	422.69
18/12/2013	0.00	0.00	0.00	13,695.06	355.58	14,050.63	0.00	418.09	418.09
18/03/2014	0.00	0.00	0.00	12,400.24	301.89	12,702.13	0.00	413.50	413.50
18/06/2014	0.00	0.00	0.00	11,558.09	262.52	11,820.61	0.00	422.69	422.69
18/09/2014	0.00	0.00	0.00	10,574.80	219.57	10,794.37	0.00	422.69	422.69
18/12/2014	0.00	0.00	0.00	9,836.32	178.32	10,014.64	0.00	418.09	418.09
18/03/2015	0.00	0.00	0.00	9,014.19	140.61	9,154.79	0.00	413.50	413.50
18/06/2015	0.00	0.00	0.00	8,537.20	110.24	8,647.44	0.00	422.69	422.69
18/09/2015	0.00	0.00	0.00	7,810.27	78.51	7,888.79	0.00	422.69	422.69
18/12/2015	0.00	0.00	0.00	7,186.20	48.95	7,235.15	0.00	418.09	418.09
18/03/2016	0.00	0.00	0.00	6,133.09	22.54	6,155.63	577.50	418.09	995.59
20/06/2016	0.00	0.00	0.00	0.00	0.00	0.00	7,687.95	429.38	8,117.34
19/09/2016	0.00	0.00	0.00	0.00	0.00	0.00	91,734.55	383.54	92,118.09

**FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 20%**

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds		
	Principal	Gross	Total	Principal	Gross	Total	Principal	Gross	Total
	Repayment	Interest	Flow	Repayment	Interest	Flow	Repayment	Interest	Flow
TOTALS	100,000.00	2,136.57	102,136.57	100,000.00	7,351.40	107,351.40	100,000.00	10,894.12	110,894.12
29/07/2009									
18/12/2009	15,010.98	560.90	15,571.88	0.00	639.79	639.79	0.00	442.57	442.57
18/03/2010	11,501.95	266.44	11,768.39	0.00	363.50	363.50	0.00	413.50	413.50
18/06/2010	8,649.02	235.50	8,884.52	0.00	371.58	371.58	0.00	422.69	422.69
20/09/2010	8,656.62	212.30	8,868.92	0.00	379.66	379.66	0.00	431.88	431.88
20/12/2010	8,858.26	178.09	9,036.34	0.00	367.54	367.54	0.00	418.09	418.09
18/03/2011	6,141.32	145.06	6,286.38	0.00	355.42	355.42	0.00	404.31	404.31
20/06/2011	7,168.84	134.84	7,303.68	0.00	379.66	379.66	0.00	431.88	431.88
19/09/2011	7,221.72	107.82	7,329.53	0.00	367.54	367.54	0.00	418.09	418.09
19/12/2011	5,515.96	84.92	5,600.89	0.00	367.54	367.54	0.00	418.09	418.09
19/03/2012	4,556.82	67.44	4,624.26	0.00	367.54	367.54	0.00	418.09	418.09
18/06/2012	4,227.09	52.99	4,280.09	0.00	367.54	367.54	0.00	418.09	418.09
18/09/2012	3,772.29	40.03	3,812.33	0.00	371.58	371.58	0.00	422.69	422.69
18/12/2012	3,526.13	27.64	3,553.77	0.00	367.54	367.54	0.00	418.09	418.09
18/03/2013	3,222.35	16.28	3,238.63	0.00	363.50	363.50	0.00	413.50	413.50
18/06/2013	1,970.65	6.32	1,976.97	5,556.81	371.58	5,928.39	0.00	422.69	422.69
18/09/2013	0.00	0.00	0.00	14,501.29	350.93	14,852.22	0.00	422.69	422.69
18/12/2013	0.00	0.00	0.00	13,307.65	293.82	13,601.47	0.00	418.09	418.09
18/03/2014	0.00	0.00	0.00	11,983.03	242.22	12,225.24	0.00	413.50	413.50
18/06/2014	0.00	0.00	0.00	11,108.31	203.07	11,311.38	0.00	422.69	422.69
18/09/2014	0.00	0.00	0.00	10,105.81	161.80	10,267.61	0.00	422.69	422.69
18/12/2014	0.00	0.00	0.00	9,331.48	122.89	9,454.37	0.00	418.09	418.09
18/03/2015	0.00	0.00	0.00	8,496.85	87.62	8,584.47	0.00	413.50	413.50
18/06/2015	0.00	0.00	0.00	7,993.68	58.00	8,051.68	0.00	422.69	422.69
18/09/2015	0.00	0.00	0.00	7,270.86	28.30	7,299.16	0.00	422.69	422.69
18/12/2015	0.00	0.00	0.00	344.23	1.27	345.50	7,885.19	418.09	8,303.29
18/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	92,114.81	385.13	92,499.93

**FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 22%**

Payment Date	Series A Bonds			Series B Bonds			Series C Bonds		
	Principal	Gross	Total	Principal	Gross	Total	Principal	Gross	Total
	Repayment	Interest	Flow	Repayment	Interest	Flow	Repayment	Interest	Flow
TOTALS	100,000.00	2,024.69	102,024.69	100,000.00	6,878.82	106,878.82	100,000.00	10,067.84	110,067.84
29/07/2009									
18/12/2009	15,993.50	560.90	16,554.40	0.00	639.79	639.79	0.00	442.57	442.57
18/03/2010	12,035.03	263.36	12,298.39	0.00	363.50	363.50	0.00	413.50	413.50
18/06/2010	9,103.85	230.64	9,334.49	0.00	371.58	371.58	0.00	422.69	422.69
20/09/2010	8,999.84	205.85	9,205.69	0.00	379.66	379.66	0.00	431.88	431.88
20/12/2010	9,079.36	170.75	9,250.11	0.00	367.54	367.54	0.00	418.09	418.09
18/03/2011	6,368.34	137.29	6,505.63	0.00	355.42	355.42	0.00	404.31	404.31
20/06/2011	7,316.68	125.80	7,442.48	0.00	379.66	379.66	0.00	431.88	431.88
19/09/2011	7,276.54	98.59	7,375.13	0.00	367.54	367.54	0.00	418.09	418.09
19/12/2011	5,569.82	75.53	5,645.35	0.00	367.54	367.54	0.00	418.09	418.09
19/03/2012	4,602.78	57.87	4,660.65	0.00	367.54	367.54	0.00	418.09	418.09
18/06/2012	4,242.62	43.28	4,285.90	0.00	367.54	367.54	0.00	418.09	418.09
18/09/2012	3,765.11	30.16	3,795.27	0.00	371.58	371.58	0.00	422.69	422.69
18/12/2012	3,491.94	17.90	3,509.84	0.00	367.54	367.54	0.00	418.09	418.09
18/03/2013	2,154.59	6.75	2,161.35	5,550.32	363.50	5,913.82	0.00	413.50	413.50
18/06/2013	0.00	0.00	0.00	15,958.51	350.95	16,309.46	0.00	422.69	422.69
18/09/2013	0.00	0.00	0.00	14,107.22	291.66	14,398.87	0.00	422.69	422.69
18/12/2013	0.00	0.00	0.00	12,854.32	236.64	13,090.95	0.00	418.09	418.09
18/03/2014	0.00	0.00	0.00	11,508.37	187.31	11,695.68	0.00	413.50	413.50
18/06/2014	0.00	0.00	0.00	10,607.42	148.71	10,756.13	0.00	422.69	422.69
18/09/2014	0.00	0.00	0.00	9,593.31	109.30	9,702.60	0.00	422.69	422.69
18/12/2014	0.00	0.00	0.00	8,793.40	72.85	8,866.25	0.00	418.09	418.09
18/03/2015	0.00	0.00	0.00	7,954.65	40.08	7,994.73	0.00	413.50	413.50
18/06/2015	0.00	0.00	0.00	3,072.50	11.42	3,083.91	5,456.34	422.69	5,879.03
18/09/2015	0.00	0.00	0.00	0.00	0.00	0.00	94,543.66	399.63	94,943.29

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:

On June 30, 2009, the Executive Committee of EUROPEA DE TITULIZACIÓN's Board of Directors resolved that:

- i) PYME BANCAJA 8 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) Receivables owned by and shown on the assets of BANCAJA on loans with real estate mortgage, with security other than a real estate mortgage and/or without special security granted to non-financial small and medium-sized enterprises (legal persons) ("SMEs", based on the Originator's internal rating criteria) domiciled in Spain, be pooled in the Fund.
- iii) The Bonds be issued by the Fund.

Resolution to assign the Loans:

At a meeting held on June 25, 2009, the Board of Directors of BANCAJA resolved that the assignment of rights on loans with real estate mortgage security (by issuing pass-through certificates), loans with security other than a real estate mortgage, or loans without security (or any other type of credit assets) granted by BANCAJA to sole traders and/or enterprises, which could be considered, as the case may be, small and medium-sized enterprises, to a closed-end Asset Securitisation Fund set up ad hoc to pool those assets therein, be authorised.

b) Registration by the CNMV.

There is a condition precedent for the Fund to be established and the Bonds to be issued 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 of Royal Decree 926/1998.

This Prospectus regarding the establishment of the Fund and issue of the Bonds has been 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 BANCAJA, as Originator of the Loan receivables, proceed to execute on July 29, 2009 a public deed whereby PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCAJA will assign to the Fund Non-Mortgage Loan receivables and Mortgage Loan receivables by issuing Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds, on the terms provided for 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.

The Management Company shall submit a copy of the Deed of Constitution to the CNMV to be entered in the Official Registers by July 31, 2009.

4.13 Issue date of the securities.

The Bond issue date shall be July 29, 2009.

4.13.1 Potential investors to whom the Bonds are offered.

The Bond Issue shall be fully subscribed for by BANCAJA.

4.13.2 Bond Issue subscription payment method and dates.

BANCAJA shall subscribe for the Bond Issue on July 30, 2009 and pay to the Fund by 2pm (CET) on July 31, 2009 (the “**Closing Date**”), for same day value, the issue price comprising the face value of all the Bonds subscribed for.

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 traded. A transfer in the accounts (book entry) will convey the ownership of each Bond. The effects of entering the conveyance to the transferee in the accounting record shall be the same as handing over the securities 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 (“**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 under the Investment Services Directive 93/22, published in the Official Journal of the European Communities on November 4, 2008. 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 the 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 the 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 the delay is due to events attributable to the same.

5.2 Paying agents and depository agents.

5.2.1 Bond Issue Paying Agent.

The Bond Issue will be serviced through CAJA MADRID 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 CAJA MADRID into a paying agent agreement to service the Bond Issue, the most significant terms of which are given in section 3.4.7.2 of the Building Block.

6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.

The expected expenses deriving from setting up the Fund and issue and admission to trading of the Bond Issue are EUR three hundred and sixty-one thousand (361,100.00). These expenses include, inter alia, the initial Management Company fee, notary's fees, audit, 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 advisers, have provided legal advice for establishing the Fund and issuing the Bonds and have been involved in reviewing this Prospectus, the transaction and financial service agreements referred to herein and the Deed of Constitution.

BANCAJA 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.

DELOITTE has audited the selected loans on the terms set forth in section 2.2 of the Building Block and has audited the Management Company's and BANCAJA's annual accounts for the years ended on December 31, 2008 and 2007.

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 BANCAJA as to the truthfulness of the characteristics of BANCAJA as Originator of the Loans and of the Pass-Through Certificates and the Mortgage Loans, given in section 2.2.8 of the Building Block, and of the remaining information on BANCAJA and the selected loans from which the Loans will be taken given in this Prospectus.

In the Deed of Constitution of the Fund, BANCAJA 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 sourced from BANCAJA on the selected loans from which the Loans will be taken and on the actual Originator has been accurately reproduced and, to the best of its knowledge and ability to determine based on that information provided by BANCAJA, 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.

Moody's has, on July 24, 2009, assigned the following provisional ratings to each Bond Series, and expects to assign the same final ratings by 2pm (CET) on July 30, 2009.

Bond Series	Moody's Rating
Series A	Aaa
Series B	B3
Series C	Caa1

If the Rating Agency should not confirm any of the assigned provisional ratings as final by 2pm (CET) on July 30, 2009, 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 ratings assigned to each Bond Series by Moody's measure the expected loss before the Final Maturity Date. In Moody's opinion, the structure allows timely interest and principal payment during the life of the transaction and, in any event, before the Final Maturity Date. Moody's ratings only measure credit risks inherent in the transaction; other risk types which may materially impact investors' return are not measured.

The Rating Agency's 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 Agency based on manifold information received with respect to which it can give no assurance, nor even as to their accuracy or wholeness, wherefore the Rating Agency 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 Agency relies on the accuracy and wholeness of the information provided by BANCAJA, the Management Company, DELOITTE 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 advisers.

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

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

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.

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 and the Non-Mortgage Loan receivables which BANCAJA shall assign to the Fund upon being established, and their Outstanding Balance shall be equal to or slightly above EUR five hundred and ten million (510,000,000.00), the face value amount of the Bond Issue.

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 Series Bonds 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 in each Series to be covered to a different extent and mitigating basis interest risk due to the different terms of the interest clauses of the Loans and of the Bonds in each Series. In exceptional circumstances, the enhancement transactions could actually fall short to meet payments on the Bonds or to 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.

Not all the Bonds issued have the same risk of default. Hence the different credit ratings assigned by the Rating Agency to the Bonds in each Series, detailed in section 7.5 of the Securities Note.

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 any of the Bonds issued 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.

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 BANCAJA deriving from Loans granted by BANCAJA to non-financial small and medium-sized enterprises (legal persons) (SMEs, based on the Originator's internal rating criteria -annual turnover less than or equal to EUR 50 million-) domiciled in Spain.

The portfolio of selected loans from which the Loans will be taken in order for their receivables to be assigned to the Fund upon being established comprises 2,501 loans, their outstanding principal at June 30, 2009 being EUR 630,405,446.98 and the overdue principal being EUR 441,660.29.

Audit of the assets securitised through the Fund.

DELOITTE have audited the most significant features of the selected loans.

That 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 loan and the obligor, title, identification of the obligor, asset transfer, SME accreditation, loan origination date, loan maturity date, initial loan amount, current loan balance, reference rate or benchmark index, interest rate spread, interest rate applied, arrears in payment, insolvency status, developer loan, type of collateral and additionally for loans with real estate mortgage security, mortgage loan origination, mortgaged property, address of the mortgaged property, mortgage security, appraisal value, current 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 BANCAJA.

The audit results shall be set out in a report prepared by DELOITTE, 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 of the ten obligors weighing most in the portfolio of selected loans at June 30, 2009.

Loan portfolio at 30.06.2009					
Classification by Obligor					
	Loans		Outstanding principal		CNAE
		%	(EUR)	%	
Obligor 1	2	0.08	6,300,000.00	1.00	41 Building construction
Obligor 2	2	0.08	6,064,600.00	0.96	41 Building construction
Obligor 3	2	0.08	5,750,000.00	0.91	41 Building construction
Obligor 4	2	0.08	4,807,158.92	0.76	41 Building construction
Obligor 5	1	0.04	4,790,904.31	0.76	46 Wholesale and trade intermediaries, excepting motor vehicles and motorcycles
Obligor 6	2	0.08	4,500,000.00	0.71	41 Building construction
Obligor 7	2	0.08	4,482,907.63	0.71	23 Manufacture of other non-metallic mineral products
Obligor 8	2	0.08	4,479,025.47	0.71	70 Head office activities; consultancy and business management activities

Loan portfolio at 30.06.2009						
Classification by Obligor						
	Loans		Outstanding principal		CNAE	
		%	(EUR)	%		
Obligor 9	1	0.04	4,358,555.45	0.69	41	Building construction
Obligor 10	1	0.04	4,233,000.00	0.67	41	Building construction
Subtotal: 10 largest Obligors	17	0.68	49,766,151.78	7.89		
Rest: 2,221 Obligors	2,484	99.32	580,639,295.20	92.11		
Total Obligors: 2,231	2,501	100.00	630,405,446.98	100.00		

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each of the selected loans granted to the obligor proper.

It shall be noted that in this classification of the ten Obligors weighing most in the selected loan portfolio at June 30, 2009, those in sectors 41 Building construction and 68 Real estate activities are 7 Obligors with 12 loans in all and an outstanding principal of EUR 36,013,314.37 (5.71% in terms of selected loan outstanding principal at June 30, 2009).

None of the ten Obligors weighing most belong in the same business group.

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

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

Loan portfolio at 30.06.2009						
Classification by economic activity sectors						
CNAE			Loans		Outstanding principal	
(First two numbers in the National Classification of Economic Activities (CNAE) code of 2009)				%	(EUR)	%
01	Farming, stockbreeding, hunting and related service activities		35	1.40	10,644,736.59	1.69
02	Silviculture and forestry operation		2	0.08	99,361.39	0.02
03	Fishing and aquiculture		6	0.24	682,376.93	0.11
08	Other extractive industries		4	0.16	534,389.58	0.08
09	Activities supporting extractive industries		1	0.04	35,041.71	0.01
10	Food industry		46	1.84	10,535,026.57	1.67
11	Drinks manufacture		7	0.28	901,806.32	0.14
13	Textile industry		24	0.96	3,696,852.04	0.59
14	Clothing manufacture		1	0.04	532,089.93	0.08
15	Leather and footwear industry		11	0.44	2,786,720.10	0.44
16	Wood and cork industry, excepting furniture, basketwork and wickerwork		26	1.04	3,942,835.55	0.63
17	Paper industry		10	0.40	6,633,909.03	1.05
18	Graphic arts and reproduction of recorded media		24	0.96	2,749,435.90	0.44
19	Coke processing and oil refining		1	0.04	22,644.59	0.00
20	Chemical industry		12	0.48	2,471,331.24	0.39
21	Manufacture of pharmaceutical products		1	0.04	246,004.02	0.04
22	Manufacture of rubber products and plastic materials		17	0.68	1,933,072.58	0.31
23	Manufacture of other non-metallic mineral products		50	2.00	23,527,802.16	3.73
24	Metallurgy; manufacture of iron, steel and ferroalloys		12	0.48	2,088,457.63	0.33
25	Manufacture of metallic products, other than machinery and equipment		26	1.04	8,906,992.16	1.41
26	Manufacture of computer, electronic and optical equipment		2	0.08	259,333.77	0.04
27	Manufacture of electric material and equipment		26	1.04	5,757,767.90	0.91
28	Manufacture of machinery and equipment not included elsewhere		42	1.68	8,671,808.59	1.38
29	Manufacture of motor vehicles, trailers and semi-trailers		2	0.08	584,293.56	0.09
31	Manufacture of furniture		20	0.80	2,210,639.84	0.35
32	Other manufacturing industries		5	0.20	1,227,958.26	0.19

Loan portfolio at 30.06.2009					
Classification by economic activity sectors					
CNAE (First two numbers in the National Classification of Economic Activities (CNAE) code of 2009)		Loans		Outstanding principal	
		%		(EUR)	
				%	
33	Repairing and installing machinery and equipment	1	0.04	315,972.44	0.05
35	Supply of electric power, gas, steam and air-conditioning	18	0.72	7,514,055.62	1.19
37	Waste water collection and treatment	1	0.04	52,552.76	0.01
38	Waste collection, treatment and disposal; valorisation	2	0.08	1,057,640.79	0.17
39	Depollution activities and other waste management services	3	0.12	110,925.80	0.02
41	Building construction	334	13.35	141,248,977.15	22.41
42	Civil engineering	6	0.24	1,546,589.12	0.25
43	Specialised construction activities	135	5.40	20,012,301.52	3.17
45	Sale and repair of motor vehicles and motorcycles	50	2.00	6,719,209.64	1.07
46	Wholesale and trade intermediaries, excepting motor vehicles and motorcycles	124	4.96	30,066,549.81	4.77
47	Retail trade, excepting motor vehicles and motorcycles	104	4.16	17,306,322.09	2.75
49	Land and pipeline transport	51	2.04	5,601,703.91	0.89
52	Storage and transport-related activities	13	0.52	1,592,816.37	0.25
53	Post and mail activities	3	0.12	189,498.96	0.03
55	Housing services	37	1.48	24,015,750.56	3.81
56	Catering services	108	4.32	19,331,856.36	3.07
58	Publishing	5	0.20	563,155.14	0.09
59	Film, video, TV program, sound recording and music publishing activities	5	0.20	273,789.76	0.04
61	Telecommunications	13	0.52	2,317,473.07	0.37
62	Programming, consultancy and other IT related activities	17	0.68	1,621,320.95	0.26
63	Information services	248	9.92	48,980,679.34	7.77
64	Financial services, excepting insurance and pension funds	2	0.08	272,687.43	0.04
65	Insurance, reinsurance and pension funds, excepting compulsory Social Security	2	0.08	288,777.55	0.05
66	Supporting activities for financial services and insurance	4	0.16	552,839.19	0.09
68	Real estate activities	402	16.07	105,549,075.06	16.74
69	Legal and accountancy activities	41	1.64	5,764,370.79	0.91
70	Head office activities; consultancy and business management activities	34	1.36	9,797,242.58	1.55
71	Technical architectural and engineering services; technical testing and trials	76	3.04	15,605,981.76	2.48
72	Research and development	1	0.04	96,013.56	0.02
73	Advertising and market surveys	26	1.04	5,854,564.92	0.93
74	Other professional, scientific and technical activities	7	0.28	1,179,860.99	0.19
77	Rental activities	31	1.24	6,724,907.88	1.07
78	Employment-related activities	1	0.04	255,890.49	0.04
79	Travel agency and tour operator activities, booking services and activities relating thereto	9	0.36	742,688.96	0.12
80	Security and investigation activities	5	0.20	488,351.33	0.08
81	Building services and gardening activities	37	1.48	7,682,744.65	1.22
82	Office clerical activities and other ancillary business activities	4	0.16	447,513.52	0.07
84	Government and defence; compulsory Social Security	1	0.04	61,788.48	0.01
85	Education	11	0.44	2,467,908.83	0.39
86	Health activities	33	1.32	13,348,813.19	2.12
87	Residential establishment assistance	7	0.28	3,954,998.77	0.63
90	Creation, artistic and show activities	8	0.32	1,117,339.16	0.18
91	Library, archive, museum and other cultural activities	1	0.04	799,180.70	0.13
92	Gambling and betting activities	4	0.16	1,040,403.94	0.17
93	Sport, recreational and entertainment activities	21	0.84	4,420,373.07	0.70
95	Computer, personal effect and household appliance repair	2	0.08	114,965.73	0.02
96	Other personal services	40	1.60	9,654,335.35	1.53
Total		2,501	100.00	630,405,446.98	100.00

Out of the 736 loans with obligors whose business lies within the building construction and real estate business sector, 74 loans (their outstanding principal being EUR 68,524,920.01 at June 30, 2009 representing 10.87% in terms of selected loan outstanding principal) are secured with a real estate mortgage on rustic or urban land.

c) Information regarding selected loan collaterals.

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

Loan portfolio at 30.06.2009				
Classification by type of security				
	Loans		Outstanding Principal	
		%	(EUR)	%
Loans with real estate mortgage security *	1,712	68.45	503,330,506.49	79.84
Loans with third-party personal guarantee	627	25.07	94,049,995.96	14.92
Loans without special security	162	6.48	33,024,944.53	5.24
Total	2,501	100.00	630,405,446.98	100.00

* May in addition include third-party personal guarantees.

The following table gives the distribution by type of property mortgaged as security for the selected mortgage loans. 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 30.06.2009				
Classification by type of mortgaged property				
	Mortgage loans		Outstanding principal	
		%	(EUR)	%
Business premises and offices	470	27.45	134,099,953.00	26.64
Industrial warehouses	168	9.81	75,521,125.38	15.00
Housing *	943	55.08	203,482,078.62	40.43
Parking spaces and lumber rooms	25	1.46	4,104,085.88	0.82
Urban properties	88	5.14	73,226,955.96	14.55
Rustic properties	18	1.05	12,896,307.65	2.56
Total	1,712	100.00	503,330,506.49	100.00

* The homes securing the mortgage loans are mostly homes shown on the assets of the corporate obligator's balance sheet.

d) Information regarding selected loan origination date.

The following table gives the distribution of the selected loans based on origination date by six-monthly intervals, and the average, minimum and maximum age. The latest selected loan origination date is April 30, 2009. No details are given of intervals with no contents.

Loan portfolio at 30.06.2009				
Classification by loan origination date				
Date interval	Loans		Outstanding principal	
		%	(EUR)	%
01/01/2000 to 30/06/2000	5	0.20	164,840.92	0.03
01/07/2000 to 31/12/2000	66	2.64	7,340,227.82	1.16
01/01/2001 to 30/06/2001	106	4.24	10,477,496.38	1.66
01/07/2002 to 31/12/2002	3	0.12	689,386.72	0.11
01/01/2003 to 30/06/2003	6	0.24	750,484.85	0.12
01/07/2003 to 31/12/2003	7	0.28	1,340,313.95	0.21
01/01/2004 to 30/06/2004	9	0.36	2,190,570.08	0.35
01/07/2004 to 31/12/2004	11	0.44	2,907,890.19	0.46
01/01/2005 to 30/06/2005	15	0.60	2,310,552.46	0.37
01/07/2005 to 31/12/2005	29	1.16	11,710,442.74	1.86

Loan portfolio at 30.06.2009				
Classification by loan origination date				
Date interval	Loans		Outstanding principal	
		%	(EUR)	%
01/01/2006 to 30/06/2006	49	1.96	9,062,966.86	1.44
01/07/2006 to 31/12/2006	88	3.52	19,293,900.61	3.06
01/01/2007 to 30/06/2007	140	5.60	41,467,242.63	6.58
01/07/2007 to 31/12/2007	255	10.20	70,180,332.61	11.13
01/01/2008 to 30/06/2008	838	33.51	226,049,548.98	35.86
01/07/2008 to 31/12/2008	721	28.83	193,392,401.46	30.68
01/01/2009 to 30/06/2009	153	6.12	31,076,847.72	4.93
Total	2,501	100.00	630,405,446.98	100,00
	18.59	Months	Weighted average age	
	108.53	Months	Maximum age	
	2.01	Months	Minimum age	

e) 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. No details are given of intervals with no contents.

Loan portfolio at 30.06.2009				
Classification by principal repayment exclusion period				
Expiry of the principal exclusion period	Loans		Outstanding principal	
	No.	%	(EUR)	%
No Exclusion *	2,367	94.64	554,133,943.50	87.90
01/07/2009 to 30/09/2009	28	1.12	16,891,683.21	2.68
01/10/2009 to 31/12/2009	32	1.28	11,923,607.84	1.89
01/01/2010 to 31/03/2010	17	0.68	8,674,470.00	1.38
01/04/2010 to 30/06/2010	20	0.80	10,275,550.21	1.63
01/07/2010 to 30/09/2010	11	0.44	4,794,711.00	0.76
01/10/2010 to 31/12/2010	3	0.12	1,656,000.00	0.26
01/01/2011 to 31/03/2011	5	0.20	8,253,300.00	1.31
01/04/2011 to 30/06/2011	2	0.08	887,000.00	0.14
01/07/2011 to 30/09/2011	4	0.16	8,158,798.23	1.29
01/10/2011 to 31/12/2011	4	0.16	1,825,166.57	0.29
01/01/2012 to 31/03/2012	4	0.16	1,569,372.80	0.25
01/04/2012 to 30/06/2012	2	0.08	261,843.62	0.04
01/07/2012 to 30/09/2012	2	0.08	1,100,000.00	0.17
Total	2,501	100.00	630,405,446.98	100.00

* Including the 80 loans with a single repayment at maturity (bullet loans), their weighted average maturity on the outstanding principal at June 30, 2009 being 14.38 months at that date.

None of the selected loans have clauses allowing deferment of periodic interest payment and principal repayment, other than the principal repayment exclusion period there may be at the origination date of each selected loan.

f) Information regarding selected loan principal.

The following table gives the distribution of the outstanding loan principal at June 30, 2009 by EUR 250,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no contents.

Loan portfolio at 30.06.2009				
Classification by outstanding principal				
Principal interval (EUR)	Loans		Outstanding principal	
	No.	%	(EUR)	%
0.00 - 249,999.99	1,921	76.81	197,363,534.19	31.31
250,000.00 - 499,999.99	321	12.83	111,408,911.67	17.67
500,000.00 - 749,999.99	119	4.76	71,631,078.08	11.36
750,000.00 - 999,999.99	48	1.92	41,136,152.17	6.53
1,000,000.00 - 1,249,999.99	17	0.68	19,436,386.61	3.08
1,250,000.00 - 1,499,999.99	12	0.48	16,586,585.38	2.63
1,500,000.00 - 1,749,999.99	10	0.40	15,942,704.53	2.53
1,750,000.00 - 1,999,999.99	10	0.40	18,956,506.03	3.01
2,000,000.00 - 2,249,999.99	10	0.40	20,823,473.17	3.30
2,250,000.00 - 2,499,999.99	5	0.20	11,934,234.93	1.89
2,500,000.00 - 2,749,999.99	1	0.04	2,500,000.00	0.40
2,750,000.00 - 2,999,999.99	1	0.04	2,907,158.92	0.46
3,000,000.00 - 3,249,999.99	4	0.16	12,624,118.29	2.00
3,250,000.00 - 3,499,999.99	3	0.12	10,046,423.23	1.59
3,500,000.00 - 3,749,999.99	5	0.20	18,070,433.64	2.87
3,750,000.00 - 3,999,999.99	1	0.04	3,900,000.00	0.62
4,000,000.00 - 4,249,999.99	8	0.32	32,720,429.51	5.19
4,250,000.00 - 4,499,999.99	3	0.12	13,076,412.32	2.07
4,500,000.00 - 4,749,999.99	1	0.04	4,550,000.00	0.72
4,750,000.00 - 4,999,999.99	1	0.04	4,790,904.31	0.76
Total	2,501	100.00	630,405,446.98	100.00
Average principal:			253,574.86	
Minimum principal:			8,255.90	
Maximum principal:			4,790,904.31	

g) 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 floating-rate loans. The following table gives the distribution of the loans according to the type of interest rate and the benchmark indices applicable to the loans for determining the nominal interest rate.

Loan portfolio at 30.06.2009					
Classification by Interest rate benchmark index					
Benchmark Index	Loans		Outstanding principal (EUR)	Margin over index*	
	No.	%		%	
1-YEAR OFFICIAL EURIBOR	2,276	91.00	531,710,985.63	84.34	1.12
3-MONTH EURIBOR	225	9.00	98,694,461.35	15.66	1.35
Total	2,501	100.00	630,405,446.98	100.00	1.16

h) 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 June 30, 2009, and their average, minimum and maximum values.

Loan portfolio at 30.06.2009					
Classification by applicable nominal interest rate					
Interest Rate % Interval	Loans		Outstanding principal (EUR)		% Interest Rate*
		%		%	
1.50 - 1.99	5	0.20	1,764,958.19	0.28	1.86
2.00 - 2.49	74	2.96	57,327,204.48	9.09	2.26
2.50 - 2.99	371	14.83	95,105,978.49	15.09	2.76
3.00 - 3.49	348	13.91	102,928,017.73	16.33	3.23
3.50 - 3.99	195	7.80	56,191,885.53	8.91	3.69
4.00 - 4.49	189	7.56	39,753,749.74	6.31	4.26
4.50 - 4.99	132	5.28	16,534,716.84	2.62	4.71
5.00 - 5.49	168	6.72	40,407,732.77	6.41	5.29
5.50 - 5.99	178	7.12	51,447,982.67	8.16	5.82
6.00 - 6.49	407	16.27	105,260,646.48	16.70	6.22
6.50 - 6.99	218	8.72	48,668,883.05	7.72	6.68
7.00 - 7.49	73	2.92	8,464,139.68	1.34	7.17
7.50 - 7.99	67	2.68	3,840,218.74	0.61	7.69
8.00 - 8.49	56	2.24	2,023,457.75	0.32	8.17
8.50 - 8.99	19	0.76	657,893.65	0.10	8.63
9.00 - 9.49	1	0.04	27,981.19	0.00	9.00
Total	2,501	100.00	630,405,446.98	100.00	
	Weighted average:				4.42 %
	Simple average:				4.81 %
	Minimum:				1.70 %
	Maximum:				9.00 %

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

None of the selected loans have clauses allowing a rebate in the interest rate applied or limitation as to instalment amount.

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

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

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

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

k) Information regarding selected loan instalment payment frequency.

The following table gives the selected loan distribution based on loan instalment payment frequency (interest and principal, except in loans with a single repayment upon maturity or, as the case may be, in a principal repayment exclusion period).

Loan portfolio at 30.06.2009				
Classification by instalment payment frequency				
Instalment payment frequency	Loans		Outstanding principal	
		%	(EUR)	%
MONTHLY	2,349	93.92	545,052,792.34	86.46
SIX-MONTHLY	36	1.44	19,423,426.36	3.08
QUARTERLY	116	4.64	65,929,228.28	10.46
Total	2,501	100.00	630,405,446.98	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 30.06.2009				
Classification by repayment system				
	Loans		Outstanding principal	
		%	(EUR)	%
Constant repayment instalment	39	1.56	11,404,562.68	1.81
Single repayment upon maturity (bullet loans)	80	3.20	89,315,447.82	14.17
French system	2,382	95.24	529,685,436.48	84.02
Total	2,501	100.00	630,405,446.98	100.00

m) 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 30.06.2009						
Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life w.a. *	
		%	(EUR)	%	Months	Date
2009	22	0.88	15,447,730.59	2.45	4.14	3/11/2009
2010	109	4.36	50,793,405.78	8.06	11.46	14/06/2010
2011	163	6.52	39,663,163.19	6.29	24.36	11/07/2011
2012	185	7.40	15,452,444.20	2.45	36.04	1/07/2012
2013	253	10.12	35,491,040.45	5.63	48.51	16/07/2013
2014	100	4.00	22,779,781.90	3.61	59.25	7/06/2014
2015	131	5.24	24,411,942.01	3.87	72.59	19/07/2015
2016	79	3.16	13,653,230.52	2.17	80.31	9/03/2016
2017	25	1.00	13,234,295.50	2.10	95.07	2/06/2017
2018	91	3.64	24,974,112.43	3.96	108.54	17/07/2018
2019	30	1.20	11,310,278.28	1.79	121.11	3/08/2019
2020	67	2.68	23,643,283.97	3.75	131.39	11/06/2020
2021	50	2.00	16,134,834.52	2.56	144.27	8/07/2021
2022	95	3.80	31,308,025.52	4.97	158.34	9/09/2022
2023	548	21.91	144,407,019.79	22.91	167.45	14/06/2023
2024	11	0.44	11,313,745.50	1.79	178.39	12/05/2024
2025	23	0.92	9,379,378.69	1.49	192.84	26/07/2025
2026	34	1.36	9,088,987.08	1.44	203.88	27/06/2026
2027	57	2.28	12,490,744.22	1.98	218.23	6/09/2027
2028	245	9.80	61,801,858.78	9.80	227.22	6/06/2028

Loan portfolio at 30.06.2009						
Classification by final repayment date						
Final Repayment Year	Loans		Outstanding principal		Residual Life w.a. *	
		%	(EUR)	%	Months	Date
2029	5	0.20	906,577.40	0.14	237.43	13/04/2029
2030	3	0.12	2,115,240.38	0.34	254.22	6/09/2030
2031	5	0.20	2,106,994.56	0.33	263.91	28/06/2031
2032	20	0.80	3,512,145.59	0.56	279.05	1/10/2032
2033	92	3.68	19,409,731.47	3.08	287.43	13/06/2033
2034	8	0.32	1,514,641.29	0.24	297.60	18/04/2034
2035	2	0.08	390,199.04	0.06	308.28	9/03/2035
2036	4	0.16	997,411.92	0.16	326.66	19/09/2036
2037	5	0.20	2,392,837.19	0.38	336.34	10/07/2037
2038	32	1.28	7,179,458.04	1.14	347.16	5/06/2038
2039	1	0.04	363,625.86	0.06	359.16	5/06/2039
2042	1	0.04	810,000.00	0.13	391.23	5/02/2042
2043	2	0.08	1,084,920.43	0.17	403.54	15/02/2043
2048	3	0.12	842,360.89	0.13	463.10	2/02/2048
Total	2,501	100.00	630,405,446.98	100.00		
Weighted average:					132.94	28/07/2020
Simple average:					128.51	16/03/2020
Minimum:					3.06	1/10/2009
Maximum:					469.36	10/08/2048

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

n) 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 30.06.2009				
Classification by Autonomous Communities				
	Loans		Outstanding principal	
		%	(EUR)	%
Andalusia	114	4.56	36,214,636.56	5.74
Aragón	34	1.36	5,664,341.55	0.90
Asturies	6	0.24	1,678,245.53	0.27
Balearic Isles	53	2.12	12,127,872.21	1.92
Canary Islands	52	2.08	8,738,262.86	1.39
Cantabria	7	0.28	1,087,854.39	0.17
Castile La Mancha	98	3.92	14,781,480.99	2.34
Castile-León	50	2.00	11,524,828.38	1.83
Catalonia	237	9.48	69,972,756.18	11.10
Valencian Community	1,377	55.06	336,842,998.59	53.43
Extremadura	10	0.40	983,757.98	0.16
Galicia	49	1.96	11,340,449.55	1.80
La Rioja	2	0.08	118,927.78	0.02
Madrid	362	14.47	101,751,631.90	16.14
Murcia	33	1.32	12,625,798.46	2.00
Navarre	4	0.16	1,531,794.05	0.24
Basque Country	13	0.52	3,419,810.02	0.54
Total	2,501	100.00	630,405,446.98	100.00

o) 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 principal and the overdue principal on selected loans in regard to which there was any delay in payment of amounts due at June 30, 2009.

Arrears in payment of instalments due at 30.06.2009					
Interval Days	Loans	Outstanding principal		Overdue principal	
			%		% on Total Outstanding Principal
In good standing	2,254	575,530,208.52	91.30	0.00	
1 to 15 days	113	23,075,623.50	3.66	159,006.37	0.0252
16 to 30 days	81	21,735,414.25	3.45	180,639.93	0.0287
31 to 60 days	53	10,064,200.71	1.60	102,013.99	0.0162
Total	2,501	630,405,446.98	100.00	441,660.29	0.0701

In accordance with BANCAJA's representation in section 2.2.8.2.(2) 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 one (1) month overdue on their assignment date. The Outstanding Balance of Loans with overdue payments shall not however exceed 5% of the face value of the Bond Issue at the assignment date.

p) Loan to value ratio or level of collateralisation.

There are 1,712 selected loans with real estate mortgage security at June 30, 2009 and their outstanding principal amounts to EUR 503,330,506.49, and the mortgages are all registered as senior mortgages or, as the case may be, as junior mortgages although BANCAJA has documents supporting cancellation of the debts originated by previous mortgages, which are however yet to be struck off the register, and therefore for calculation purposes the mortgages are all considered to rank senior.

The ratio, expressed as a percentage, of the initial outstanding principal at June 30, 2009 to the appraisal value of the selected mortgage loan mortgaged properties was comprised between 1.23% and 99.91%, the average ratio weighted by the outstanding principal of each mortgage loan being 57.81%.

The following table gives the distribution of the mortgage loans by 5.00% intervals of that ratio.

Mortgage loan portfolio at 30.06.2009					
Classification by loan to value ratio					
Ratio Intervals	Loans		Outstanding principal		(%) Loan to Value*
		%	(EUR)	%	
0.01 - 5.00	12	0.70	1,401,685.11	0.28	2.78
5.01 - 10.00	15	0.88	1,871,780.50	0.37	7.15
10.01 - 15.00	25	1.46	4,169,736.08	0.83	11.89
15.01 - 20.00	34	1.99	9,620,778.76	1.91	18.34
20.01 - 25.00	40	2.34	7,253,884.65	1.44	22.40
25.01 - 30.00	56	3.27	14,877,977.08	2.96	27.67
30.01 - 35.00	58	3.39	17,911,391.70	3.56	33.11
35.01 - 40.00	77	4.50	17,396,469.92	3.46	37.52
40.01 - 45.00	87	5.08	19,886,209.38	3.95	42.24
45.01 - 50.00	103	6.02	31,929,445.16	6.34	48.23
50.01 - 55.00	151	8.82	48,776,484.06	9.69	52.88
55.01 - 60.00	192	11.21	65,145,145.84	12.94	57.53
60.01 - 65.00	170	9.93	54,923,815.06	10.91	62.28
65.01 - 70.00	315	18.40	112,728,002.60	22.40	67.90
70.01 - 75.00	141	8.24	41,659,009.54	8.28	72.70
75.01 - 80.00	213	12.44	48,192,312.21	9.57	77.18
80.01 - 85.00	4	0.23	1,022,379.99	0.20	82.16
85.01 - 90.00	6	0.35	1,027,023.97	0.20	86.72

Mortgage loan portfolio at 30.06.2009					
Classification by loan to value ratio					
Ratio Intervals	Loans		Outstanding principal		(%) Loan to Value*
		%	(EUR)	%	
90.01 - 95.00	8	0.47	2,403,772.01	0.48	91.54
95.01 - 100.00	5	0.29	1,133,202.87	0.23	97.86
Total	1,712	100.00	503,330,506.49	100.00	
Weighted Average:					57.81 %
Simple Average:					56.41 %
Minimum:					1.23 %
Maximum:					99.91 %

*Loan to Value Ratio refers to averages weighted by the initial principal.

There is no overcollateralisation in the Fund.

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, and the additional security, if any, specified in paragraph (ii) below, 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, as currently worded, and ancillary laws.

The Mortgage Loan receivables shall be assigned to the Fund upon BANCAJA issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981 and Additional Provision Five of Act 3/1994, as worded by Act 41/2007 and Royal Decree 716/2009, and on the terms provided for in section 3.3 of this Building Block.

- (ii) Loans with no special guarantee and/or with third-party personal guarantees, originated in a public document, which are enforceable (Civil Procedure Act article 517) (the Non-Mortgage Loans).

The Non-Mortgage Loan receivables shall be directly assigned to the Fund upon being sold by BANCAJA and acquired by the Fund, 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 lies between October 1, 2009 and August 10, 2048.

2.2.5 Amount of the assets.

The Fund shall be set up with the Loan receivables which BANCAJA will assign to the Fund upon being established, and their Outstanding Balance shall be equal to or slightly above EUR five hundred and ten million (510,000,000.00), the face value amount of the Bonds in the Bond Issue.

The portfolio of selected loans from which the Loans will be taken to be assigned to the Fund upon being established comprises 2,501 loans, their outstanding principal at June 30, 2009 being EUR 630,405,446.98 and the overdue principal being EUR 441,660.29.

In order to be assigned to the Fund upon being established, BANCAJA shall choose from the selected loans (i) loans that are in good standing or that have no payments that are more than one (1) month overdue and (ii) with an aggregate outstanding principal amount for each obligor from lowest to highest up to an outstanding balance equal to or slightly above EUR five hundred and ten million (510,000,000.00). The Outstanding Balance of the Loans with overdue payments shall not exceed 5.00% of the face value of the Bond Issue at the assignment date.

2.2.6 Loan to value ratio or level of collateralisation.

The loan to value ratio or level of collateralisation ratio of the Mortgage Loans is given in section 2.2.2 p) of this Building Block.

2.2.7 Method of creation of the assets.

The loans selected for assignment to the Fund have been granted by BANCAJA following its usual credit risk analysis and assessment procedures for lending to small and medium-sized enterprises. The procedures currently in place at BANCAJA are described below:

1. SME lending model used

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

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

BANCAJA's risk analysis takes into account the customer's global risk with BANCAJA. In so doing the concept of UER/Group is used, taking two or more enterprises/individuals to make up a Group, for risk purposes, where common shareholders stand for more than 25% of the share capital or they have a common management (that is, when despite not having a direct interest, management is controlled). Based on a broader judgment, two or more individuals/enterprises will make up a single Group where they have common or cross collaterals and where downturn of one of them can affect the normal development of the other(s).

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

Economic groups are managed by means of an application integrated in TL4 (an IT tool for all daily operations), which moreover dumps summary information onto the CIN (Information Centre), and permits Groups to be composed and maintained, providing integrated information on Asset positions and CIRBE. The information at the Information Centre gives end-of-month details at time of generation of the information, providing both risk figures and a breakdown by group components, giving the Group's global position global as of that date for the different sinking periods.

2. Supporting documents.

These are 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 should be borne in mind that personal data capture should either be covered by a contract application, pre-contract arrangement or risk proposal, or be 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
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 are additionally requested, depending on the nature of the transaction, as set out in the following table.

DEPENDING ON THE NATURE OF THE TRANSACTION	
Transaction type	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

3. Empowerment.

BANCAJA has structured a loan approval empowerment system based on BANCAJA's total risk with each "Economic Risk Unit" (UER). The branches specialising in Enterprises and Promoters in the Valencian Community Business Area do not look to the Business Unit when a transaction exceeds their risk approval authority, and the application is submitted directly to the Risks Department, where the credit risk is analysed for submission to the relevant Risks Committee. National Business Area branches have an intermediate step in which branches look to the relevant Business Unit, which will 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	Traditional Network Retail banking Up to €1,800,000	Specialised banking Up to €3,000,000

Table: Simplified outline of empowerment at BANCAJA

Risks are approved at the various levels depending on the extent of authority, and that is done by means of the "APA" (asset product authorisation) application. The main object of this application is providing 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 sees to it that the need for there to be an authorisation is tied to the booking of asset products, and ensures that risk authorisations are issued by whoever has authority to do so.

For every application, the system creates 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 is linked to the file and the system prevents the asset account opened from having risk characteristics or terms different from those approved.

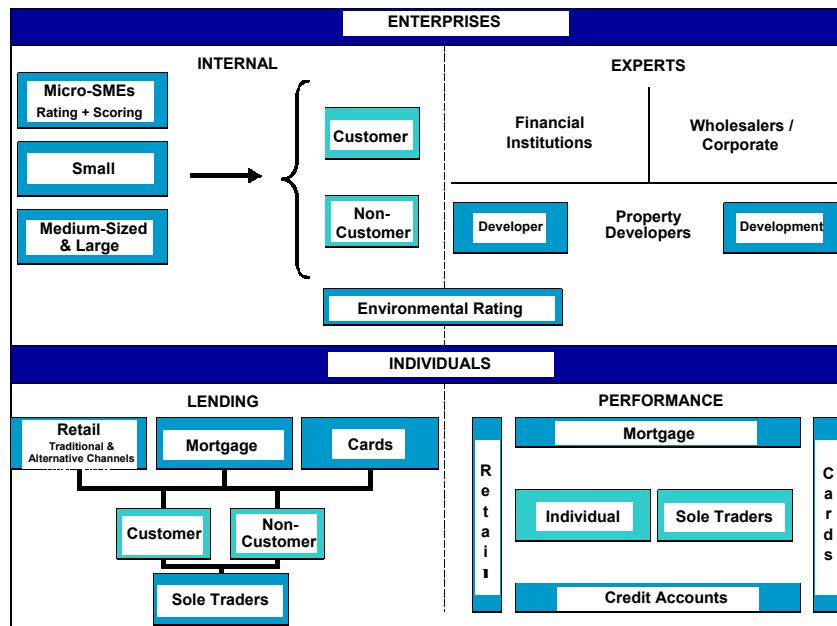
The managers of each Business Area and the Risks Department manager are on the Management Risks Committee that meets weekly to review applications with an UER in excess of EUR 9 million. This Committee is authorised for approving loans with UER of up to 3% of BANCAJA's equity. For higher risks, the Committee draws up and submits a proposal to BANCAJA's management bodies.

3.1. Risk Acceptance

BANCAJA Group has 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 allows 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 have a high degree of autonomy.

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



These instruments are fully built into the analysis and decision-making stages, and hence into the approval of transactions, and the appropriate model is used depending on the business segment at issue. These internal models are moreover in line with the best practices established in the new regulatory framework.

Use of these tools allows each customer/transaction to be assigned a consistent, homogenous default probability, and the probable or expected loss on each transaction is in addition calculated in advance, which calculation is of the essence to find the 'risk premium' for the transaction and include the same as an activity cost factor in the price.

The strategy applied to currently developing and maintaining the Map of Models is governed by the decision to use internal models based on the application of multivariate statistical analysis techniques widely used in the sector, covering to the fullest extent possible BANCAJA's entire portfolio and keeping reasonable levels of results, in terms of predictive power and discriminating capacity, stability, etc.

3.1.1. Rating tools

BANCAJA has since 1995 been using credit risk measurement systems (ratings) for management. Rating models have played an essential role in the credit policies applied ever since.

Initial models were internally-built expert ratings based on knowledge and performance of BANCAJA's internal portfolio.

These ratings covered the portfolio of industrial enterprises and therefore excluded from their analysis the financial institution, developer and public sector segments.

Those ratings were regularly adjusted and revised, until in the year 2006 the current map of business models was implemented throughout the business network.

The new ratings in place result in an optimum measurement of the credit risk and greater efficiency and effectiveness in decision-making within the acceptance circuit.

Map of rating models

The following are the main features of the current ratings map:

□ *Enterprise Ratings - Industrial*

Internally-developed ratings based on historical information on, and performance of, BANCAJA's internal portfolio.

The structure comprises three information modules: financial statements, qualitative evaluation and recent operations.

Three segments have been defined based on Enterprise turnover.

□ *Enterprise Ratings - Wholesalers*

These are sector replication models, developed at the Spanish Savings Bank Confederation (CECA), with the involvement of different Savings Banks, based on a corporate sample.

Based on financial, sector, country rating and other information, the aim is to find a pattern allowing the associated external rating to be replicated. In addition, the default probability is gauged using that rating and the external rating agency's historic delinquency series.

Two segments have been defined based on the relevant sector:

- Industrial and sales
- Financial institutions

□ *Property Developer Ratings*

An expert model designed to rate property developers who are already investees and those applying for new financing. The magnitudes and data used and their weights have been arrived at using expert advice in analysing this activity and the results have been validated comparing the ratings set by the model and those allocated by experts, for a representative sample of developers and developments.

This rating system is structured into several modules quantifying the customer's risk profile based on quantitative and qualitative developer valuations, and moreover on feasibility valuations for each of the developments and the progress of sales on each one.

□ *Micro-SME Scoring*

Micro-SME and sole trader scoring was developed and implemented during 2007 to supplement enterprise rating. The main benefit of scoring over rating is an optimised level of automated decision-making within the transaction acceptance process for this segment and an optimum measurement of the customer/product risk profile and not just of the customer customer/product.

This model both analyses the associated borrower/transaction credit risk and quantifies the highest borrowing which the customer can take on globally, and by product line.

□ *Environmental Rating*

In line with the aim of improving BANCAJA's customers' environmental performance, progress was made during 2007 in designing and implementing an environmental rating, built into the credit policies and pricing process.

This rating weighs up the level of environmental risk associated with business economy customers and has been built in as another financial risk variable into decision-making in the acceptance of credit transactions and in the pricing process.

The main object of environmental rating is measuring and evaluating the potential environmental risk attached to a business activity and an enterprise's capacity to minimise this risk and face up to the ensuing liabilities, in order for the financial risk taken on by the bank not to be materially affected, this

being the ultimate aim of the bank's credit policy, in turn encouraging an enhanced environmental responsibility and the development and dissemination of environmentally friendly technologies.

In other words, the aim is to improve the non-financial factors usually evaluated and the environmental risk is linked to the credit policies.

4. Recovery procedures and actions.

BANCAJA's recovery actions are managed through the following computer applications and centres:

Recovery action centres and computer applications

Status	Applications	Centres
Pre-litigation	Rem-Recoveries (TL4)	Branches <ul style="list-style-type: none"> ■ Risks Department <ul style="list-style-type: none"> ■ Pre-litigation Managers
Recovery Agencies	Rem- Recoveries (batch information)	<ul style="list-style-type: none"> ■ Acinsa (recovery agency that deals with tele-collection tasks, friendly and pre-litigation management of individual cases) ■ Other Agencies
Litigation Bad Debt	Litigation Recoveries (TL4)	<ul style="list-style-type: none"> Legal Department ■ Risks Department <ul style="list-style-type: none"> ■ Recovery of Bad Debts
Properties Awarded	CISA Application	CISA-Cartera de Inmuebles S.A.

Because of how close they are to and how well they know the client, branches play a very important role in the recovery process, given the uncertainty and delays of legal action, and assist all parties involved in that process. Branches are, in addition, responsible for making sure that all defaulting client details are accurate and complete.

From 2008, processing of recovery cases has been automated at branches. An electronic file has been created allowing all details to be viewed for both the defaulted transaction and other cases of the same client, see what actions have been taken by the other parties involved in the recovery process, among them the recovery agency, enter actions taken, agenda alerting of commitments made.

The Risks Department is involved in the recovery process through pre-litigation. In addition to being involved in developing the necessary tools, co-ordinating and setting action policies, criteria and rules for all parties involved in delinquency and recovery, it monitors and controls all failing transactions and analyses delinquency from the standpoint of both products and Branches/Areas and Business Units, issuing reports accessible through the Information Centre.

Pre-litigation managers deal with managing failing clients assigned to them and issue the relevant pre-litigation proposals, and resolve or process the proposals sent by the Branches.

From October 2005, tele-collection and friendly management recovery tasks were outsourced for cases of individuals with arrears exceeding 30 days, and so was the preparation of documents for claiming in court from both individuals and bodies corporate.

Basically, recovery from private individuals works as follows:

- After being 10 days in arrears an electronic recovery file is assigned which the branch must manage and enter therein all actions taken. Upon opening the file, the branch is entrusted with management in order that completion may be centrally controlled from the centre's or each employee's agenda.

- After being 31 days in arrears, the matter is referred to the recovery agency Acinsa in order to put in place tele-collection actions for not more than 45 days (a number of parameters result in the period being shorter: no telephone, connection is impossible, incident with the debtor, etc). When that period is over, the matter shall pass to friendly management, and, based on parameters set by BANCAJA, the agency will analyse creditworthiness and shall, as the case may be, begin to prepare the documents

for a legal claim to be filed. If that option is not available, then the case shall continue to be managed out of court for not more than 90 days or 120 days in the event of significant income, and thereafter the application shall refer them to the relevant pre-litigation manager.

Pre-litigation controls those matters, and anything done by the agency on behalf of BANCAJA shall be entered in the recovery file and will be therefore be available to any user.

Lastly, a bad debts recovery team exists to deal with putting in place recovery actions for recoverable bad debts, based on its rating criteria.

The legal services institute and direct all stages and motions of proceedings, and provide information relating to cases claimed in court, including reclassification of transactions as bad debts, forwarding the same to pre-litigation to be resolved or referred to the relevant pre-litigation committee. In addition, they authorise collection and allocation of amounts recovered in litigation cases, provided that this does not result in the legal proceedings coming to a standstill, and assist pre-litigation in monitoring transactions in such cases as insolvencies, bankruptcies, banking solidarity or other special cases.

CISA (Cartera de Inmuebles S.A.) is a BANCAJA group affiliated company. The properties on CISA's inventory mostly originate in foreclosures by BANCAJA.

The sale of these properties is particularly encouraged in the profit and loss account of branches, via analytical accounting, applying in the profit and loss account the difference between the sale price and the total cost of the property, after payment, as the case may be, of the award amount to the branch originating the Asset Recovery Property.

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

Representations of the Originator.

BANCAJA 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.

1. In relation to BANCAJA.

- (1) That BANCAJA 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 SMEs and operate in the mortgage market.
- (2) That neither at today's date nor at any time since it was incorporated has BANCAJA been decreed to be insolvent (or formerly bankrupt or in suspension of payments), nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.
- (3) That BANCAJA 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 Loans, to assign the Loan receivables to the Fund and issue the Pass-Through Certificates, to validly execute the Fund Deed of Constitution, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.
- (4) That BANCAJA has audited annual accounts for the last three years ended December 31, 2008, 2007 and 2006 which have been filed with the CNMV and with the Companies Register, and they have no provisos.

2. In relation to the Loans.

- (1) That the Non-Mortgage Loan receivables are assigned and the Mortgage Loan Pass-Through Certificates are issued in the ordinary course of business of BANCAJA and are assigned and issued 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, and that BANCAJA keeps a first copy of the public deed or the valid loan agreement at the Management Company's disposal, as the case may be.
- (3) That in order to be assigned to the Fund upon being established, BANCAJA shall choose from the selected loans (i) loans that are in good standing or that have no payments that are more than one (1) month overdue and (ii) with an aggregate outstanding principal amount for each Obligor from lowest to highest up to an outstanding balance equal to or slightly above EUR five hundred and ten million (510,000,000.00). In addition, the Outstanding Balance of the Loans with overdue payments shall not exceed 5.00% of the face value of the Bond Issue at the assignment date.
- (4) That all the Loans exist and are valid and enforceable in accordance with the applicable laws.
- (5) That BANCAJA holds legal and beneficial title to all the Loans, clear of any liens and claims, and there is no obstacle whatsoever for the Loans to be assigned. In this sense, the respective public document, deed or agreement supporting the Loans contain no clauses preventing their assignment or requiring any authorisation or notice for such assignment to be made.
- (6) That the Loans are all denominated in euros and payable exclusively in euros.
- (7) That the Loan Obligors all are non-financial small and medium-sized enterprises (legal persons) (SMEs, based on the Originator's internal rating criteria -annual turnover less than or equal to EUR 50 million-) domiciled in Spain.
- (8) That the policies for granting credit in force given in section 2.2.7 of the Prospectus Building Block have been strictly adhered to in granting all the Loans and in accepting, as the case may be, the subrogation of subsequent borrowers to the initial borrower's position.
- (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 BANCAJA's information system as from being granted or subrogated to BANCAJA and are serviced, analysed and monitored by BANCAJA in accordance with the usual set procedures.
- (11) That, upon the Fund being established, no Loan Obligor has been decreed to be insolvent, or, before the entry into force of the Bankruptcy Act, bankrupt or in suspension of payments.
- (12) That, upon the Fund being established, the sum of the Outstanding Balance of the Loans of a same Obligor is not in excess of 1.24% of the Outstanding Balance of the Loans.
- (13) That the Loan security arrangements, if any, are valid and enforceable in accordance with the applicable laws, and BANCAJA is not aware of the existence of any circumstance which might prevent the security arrangements from being enforced.
- (14) That upon the Fund being established, it is not aware of having received any notice whatsoever of total prepayment of any of the Loans.
- (15) That none of the Loans has a final maturity date extending beyond August 10, 2048.
- (16) That it is not aware that the Obligors may howsoever object to paying any Loan amount.
- (17) That, upon the Fund being established, at least one instalment has matured on each Loan and is not overdue.
- (18) That nobody has a pre-emptive right over the Fund, as holder of the Loan receivables assigned.

- (19) That both the grant of the Loans and the assignment of the Loan receivables to the Fund and all aspects related thereto are ordinary actions in the course of business of BANCAJA and are at arm's length.
- (20) That after being granted or subrogated to BANCAJA the Loans have been serviced and are still being serviced by BANCAJA in accordance with its set customary procedures.
- (21) That the data and information relating to the loans selected to be assigned to the Fund given in section 2.2.2 of the Building Block to the Prospectus fairly present their status on the relevant date and are accurate.
- (22) That the capital or principal of all the Loans has been fully drawn down by the Obligor.
- (23) That, based on its internal records, none of the Loans are in the nature of financing granted to real estate developers for building or renovating homes and/or business or industrial properties designed to be sold, or finance lease transactions.
- (24) That BANCAJA is not aware that any Loan Obligor holds any credit right against BANCAJA whereby that Obligor might be entitled to a set-off which might adversely affect the rights conferred by the assignment of the Loan receivables.
- (25) That the Loans all stand as a valid and binding payment obligation for the relevant Obligor and are enforceable on their own terms.
- (26) That the Loan payment obligations are all satisfied by directly debiting an account opened at BANCAJA.
- (27) That none of the Loans have clauses allowing deferment of periodic interest payment and principal repayment, other than the principal repayment exclusion period there may be at the origination date of each Loan.
- (28) That none of the Obligors is a BANCAJA group member.
- (29) That none of the Loans are an extension or reinstatement of earlier loans in arrears.

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 the provisions of Additional Provision Five of Act 3/1994, as worded by Act 41/2007, and other applicable laws. The assignment of the Mortgage Loan receivables is made 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 shall be consistent with the contents established in schedule I to Royal Decree 716/2009 on the special accounting register of mortgage loans and credits.
- (2) That 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 the Mortgage Loans are all secured with a senior real estate mortgage, or, as the case may be, ranking junior although BANCAJA has documents regarding cancellation of debts originated by previous mortgages, even though their registration cancellation procedure is pending, on the legal and beneficial ownership of each and every one of the mortgaged properties, and the same are not subject to restrictions as to disposal, conditions subsequent or any other limitation of title.
- (4) That the Mortgage Loans are all originated in a public deed, and the mortgages are all duly established and entered in the relevant Land Registries. The entry of the mortgaged properties is in force and has not been howsoever objected to and is subject to no limitation whatsoever taking precedence over the mortgage, in accordance with the applicable laws.

- (5) That the Mortgage Loans do not have any of the characteristics of credits excluded or restricted by article 12.1 d) and f) of Royal Decree 716/2009.
- (6) That the mortgages are established on properties wholly legally and beneficially owned by the respective mortgagor, and BANCAJA is not aware of the existence of litigation over the ownership of those properties which might detract from the mortgages.
- (7) That the mortgaged properties underlying the Mortgage Loans are not ineligible as assets excluded for standing as security under article 11.1 of Royal Decree 716/2009.
- (8) That all the mortgaged real properties (i) are located in Spain, (ii) have been appraised by duly qualified institutions approved by BANCAJA and those firms 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 real properties consisting of constructions in general, building work has been completed.
- (9) That the outstanding principal value of each Mortgage Loan does not exceed 100 percent of the appraisal value of the properties mortgaged as security for the relevant Mortgage Loan.
- (10) That the public deeds originating the Mortgage Loans provide that, until the latter are paid back, the Obligor shall be 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 set by the mortgage market laws in force (appraisal value of the insured assets without the value of assets that are not insurable by nature, in particular land). The validity of that insurance is not supported on the Originator's databases.
- (11) 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.
- (12) That the Mortgage Loans are not earmarked for any issue whatsoever of mortgage bonds, mortgage certificates or pass-through certificates, other than this issue of Pass-Through Certificates.
- (13) That it is not aware of any circumstance which might prevent foreclosure of the mortgage security.
- (14) That nobody has a preferred right over the Fund in and to the Mortgage Loans, as holder of the Pass-Through Certificates.
- (15) 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 Loans or Pass-Through Certificates or otherwise repayment to the Fund.

1. In the event of prepayment of the Loans 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, BANCAJA 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 learning of 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 to a substitution of the affected Loans, notifying the Management Company of the characteristics of the loans proposed to be assigned to take their stead, which

shall fulfil the representations given in section 2.2.8 of this Building Block and be homogenous as to residual term, interest rate, instalment payment frequency, security, BANCAJA's internal rating of the Obligor and also, as the case may be, credit quality in terms of mortgage ranking, of the ratio of outstanding principal to the appraisal value of the mortgaged property or properties of the Pass-Through Certificates to be replaced, in order for the financial balance of the Fund not to be affected by such substitution, nor indeed the rating of the Bonds in connection with the provisions of section 7.5 of the Securities Note. Once the Management Company has checked the eligibility of the substitute loan or loans, and after advising the Originator expressly of loans eligible for such substitution, such substitution shall be made by terminating the assignment of the affected Loans and, as the case may be, cancelling the relevant Pass-Through Certificate, and simultaneously assigning the new loans and, as the case may be, issuing the new substitute Pass-Through Certificates.

Substitution shall be recorded in a public deed 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 Agency with a copy of the public deed.

- (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, BANCAJA 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 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 by the Originator and cannot be charged to the Fund or the Management Company. The Management Company shall notify the CNMV of Loan replacements on the terms of the procedure provided for in paragraph 2 above.

2.2.10 Relevant insurance policies relating to the securitised 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, and BANCAJA's databases do not support whether or not such damage insurance is in force.

No details are included regarding concentration of the Insurers because the current status of the insurance policies taken out by the obligors and their data is not supported in the Originator's computer records, wherefore there could be concentration in one or several insurers.

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 in section 3.2 of this Building Block.

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 mostly relate to appraisals made by appraisers for the purpose of BANCAJA granting and arranging the same, excepting in some case originating in mortgage loan subrogation where the appraisal submitted is that provided by the appraiser for the mortgage loan to be granted in the first place.

2.3 Actively managed assets backing the issue.

Not applicable.

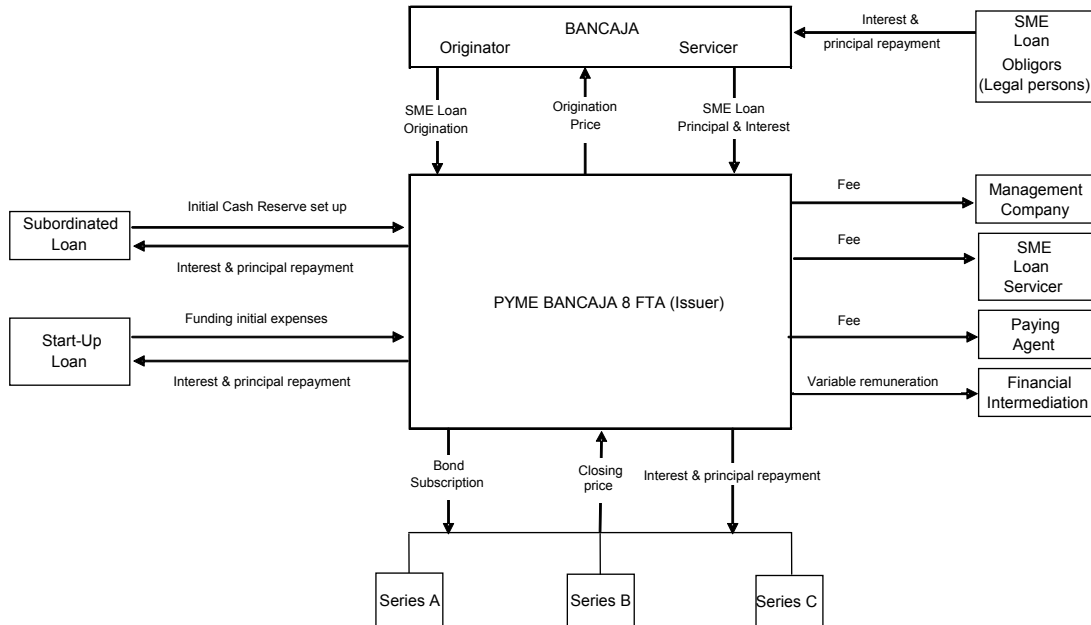
2.4 Where the Issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

Not applicable.

3. STRUCTURE AND CASH FLOW

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

Transaction structure diagram.



Initial balance sheet of the Fund.

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

ASSETS		LIABILITIES	
Receivables	510,189,900.00	Obligations and securities	510,000,000.00
Pass-Through Certificates (adjustment excess to EUR 189,900.00)	510,189,900.00	Series A Bonds	383,700,000.00
Treasury Account *	99,110,100.00	Series B Bonds	70,200,000.00
		Series C Bonds	56,100,000.00
		Start-Up Loan	2,400,000.00
		Subordinated Loan	96,900,000.00
TOTAL	609,300,300.00	TOTAL	609,300,300.00
		Short-term creditors	to be determined
		Loan interest accrued **	to be determined

(Amounts in EUR)

* Including EUR 361,100.00 for Fund set-up and Bond issue and admission expenses, as detailed 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.

- EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and be the authorised representative of the Fund and takes responsibility for the contents of the Prospectus.
- BANCAJA is the originator of the Loan receivables to be assigned to the Fund upon being established, and shall be the Lead Manager and the Subscriber of the Bond Issue.

In addition, BANCAJA has structured the financial terms of the Fund and the Bond Issue, and shall be the Fund's counterparty under the Start-Up Loan, Subordinated Loan, Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements.

- (iii) CAJA MADRID shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account) and Paying Agent Agreements.
- (iv) 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.
- (v) DELOITTE have audited the most significant features of a sample of BANCAJA's selected loans from which the Loans will be taken to be assigned to the Fund upon being established.
- (vi) Moody's is the Rating Agency that has rated to each Bond Issue Series.

The description of the institutions referred to in the preceding 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, 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 BANCAJA 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 BANCAJA 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 as currently worded, 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 currently provided in article 29 of Royal Decree 716/2009, and the registration particulars of the mortgaged properties securing the 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 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, said Pass-Through Certificates have to be sold, BANCAJA 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 BANCAJA, and relations between the Fund and BANCAJA shall be governed by the Loan Servicing and Pass-Through Certificate Custody Agreement to be entered into between BANCAJA and the Management Company for and on behalf of the Fund. That deposit shall be made for the benefit of the Fund and therefore BANCAJA shall custody the documents supporting the Pass-Through Certificates deposited, on the Management Company's instructions.

BANCAJA, as the issuer, shall keep a special book in which it shall enter the Pass-Through Certificates issued and the changes of address notified by the Pass-Through Certificate holders, also including therein (i) Mortgage Loan origination date and maturity, initial Mortgage Loan amount and settlement method; and (ii) the registration particulars of the mortgage securing the Mortgage Loan.

Given that subscription for and holding of the Pass-Through Certificates is restricted to institutional or professional investors and that the Fund is a professional investor and that the Fund has subscribed for the Pass-Through Certificates, for the purposes of paragraph two of article 32.1 of Royal Decree 716/2009, the issue 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.

- (ii) The Non-Mortgage Loan receivables shall be assigned directly by BANCAJA to the Fund without any underlying security being issued by means of their sale by BANCAJA and acquisition by the Fund.

The assignment by BANCAJA 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 by the Mortgage Loans underlying the Pass-Through Certificates.

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, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors and mortgaged property insurers, if any), of the transfer to the Fund of the outstanding Loan receivables, and that the 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 five (5) 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 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 is made, but shall not be liable for Obligors' solvency.

The Originator shall not bear the risk of default on the Loans and shall therefore have no liability whatsoever for the Obligors' default of principal, interest or any other amount whatsoever they may owe under the Loans, 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. Specifically, without limitation and for illustrative purposes only, the assignment shall confer on the Fund as the holder thereof 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.
- c) To receive all late-payment interest amounts on the Loans.
- d) To receive any other amounts, properties, assets, 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, on the sale or utilisation of properties, assets or securities awarded or given as payment 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 those derived from the Mortgage Loan mortgaged property damage insurance contracts, if any, 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.

Interest shall moreover include interest accrued and not due since the last interest settlement date on each Loan, on or before the date of assignment to the Fund and overdue interest, if any (in the case of Loans having payments that are one (1) month or less overdue on the date of their assignment to the Fund) on each Loan as at that date.

4. Until the execution of the Deed of Constitution, BANCAJA shall be the beneficiary of the damage insurance contracts taken out by the Obligors in relation to the properties mortgaged as security for the Mortgage Loans, up to the insured amount.

BANCAJA shall thereupon perfect the assignment attached to the issue of the Pass-Through Certificates of the rights BANCAJA 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 all the amounts BANCAJA would have received under these contracts.

5. In the event of Loan prepayment upon a full or partial repayment of the capital, there will be no direct substitution of the affected Loans.
6. The Fund's rights resulting from the Loans shall be linked to payments made by the Obligors and are therefore directly affected by the evolution, late payments, prepayments or any other incident in connection therewith.
7. The Fund shall defray any and all expenses or costs resulting for the Originator derived from recovery actions in the event of a breach by the Loan Obligors of their obligations, including enforcement proceedings against the latter.
8. 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.

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. The aggregate price payable by the Fund represented by the Management Company to BANCAJA 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 and overdue interest, if any, (in the case of Loans having payments that are one (1) month or less overdue on the date of their assignment to the Fund) on each Loan at the assignment date (the "**accrued interest**").

The Management Company shall pay the total Loan receivables assignment price on behalf of the Fund as follows:

1. The part of the price consisting of the face value of the capital of all the Loans, item (i) of paragraph one of this section, shall be paid by the Fund on the Closing Date of the Bond Issue, for same day value, upon subscription for the Bond Issue being paid up. BANCAJA shall receive no interest on deferred payment until the Closing Date.
2. The part of the price consisting of payment of interest accrued on each Loan, item (ii) of paragraph one of this section, shall be paid by the Fund on each collection date, as described in section 3.4.1 below, falling on the first interest settlement date of each Loan. Payment of accrued interest shall be made without regard to the Priority of Payments.

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 BANCAJA any rights whatsoever accrued for the Fund upon the Loan receivables being assigned.

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 payable to the Fund and received by the Servicer will be paid by the Servicer into the Fund's Treasury Account on the second day, for same day value, after the date on which they are received by the Servicer.

The weighted average interest rate of the loans selected as at June 30, 2009, as detailed in section 2.2.2.h) of this Building Block, is 4.42%, which is above the 1.49% weighted average interest rate of the Bonds that has been presumed for hypothetical purposes in the table contained in section 4.10 of the Securities Note.

Quarterly on each Payment Date Bondholders will be paid interest accrued and principal repayment on the Bonds in each Series 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) Cash Reserve set up by drawing down the Subordinated Loan.

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

- (ii) Treasury Account.

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

- (iii) Subordination and deferment in interest payment and principal repayment between the Bonds in the different Series, derived from their place in the application of the 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 different Series.

- (iv) As the case may be, the deposit amount posted by the Servicer or the credit facility taken out as provided for in section 3.7.2.1.2 of the Building Block mitigates the risk, in the event of insolvency of the Servicer, of the Fund not receiving Loan amounts owing to it and paid to the Servicer.

3.4.2.2 Cash Reserve.

The Management Company shall set up a cash reserve (the “**Cash Reserve**”) on the Closing Date by drawing fully the Subordinated Loan principal 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 ninety-six million nine hundred thousand (96,900,000.00) (the “**Initial Cash Reserve**”).
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 ninety-six million nine hundred thousand (96,900,000.00).
- (ii) The higher of:
 - a) 38.00% of the Outstanding Principal Balance of the Bond Issue.
 - b) EUR forty-eight million four hundred and fifty thousand (48,450,000.00).
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 higher than 1.00% of the Outstanding Balance of Non-Doubtful Loans.
 - ii) That the Cash Reserve could not be provisioned up to the Required Cash Reserve amount on the relevant Payment Date.
 - iii) That the average margin added to the relevant benchmark index for determining the nominal interest rate of the Loans, weighted by the outstanding principal of the Loans, is equal to or less than 0.80%.
 - iv) That three (3) 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 in the Liquidation Priority of Payments.

3.4.3 Details of any subordinated finance.

3.4.3.1 Start-Up Loan.

The Management Company shall on the date of establishment of the Fund, for and on behalf of the Fund, enter with BANCAJA into a commercial loan (the “**Start-Up Loan**”) agreement totalling EUR two million four hundred thousand (2,400,000.00) (the “**Start-Up Loan Agreement**”). The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the Fund set-up and Bond issue and admission expenses, partly financing assignment of the Loan receivables, in an amount equal to the difference between their total face capital and the face amount of the Bond Issue, and to covering the timing difference existing between Loan interest collection and Bond interest payment on the first Payment Date.

Outstanding Start-Up Loan principal will accrue 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, and (ii) a 2.00% margin. This interest will be payable only if the Fund should have sufficient liquidity 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 December 18, 2009.

Interest accrued and not paid on a Payment Date shall not be accumulated to the Start-Up Loan principal nor earn late-payment interest.

Start-Up Loan Principal will be repaid quarterly in twenty (20) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, December 18, 2009, and the following until the Payment Date falling on September 18, 2014.

All Start-Up Loan amounts due and not paid to BANCAJA 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 Subordinated Loan amounts falling due on that Payment Date, in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.

The Start-Up Loan Agreement shall not be terminated in the event of the establishment of the Fund being terminated, as provided for in section 4.4.4.(v) of the Prospectus Registration Document. In that event, the Start-Up Loan 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 assets.

3.4.3.2 Subordinated Loan.

The Management Company shall on the date of establishment of the Fund, for and on behalf of the Fund, enter with BANCAJA into a subordinated loan (the “**Subordinated Loan**”) agreement totalling ninety-six million nine hundred thousand (96,900,000.00) (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 3.4.2.2 of this Building Block, although granting of the Loan by no means guarantees performance of the securitised 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 on the Determination Date preceding the relevant Payment Date and the Required Cash Reserve amount on 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 proceed to 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, if any, that should be repaid on that same Payment Date, until it is 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, and (ii) a 1.50% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Priority of Payments or, as the case may be, 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 December 18, 2009.

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

All Subordinated Loan amounts due and not paid to BANCAJA 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 Subordinated Loan amounts falling due on that Payment Date, in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on July 30, 2009.

3.4.3.3 Subordination of Series B and C Bonds.

Series B Bond interest payment is deferred with respect to Series A Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments. Series C Bond interest payment is in turn deferred with respect to Series A and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series B Bond principal repayment is deferred with respect to Series A Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments, saving the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond principal repayment is deferred with respect to Series A and Series B Bonds, as provided in the Priority of Payments and in the Liquidation Priority of Payments, saving the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Sections 4.6.1 and 4.6.2 of the Securities Note detail the order numbers of Bond interest payment and principal repayment in each Series in the priority of payments of the Fund.

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 CAJA MADRID shall, in the presence of BANCAJA, enter into a guaranteed interest rate account agreement (the "**Guaranteed Interest Rate Account (Treasury Account) Agreement**") whereby CAJA MADRID 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 CAJA MADRID, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following items:

- (i) cash amount received upon subscription for the Bond Issue being paid up;
- (ii) Loan principal repaid and interest collected;

- (iii) any other Loan amounts received owing to the Fund;
- (iv) Subordinated Loan principal drawn down and the Cash Reserve amount from time to time;
- (v) Start-Up Loan principal drawn down;
- (vi) the amounts of the returns obtained on Treasury Account balances;
- (vii) 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; and
- (viii) as the case may be, the deposit amount posted by the Servicer or the amounts drawn on the credit facility taken out as provided for in section 3.7.2.1.2 of the Building Block.

CAJA MADRID 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 expiry date of each interest accrual period, on each settlement date, on March 10, June 10, September 10 and December 10 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 and the first settlement date, December 10, 2009.

In the event that the rating of short-term unsecured and unsubordinated debt obligations of CAJA MADRID or of the institution in which the Treasury Account is opened (the “**Treasury Account Provider**”) should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody’s, the Management Company shall within not more than thirty (30) calendar days from the time of the occurrence of any such circumstances do any of the things described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agency not to be adversely affected:

- a) Obtaining from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody’s a 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 the amounts credited to the Treasury Account, for such time as the Treasury Account Provider remains downgraded below P-1.
- b) Transferring the Treasury Account to an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody’s, arranging the highest 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.

BANCAJA agrees, upon the Management Company’s request, provided that its short-term unsecured and unsubordinated debt obligations are rated at least as high as P-1 by Moody’s, to provide the Treasury Account and to be subrogated as the Treasury Account Provider to the Guaranteed Interest Rate Account (Treasury Account) Agreement.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BANCAJA.

The Treasury Account Provider, forthwith upon its credit rating being downgraded, BANCAJA shall agree to use commercially reasonable efforts in order that the Management Company may do any of (a) or (b) above.

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

The Servicer shall manage collection of all Loan amounts payable by the Obligor and any other item including under the damage insurance contracts covering the properties mortgaged as security for the Mortgage Loans. The Servicer shall use every effort in order for payments to be made by the Obligor to be collected in accordance with the contractual terms and conditions of the Loans.

Loan amounts due to the Fund received by the Servicer shall be paid by the Servicer in full into the Treasury Account on the second 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. In this connection, business days shall be taken to be all those that are business days in the savings bank sector in the city of Valencia.

In the event of the Servicer's long-term credit rating being downgraded below Baa3 by Moody's, the Servicer will:

- (i) make a cash deposit for the benefit of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or
- (ii) arrange an unconditional irrevocable credit facility upon the Management Company's first demand with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's.

The deposit amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Loan repayment and interest instalments during the month with the highest collection of repayment and interest instalments from the date of downgrade below Baa3 by Moody's, in the event that the Loan delinquency rate should be 0.00% and the CPR should be 10.00%.

The Fund may only draw on that deposit or the credit facility the Loan amounts it shall not receive from the Servicer, if any, owing to the Fund and received by the Servicer and not paid into the Fund.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by the Servicer.

The Management Company may issue the same instructions in the event that the Servicer's short-term unsecured and unsubordinated debt obligations should not be rated by Moody's.

The Servicers may at no event pay any amount whatsoever to the Fund not previously received from the Obligor as payment for the Loans.

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 and until the first Payment Date, exclusive.

The source of the amounts available to 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 Start-Up Loan principal.
- c) 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 at their face value.
- 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 returns received on amounts credited to the Treasury Account.
- 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 Loans upon the sale or utilisation of the real estate, assets, securities or rights awarded or given as payment to the Fund.
- f) As the case may be and as provided for in section 3.7.2.1.2 of the Building Block, the deposit amount posted by the Servicer or the amount drawn on the credit facility taken out, at a sum equal to the Loan amount the Servicer shall have received and not paid to the Fund during the Determination Period preceding the relevant Payment Date.
- g) The remainder upon the Start-Up Loan being drawn down to the relevant extent for covering on the first Payment Date the timing difference existing between collection of Loan interest and payment of Bond interest and to the extent not used.

Income under a), b) and e) above received by the Fund and credited to the Treasury Account from the preceding Determination Date, exclusive, until the relevant Payment Date, shall not be included in 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.

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. Only expenses prepaid or disbursed on the Fund’s behalf by and Loan amounts reimbursable to the Servicer, provided they are all properly supported, and the servicing fee in the event that BANCAJA should be substituted as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of interest due on Series A Bonds.
3. Payment of interest due on Series B Bonds unless this payment is deferred to 6th place in the order of priority.

This payment shall be deferred to 6th 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 18.00% of the Outstanding Balance of the Loans upon the Fund being established and provided that Series A Bonds have not been and are not to be fully amortised on the relevant Payment Date.

4. Payment of interest due on Series C Bonds 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 12.00% of the Outstanding Balance of the Loans upon the Fund being established and provided that Series A and Series B Bonds have not been and are not to be fully amortised on the relevant Payment Date.

5. Amortisation Withholding in an amount equivalent to the positive difference existing at the Determination Date preceding the relevant Payment Date between (i) the Outstanding Principal Balance of the Bond Issue, 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 4.9.3.5 of the Securities Note.

6. Payment of interest due on Series B Bonds when this payment is deferred from 3rd place in the order of priority as established therein.
7. Payment of interest due on Series C Bonds when this payment is deferred from 4th 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. As the case may be, payment of interest due on the deposit amount posted by the Servicer or the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block.
10. As the case may be, (i) repayment of the deposit posted by the Servicer and used by the Fund, or (ii) of the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block, at the amount the Servicer shall have paid to the Fund during the preceding Determination Period for Loan amounts received and not paid to the Fund in the preceding Determination Periods.
11. Payment of Subordinated Loan interest due.
12. Repayment of Subordinated Loan principal to the extent amortised.
13. Payment of Start-Up Loan interest due.
14. Repayment of Start-Up Loan principal to the extent amortised.
15. Payment to the Servicer of the fee established under the Servicing Agreement.

In the event that any other institution should replace BANCAJA as Loan Servicer, payment of the servicing fee accrued by the other institution, to wit the new servicer, shall take the place of paragraph 1 above, along with the other payments included therein.

16. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number on the 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 rating of the Bonds.
- c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, 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 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 fifty thousand (150,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and that balance 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 of the Deed of Constitution and of the agreements, and from entering into additional agreements.
- b) Expenses required to enforce the Loans and their collaterals, and deriving from any recovery actions required.
- c) Extraordinary expenses of audits and legal advice.
- d) The remaining amount, if any, of the initial Fund set-up and Bond issue and admission expenses in excess of the Start-Up Loan principal.
- e) In general, any other extraordinary expenses required or not determined among ordinary expenses borne by the Fund or 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 fifth (5th) place in the order of priority of the Available Funds on the relevant Payment Date.

2. Distribution of Available Funds for Amortisation between each Series.

The rules for Distribution of Available Funds for Amortisation are given 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.⁽¹⁾
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. Only expenses prepaid or disbursed on the Fund’s behalf by and Loan amounts reimbursable to the Servicer, provided they are all properly supported, and the servicing fee if BANCAJA shall have been replaced as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.
3. Payment of interest due on Series A Bonds.
4. Repayment of Series A Bond principal.
5. Payment of interest due on Series B Bonds.
6. Repayment of Series B Bond principal.
7. Payment of interest due on Series C Bonds.
8. Repayment of Series C Bond principal.
9. In the event of the credit facility or the loan being arranged as provided for in section 4.4.3.3.(iii) of the Registration Document, payment of financial expenses accrued and repayment of principal on the credit facility or the loan arranged.
10. As the case may be, payment of interest due on the deposit amount posted by the Servicer or the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block.
11. As the case may be, (i) repayment of the deposit posted by the Servicer and used by the Fund, or (ii) of the amount drawn on the credit facility taken out, as provided for in section 3.7.2.1.2 of the Building Block, at the amount the Servicer shall have paid to the Fund during the preceding Determination Period for Loan amounts received and not paid to the Fund in the preceding Determination Periods.
12. Payment of interest due on the Subordinated Loan.
13. Repayment of Subordinated Loan principal.
14. Payment of Start-Up Loan interest due.
15. Repayment of Start-Up Loan principal
16. Payment to BANCAJA of the fee established under the Servicing Agreement.

In the event that any other institution should replace BANCAJA as Loan Servicer, payment of the servicing fee accrued by the other institution, to wit the new Servicer, shall take the place of paragraph 1 above, along with the other payments included therein.
17. Payment of the Financial Intermediation Margin.

Where payables 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, 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 payables fall due.

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 credit facility or the loan arranged for early amortisation of Bonds then outstanding, allocated to settling those items only.

- (1) Reserve set up as a means of assurance in order to allow the payments to be made by the Fund in connection with the expenses occurring upon the Fund terminating as described in section 4.4 of the Registration Document.

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 thereby of the Loan receivables and the rating assigned to each Bond Series.

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and accrue upon expiry of every quarterly period, comprising, other than for the first period, the three calendar months next preceding each Payment Date, in an amount equal to the positive difference, if any, between income and expenditure, including losses brought forward from previous years, if any, accrued by the Fund with reference to its accounts and before the close of the months of February, May, August and November, these being the last calendar months in each quarterly period.

The Financial Intermediation Margin accrued at the close of the months of February, May, August and November shall be settled on the Payment Date next succeeding the last day of each of said months, provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments of the Fund.

Exceptionally, the first accrual period for the Financial Intermediation Margin shall be comprised between the date on which the Fund is established and November 30, 2009, both inclusive, which is the last day of the calendar month preceding the first Payment Date. The first settlement date of the Financial Intermediation Margin shall be on the first Payment Date, December 18, 2009.

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 amount not paid 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, as the case may be, in the Liquidation Priority of Payments. Financial Intermediation Margin amounts not paid on preceding Payment Dates shall be paid with priority over the Financial Intermediation Margin amount payable on the relevant Payment Date.

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agency should not confirm any of the provisional ratings assigned to each Bond Series as final by 2pm (CET) on July 30, 2009.

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 CAJA MADRID in the presence of BANCAJA into a paying agent agreement to service the Bond Issue (the "**Paying Agent Agreement**").

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

- (i) On each Bond Payment Date, paying Bond interest and, as the case may be, repaying Bond principal through Iberclear, after deducting, as the case may be, 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 each Bond Series.

In the event that the rating of the Paying Agent's short-term unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's, the Management Company shall within not more than thirty (30) days, from the time of the occurrence of any such circumstance, do any of the following: (i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, an unconditional and irrevocable first demand guarantee securing payment to the Fund, merely upon the Management Company so requesting, of the commitments made by the Paying Agent, for such time as the Paying Agent remains downgraded below P-1, or (ii) revoke the Paying Agent's designation and thereupon designate another institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's to take its place before terminating the Paying Agent Agreement, or, as the case may be, under a new payment agent agreement, and subject to prior notice being served on the Rating Agency. Should CAJA MADRID be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with CAJA MADRID under the Paying Agent Agreement.

CAJA MADRID, forthwith upon its credit rating being downgraded, and BANCAJA, shall agree to use commercially reasonable efforts in order that the Management Company may do either of (i) or (ii) above.

In consideration of the services provided by the Paying Agent, the Fund shall pay it a 0.01% fee, inclusive of taxes, if any, on the amount to be distributed to Bondholders on each Bond Payment Date during the term of the Paying Agent Agreement, payable on the same Payment Date, provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, 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, as the case may be, in the Liquidation Priority of Payments.

BANCAJA agrees, upon the Management Company's request, provided that its short-term unsecured and unsubordinated debt obligations are rated at least as high as P-1 by Moody's, to be subrogated as the Paying Agent to the Paying Agent Agreement.

All costs, expenses and taxes incurred in doing and arranging the above shall be borne by BANCAJA.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on July 30, 2009 or in the event of termination of the Management and Subscription Agreement.

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

The originator and assignor of the Loans securitised is CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA.

Registered office: Caballeros, 2, 12001 Castellón (Spain).

Principal place of business: Pintor Sorolla, 8, 46002 Valencia (Spain).

Significant economic activities of BANCAJA.

BANCAJA, a financial Group, is mainly in the banking business though it has interests in the field of insurance, unit trust and pension fund management, stock broking, real estate development, asset management and broking in major cash, capital and currency markets.

The following is selected individual financial information for BANCAJA at March 31, 2009, December 31, 2008 and at December 31, 2007 and how the latter two dates compare. Both the financial information at December 31, 2008 and the information at December 31, 2007 has been audited. The information has been prepared in accordance with Bank of Spain Circular 4/2004, including the changes made thereto by Circular 6/2008.

	31.03.2009	31.12.2008 (A)	31.12.2007 (B)	Year-On-Year Change $\Delta\% ((A)-(B))/(B)$
BALANCE SHEET (EUR thousand)				
Total Assets	109,021,423	106,500,465	99,584,939	6.94
Average Total Assets	108,115,589	102,633,129	92,804,946	10.59
Gross Customer Credit	83,898,094	85,541,608	81,315,622	5.20
Funds Managed	89,821,655	88,021,791	92,962,631	-5.31
Balance Sheet External Funds	81,493,209	79,425,311	80,100,267	-0.84
Other Funds Managed ⁽¹⁾	8,328,446	8,596,480	12,862,364	-33.17
Turnover	173,719,749	173,563,399	174,278,253	-0.41
Equity	3,789,401	3,751,954	3,564,295	5.26
PROFIT AND LOSS ACCOUNT (EUR thousand)				
Interest margin	389,409	1,458,461	1,399,420	4.22
Gross margin	585,795	1,929,672	1,876,688	2.82
Operating margin	367,229	1,229,225	1,205,120	2.00
Pre-tax profit	178,604	530,749	774,281	-31.45
After-tax profit	147,333	499,490	603,964	-17.30
Net Profit attributed to the Group	107,399	345,629	491,170	-29.63
RATIOS				
Delinquency Rate	5.20%	4.28%	0.85%	403.53
Mortgage delinquency Rate	5.31%	4.56%	0.86%	430.23
Delinquency Coverage Ratio	51.81%	56.80%	230.43%	-75.35
Efficiency Ratio	34.76%	37.94%	35.95%	5.54
Capital Ratio	11.21%	11.17%	12.95%	-13.75
TIER I	7.58%	7.48%	8.16%	-8.33
Core Capital	6.35%	6.33%	6.66%	-4.95
ROE ⁽²⁾	11.24%	9.43%	14.72%	-35.94
ROA ⁽³⁾	0.55%	0.49%	0.65%	-24.62
BRANCHES AND EMPLOYEES				
Branches ⁽⁴⁾	1,586	1,591	1,561	1.92
Employees ⁽⁴⁾	8,152	8,193	8,079	1.41

(1) Investment Trusts, Pension Schemes, Technical Insurance Reserves and Asset Management.

(2) Yearly profit attributed to the Group/Average Equity.

(3) Yearly profit after tax/ Average Total Assets.

(4) Branches and employees related to the banking business; excludes representation offices.

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, S.A., 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 of 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, in accordance with the provisions of the Deed of Constitution and 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 Agency 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 Agency 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 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, including a credit facility or loan agreement in the event of Early Liquidation of the Fund, and amend the Deed of Constitution, on the terms laid down in article 7 of Act 19/1992. In any event, those actions shall require that the Management Company first notify the CNMV, proving that the requirements established in the aforesaid article 7 are satisfied, and notify the Rating Agency, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. Upon the CNMV checking that the statutory requirements for amendment are satisfied, the Management Company shall execute the relevant deed of amendment and submit a certified copy thereof to the CNMV. The amendment of the Deed of Constitution shall be notified by the Management Company to the Rating Agency and be disclosed by the Management Company through the Fund's periodic public information, and be posted at the Management Company's website. 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, in general, carrying out all such acts of administration and disposition as may be required for properly 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 each Bond Series 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 each Bond Series 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 management and authorised representative duties with respect to 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 that function 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 rating accorded to the Bonds by the Rating Agency 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 Agency 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 sections 4.4.3 and 4.4.4 of the Registration Document 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 solvent and reputable 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 rating accorded to each Bond Series by the Rating Agency being downgraded, and (iv) shall be notified to, and, where statutorily required, will 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 be legally 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 which shall accrue upon the Fund being established and be payable on the Closing Date.
- (ii) A periodic fee 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, as the case may be, the Liquidation Priority of Payments, consisting of (i) a fixed amount and (ii) a variable part on the Outstanding Principal Balance of the Bond Issue on the Determination Date preceding the relevant Payment Date.

If on a Payment Date, in the Priority of Payments, the Fund should not have sufficient liquidity to settle the periodic fee in full in accordance with the Priority of Payments, the amount due not paid shall accrue interest equal to the Bond Reference Rate for the relevant Interest Accrual Period. The unpaid amount and interest due shall build up for payment on the relevant fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due and interest thereon shall build up on the following Payment Dates until paid in full, 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.

BANCAJA, Originator of the Loan receivables assigned to the Fund, as established in article 2.2.b) of Royal Decree 926/1998 and, for the Pass-Through Certificates, in article 26.3 of Royal Decree 716/2009, shall continue as attorney for the Management Company to be responsible for custody, servicing and managing the Loans, and relations between BANCAJA and the Fund, represented by the Management Company, shall be governed by the Loan Servicing and Pass-Through Certificate supporting document custody Agreement (the “**Servicing Agreement**”) in relation to custody and servicing of the Loans and custody of the Pass-Through Certificate supporting documents.

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

- (i) To be Loan custodian and servicer subject to the system terms and ordinary servicing and management procedures established in the Servicing Agreement.
- (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 the Servicing Agreement.
- (iii) That the procedures it applies and will apply for servicing and managing 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.
- (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.

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund and as Loan servicer, and custodian of the relevant agreements and 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.

The most relevant terms of the Servicing Agreement are given hereinafter in the following paragraphs of this section.

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

1. Custody of deeds, policies, 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.

The Servicer shall at all times allow the Management Company or the Fund auditors or other advisers duly authorised thereby reasonable access to the aforesaid deeds, policies, documents and records. Furthermore, whenever required to do so by the Management Company, it shall provide within two (2) Business Days of that request and clear of expenses, a copy or photocopy of any such deeds, policies 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 damage insurance contracts of the properties mortgaged as security for 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.

Loan amounts received by the Servicer owing to the Fund shall be paid by the Servicer into the Fund’s Treasury Account on the second day after the date on which they were received by the Servicer, or the following business day, for same day value, if that is not a business day. In this connection, business

days shall be taken to be all those that are business days in the savings bank sector in the capital city of Valencia.

In the event of the Servicer's long-term credit rating being downgraded below Baa3 by Moody's, the Servicer will:

- (i) make a cash deposit for the benefit of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or
- (ii) arrange an unconditional irrevocable credit facility upon the Management Company's first demand with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's.

The deposit amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Loan repayment and interest instalments during the month with the highest collection of repayment and interest instalments from the date of downgrade below Baa3 by Moody's, in the event that the Loan delinquency rate should be 0.00% and the CPR should be 10.00%.

The Fund may only draw on that deposit or the credit facility the Loan amounts it shall not receive from the Servicer, if any, owing to the Fund and received by the Servicer and not paid into the Fund.

All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by the Servicer.

The Management Company shall issue the same instructions in the event that the Servicer's short-term unsecured and unsubordinated debt obligations should not be rated by Moody's.

The Servicer may in no event pay any amount whatsoever to the Fund not previously received from the Obligors as payment for the Loans.

3. Fixing the interest rate.

Because the Loan interest rate floats, 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 relating to the individual characteristics of each Loan, to fulfilment by the Obligors of their obligations under the Loans, to delinquency status and ensuing changes in the characteristics of the Loans, and to actions to demand payment in the event of late payment, court actions and auction of real properties or assets, the foregoing using the procedures and timing established in the Servicing Agreement.

Furthermore, the Servicer shall prepare and hand to the Management Company such additional information relating to 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 Obligors. 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 Agency.

As for the Mortgage Loans, the mortgagor may apply for subrogation to the Servicer in connection with 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 prepayment of the Mortgage Loan and 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, ranking or economic value of the Loans or of the mortgages or security arrangements, without prejudice to its heeding requests by Obligors 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 Obligors' 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 a renegotiation of the margin applicable for determining the interest rate or by an extension of the maturity period, provided that those novations are not detrimental to mortgage ranking.

Without prejudice to the provisions hereinafter, any novation changing a Loan subscribed 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 shall nevertheless initially authorise the Servicer to entertain and accept renegotiations of the margin applicable for determining the interest rate and extending the maturity period of the Loans, without the Management Company's prior consent being required, subject to the following general enabling requirements:

a) Renegotiating the margin applicable for determining the interest rate.

1. The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, renegotiations of the margin applicable for determining the interest rate ("**Interest Rate Renegotiation**") which may result in a decrease in the interest rate applicable to a Loan. In any event, any Loan Interest Rate Renegotiation shall be taken on and resolved bearing in mind the interests of the Fund and the Servicer shall, without encouraging an Interest Rate Renegotiation, act in relation to such Interest Rate Renegotiation bearing in mind the Fund's interests at all times.
2. Subject to the provisions of paragraph 3 below, the Servicer shall in every Interest Rate Renegotiation observe that the new interest rate terms are at arm's length and no different from those applied by the Servicer proper in renegotiating or granting its floating-rate loans. In this connection, arm's length interest rate shall be deemed to be the interest rate offered by the Servicer on the Spanish market for loans granted to SMEs, with amounts, collaterals and terms substantially similar to the Loan being renegotiated.
3. Interest Rate Renegotiation of a Loan shall in no event be made to a fixed rate and may not be made either if previously or as a result of the renegotiation the average margin or spread weighted by the outstanding principal of the Loans over their respective benchmark indices is below 100 percentage basis points. In particular, the Servicer shall not impose clauses limiting the interest rate amount applicable to the Loans.

The Management Company may, on the Fund's behalf, cancel, suspend or change at any time during the term of the Agreement the Servicer's Interest Rate Renegotiation enabling requirements previously determined.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Loans may be extended or 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 aggregate of the capital or principal assigned to the Fund of the Loans with respect to which the maturity date is extended may not exceed 10% of the initial Outstanding Balance of the Loans upon the Fund being established.
- (iii) The term of a specific Loan may be extended provided that the following requirements are met:
 - a) That the same Loan interest settlement and capital or principal repayment frequency and the same repayment system are at all events maintained.
 - b) That the new final maturity or final amortisation date does not extend beyond August 10, 2048.

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.

If there should be any renegotiation of the interest rate of a Loan or its due dates, 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 Loan interest rate or due date renegotiation 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 1 of this section.

7. Action against Obligors 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 the Obligor's default of payment obligations, the Servicer shall do the things described in the Servicing Agreement, taking in that connection 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 court and out-of-court actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors or their guarantors.

Legal actions.

The Servicer, using its fiduciary title to the Loans or using the power referred to in the following paragraph, shall take all relevant actions against Obligors failing to meet their Loan payment obligations, and against guarantors, if any. Such action shall be brought using the appropriate court enforcement procedures prescribed in articles 517 et seq. of the Civil Procedure Act.

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 BANCAJA 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 by any judicial or other means any Loan Obligor and guarantors, if any, to pay the debt and take legal action

against them, in addition to other authorities required to discharge its duties as Servicer. These authorities may be extended and amended in another deed if that should be necessary or appropriate.

The Servicer shall generally commence the relevant legal proceedings if, for a period of six (6) months, a Loan Obligor in default of 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. The Servicer shall in any event forthwith proceed to file an executive action if the Management Company, acting for the Fund, and after analysing the specific circumstances of the case, should deem this necessary.

If six (6) months should elapse from the oldest default without the Obligor having resumed payments or the Servicer, with the Management Company's consent, securing a payment commitment satisfactory to the Fund's interests, and the Servicer should fail to file the recovery 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, BANCAJA 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 and third-party guarantors, if any, 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 the 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, for and on behalf of the Fund, shall be secondarily entitled to bring the foreclosure action on the Mortgage Loan for 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 in 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), the Management Company may, for and on behalf of the Fund, apply to the Judge or Notary with jurisdiction to commence or continue with the respective foreclosure proceedings, attaching to the application the original Pass-Through Certificate, the notice served through a Notary Public provided for in section (iii) above and an office certificate as to the registration and subsistence of the mortgage. 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 with the same rights as 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 payment of the Mortgage Loan. The Management Company shall proceed, directly or through the Servicer, to sell the properties awarded within the shortest possible space of time and at arm's length.

Whereas some of the Mortgage Loans backing the Pass-Through Certificates may have valid entries in the registry regarding the properties mortgaged under the Mortgage Loans in respect of mortgages pre-dating the mortgage under that Mortgage Loan, as represented by BANCAJA in section 2.2.8.2 of this Building Block, such valid mortgage debts have been fully settled.

Therefore, those Loans will not for registration purposes have a senior mortgage but a mortgage ranking junior to those entered in the registry. Notwithstanding this, the previous mortgage debts have been fully cancelled.

The Servicer shall, in events of mortgage foreclosure, where the Land Registry contains entries regarding the real estate secured with the mortgage under which action is taken in respect of mortgages senior to the latter mortgage which however have been repaid, previously to or upon the action being brought, do all such things as shall be appropriate at law and in court in order for the Land Registry to match the legal reality outside the Registry. In the event that the relevant documents are available, then the procedure shall be as provided for in article 40 and in Title IV of the Mortgage Act of February 8, 1946, and otherwise the procedure shall be as provided for in article 209 of that Act.

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).

The actions and procedures described above are not to be construed as a waiver by the Servicer or the Management Company of any other court or out-of-court actions and procedures whatsoever available against 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 promptly advise of payment demands, legal actions and all and any other circumstances affecting collection of overdue Loans amounts. Furthermore, the Servicer will provide the Management Company with all such documents as the latter may request in relation to said Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

8. Damage insurance for properties mortgaged under the Mortgage Loans.

The Servicer shall not do or fail to do anything resulting in cancellation of any fire and damage insurance policy covering the properties mortgaged under the Mortgage Loans or reducing the amount payable in any claim thereunder. The Servicer shall use the rights conferred under the insurance policies or the Mortgage Loans, and the Servicer shall be liable to the Fund for any losses caused to the Fund in the event that the damage insurance policies are not kept in force and fully effective and further in the event that those policies are not taken out, notwithstanding the fact that the Servicer's databases do not support whether or not such damage insurance is in force.

Whenever the Servicer receives notice of non-payment of policy premiums by any Obligor the Servicer may demand the Obligor to pay the same and indeed take out damage insurance on the Obligor's behalf, without prejudice to its right to be reimbursed by the Obligor for amounts so paid, where it is able to do so under the Mortgage Loan deed.

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 receivable that is liquid, due and payable by the Servicer, and because the assignment is made without the Obligor being aware, any of the Loans 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 the payment is made, calculated on the terms applicable to the relevant Loan.

10. Subcontracting.

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement 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 rating assigned to each Bond Series by the Rating Agency 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.

11. Auction of real property and other assets.

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 chattels 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 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, fulfilling the instructions received from the Management Company.

In the event of real estate or other assets being awarded to the Fund, the Management Company shall proceed, directly or through the Servicer, to sell the same within the shortest possible space of time and at arm's length and the Servicer shall actively assist in expediting their disposal.

3.7.2.2 Term and substitution.

The services shall be provided by the Servicer until all obligations undertaken by the Servicer as Originator of the Loans acquired by the Fund terminate, once all the Loans assigned to the Fund have been repaid, or when liquidation of the Fund concludes after it terminates, without prejudice to a possible early revocation of its appointment under the Servicing Agreement.

In the event of insolvency of the Servicer, or administration by the Bank of Spain, or in the event of breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement, or in the event of the Servicer's credit rating falling or being lost or its financial circumstances changing to an extent that may be detrimental to or place the financial structure of the Fund or Bondholders' rights and interests at risk, the Management Company may proceed, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, where this is legally possible, inter alia and after notifying the Rating Agency, to do any of the following in order for the rating assigned to the Bonds by the Rating Agency not to be adversely affected: (i) demand the Servicer to subcontract or subdelegate to another institution the performance of the obligations and undertakings made in the Servicing Agreement; or (ii) terminate the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer having a sufficient credit quality and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement. Any additional expense or cost derived from the aforesaid actions shall be covered by the Servicer and at no event by the Fund or the Management Company.

Notwithstanding the above provisions, in the event of the rating of the Servicer's long-term unsecured and unsubordinated debt obligations being downgraded below Baa3 by Moody's, the Servicer agrees within not more than 60 calendar days from the aforesaid downgrade to enter into a replacement undertaking with another institution in order for the latter to discharge the responsibilities for which provision is made in

the Servicing Agreement with respect to the Loans serviced by the Servicer, merely upon request by the Management Company if required to do so and provided that such action is not detrimental to the Rating Agency's rating assigned to the Bonds.

Furthermore, 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, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors and Mortgage Loan mortgaged property insurers, if any) of the transfer to the Fund of the Loan receivables then outstanding, 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 and Mortgage Loan mortgaged property insurers, if any) within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Servicer, the Management Company itself shall notify Obligors (and third-party guarantors and Mortgage Loan 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 the Loan receivables and ancillary guarantees with respect to third parties, all on the terms given in section 3.7.2.1.7 of this Building Block.

Upon early termination of the Servicing Agreement, 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 Servicing Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on July 30, 2009.

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 Fund manager and manager of Bondholders' interests, nor in relation to the Obligors' obligations under the Loans, without prejudice to the liabilities undertaken thereby in the Deed of Constitution of the Fund as Originator of the Loan receivables acquired by the Fund.

The Servicer takes on the obligation to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same on account of any breach by the Servicer of its obligations to custody, service, manage and report on the Loans and custody the Pass-Through Certificate supporting documents, established under the Servicing Agreement, or in the event of breach of the provisions of paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, be entitled to take executive action against the Servicer where the breach of the obligation to pay any and all principal repayment and interest and other amounts paid by the Obligors under the Loans owing to the Fund 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 Fund's representative, who shall have that action on the terms described in this section.

3.7.2.4 Servicer's remuneration.

In consideration of 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 equal to 0.01% per annum, inclusive of VAT if there is no exemption, which shall accrue on the exact number of days elapsed in each Determination Period preceding the Payment Date and on the mean daily Outstanding Balance of the Loans serviced during that

Determination Period. If BANCAJA should be replaced in that servicing task, the Management Company will be entitled to change the above percentage fee for the new Servicer, which may be in excess of that agreed with BANCAJA. The servicing fee will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should, through its Management Company, due to a liquidity shortfall in the Fund Priority of Payments, fail to pay on a Payment Date the full fee due to the Servicer, overdue amounts shall build up without any penalty whatsoever on the fee payable on the following Payment Dates, until fully paid.

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 legal and/or recovery actions, 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, as the case may be, in the Liquidation Priority of Payments.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

BANCAJA is the Fund's counterparty under the transactions referred to below. The details relating to BANCAJA and its activities are respectively given in section 5.2 of the Registration Document and in section 3.5 of this Building Block.

- (i) Start-Up Loan:
Start-Up Loan Agreement
Description in section 3.4.3.1 of this Building Block.
- (ii) Subordinated Loan:
Subordinated Loan Agreement
Description in section 3.4.3.2 of this Building Block.
- (iii) Financial Intermediation:
Financial Intermediation Agreement
Description in section 3.4.6.4 of this Building Block.

CAJA MADRID is the Fund's counterparty under the transaction referred to below. The details relating to CAJA MADRID and its activities are respectively given in section 5.2 of the Registration Document and in section 3.5 of this Building Block.

- (i) Treasury Account:
Treasury Account Agreement
Description in section 3.4.4.1 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 each Bond Series, and 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 in each Series, along with the amortisation of the Bonds.
 - ii) Furthermore, and if appropriate, interest and amortisation amounts accrued by 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 in each Series, after the amortisation to be settled on each Payment Date, and the ratios of such Outstanding Principal Balances to the initial face amount of each Bond.
 - iv) Obligors' Loan principal prepayment rate during the three calendar months preceding the Payment Date.
 - v) The average residual life of the Bonds in each Series 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 given in accordance with the provisions of section 4.1.3 below and will also be served on the CNMV, the Paying Agent, AIAF, Iberclear and the Rating Agency, 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.
4. Loan maturity dates.
5. Outstanding Balance of Doubtful Loans and cumulative amount of Doubtful Loans from the date of establishment of the Fund.

In relation to the economic and financial position of the Fund:

1. Report on the source and subsequent application of the Available Funds and the Available Funds for Amortisation in accordance with the Priority of Payments of the Fund.

c) Annually, in relation to the Fund's Annual Accounts:

Annual Accounts (balance sheet, profit & loss account and management reports) and audit report within the period provided for by law to do so or, as the case may be, within four (4) months of the close of each fiscal year, which shall also 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 each Bond Series for the first Interest Accrual Period.
2. Other:

Any relevant event occurring in relation to the Loans, the Bonds, the Fund and the Management Company proper, which may, given their exceptional nature, materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, amendment of the Deed of Constitution 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 Agency and be disclosed by the Management Company through the Fund's periodic public information, and be posted at the Management Company's website.

4.1.3 Procedure to notify Bondholders.

Notices to Bondholders to be made by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

Ordinary 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. 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 in each Series for the first Interest Accrual Period shall be notified in writing by the Management Company to the Subscriber by 2pm (CET) on July 30, 2009. In addition, the Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

3. Notices and other information.

The Management Company may provide Bondholders with 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 Management Company shall proceed to advise the CNMV of the periodic and extraordinary notices and information given in accordance with the provisions of the preceding sections, and of such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

From December 31, 2009, this information 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.

4.1.5 Information to the Rating Agency.

The Management Company shall provide the Rating Agency with periodic information as to the position of the Fund and Loan performance in order that it may monitor Bond rating and extraordinary notices. The Management Company shall also provide that information when it is reasonably required to do so and, in any event, whenever there is a material change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

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 July 24, 2009.

GLOSSARY OF DEFINITIONS

“Act 13/1985” shall mean Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985.

“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.

“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 35/2006” shall mean Personal Income Tax Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts

“AIAF” shall mean AIAF Mercado de Renta Fija.

“Amortisation Withholding” shall mean, on each Payment Date, the positive difference, if any, on the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Balance of Non-Doubtful Loans.

“Asset-Backed Bonds” or “Bonds” shall mean Series A Bonds, Series B Bonds and Series C Bonds issued by the Fund.

“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 fifth (5th) place in the order of priority for application of 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.

“BANCAJA” shall mean CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA.

“Bankruptcy Act” shall mean Bankruptcy Act 22/2003, July 9.

“Bond Issue” shall mean the asset-backed bonds issued by the Fund having a face value of EUR five hundred and ten million (510,000,000.00), consisting of five thousand one hundred (5,100) Bonds pooled in three Series (Series A, Series B and Series C).

“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 CAJA MADRID, as Paying Agent, in the presence of BANCAJA.

“Building Block” shall mean a Securities Note building block, prepared using the block provided in Annex VIII to Regulation 809/2004.

“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 replacement calendar).

“CAJA MADRID” shall mean CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID.

“Capital Transfer and Documents Under Seal Tax Act” shall mean the Consolidation of the Capital Transfer and Documents Under Seal Tax Act, approved by Legislative Royal Decree 1/1993, September 24.

“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”.

“Civil Code” shall mean the Spanish Civil Code approved by a Royal Decree dated July 24, 1889.

“Civil Procedure Act” shall mean Civil Procedure Act 1/2000, January 7.

“Closing Date” shall mean July 31, 2009, the date on which the Bond subscription cash amount shall be paid up.

“CNMV” shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“Commercial Code” shall mean the Spanish Commercial Code of 1885.

“Conditions for Pro Rata Amortisation” shall mean the conditions set down in section 4.9.3.5 of the Securities Note for amortisation of Series A and/or B and/or C Bonds.

“Corporation Tax Act” shall mean the Consolidation of the Corporation Tax Act, approved by Legislative Royal Decree 4/2004, March 5.

“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.

“Deed of Constitution” shall mean the public deed recording the establishment of the Fund, assignment by BANCAJA to the Fund of Non-Mortgage Loans and Mortgage Loans by issuing 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 a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans.

“DELOITTE” shall mean DELOITTE S.L.

“Determination Dates” shall mean the dates falling on the fifth (5th) Business Day preceding each Payment Date.

“Determination Period” shall mean the 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, December 11, 2009, 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 4.4.4.3 of the Registration Document, on which all the assets remaining in the Fund have been liquidated and all the Liquidation Available Funds have been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date but including the last date.

“Distribution of Available Funds for Amortisation” shall mean the rules for applying the Available Funds for Amortisation between each Series 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.

“Early Amortisation” shall mean Bond amortisation on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund 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* 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 43 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.

“EUROPEA DE TITULIZACIÓN” shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

“Final Maturity Date” shall mean the final Bond amortisation date, i.e. March 18, 2052 or the following Business Day if that is not a Business Day.

“Financial Intermediation Agreement” shall mean the agreement designed to remunerate BANCAJA for the financial intermediation process carried out, enabling the financial transformation defining the Fund’s activity, assignment by the Fund of the Loan receivables and the rating assigned to each Bond Series, entered into between the Management Company, for and on behalf of the Fund, and BANCAJA.

“Fund” shall mean PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS.

“GARRIGUES” shall mean GARRIGUES ABOGADOS, S.L.P.

“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 CAJA MADRID, in the presence of BANCAJA.

“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 fully the Subordinated Loan amount totalling EUR ninety-six million nine hundred thousand (96,900,000.00).

“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.

“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.

“Issuer” shall mean PYME BANCAJA 8 FONDO DE TITULIZACIÓN DE ACTIVOS.

“Lead Manager” shall mean BANCAJA.

“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.

“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.

“Loan Servicing and Pass-Through Certificate Custody Agreement” or **“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 BANCAJA, as Servicer.

“Loans” shall mean the loans owned by BANCAJA granted to non-financial small and medium-sized enterprises (legal persons) (SMEs, based on the Originator’s internal rating criteria -annual turnover less than or equal to EUR 50 million-) domiciled in Spain.

In this Prospectus the term “Loans” shall be used to refer collectively to the Non-Mortgage Loan and Mortgage Loan receivables or the Pass-Through Certificates perfecting the assignment of the Mortgage Loan receivables.

“Management and Subscription Agreement” shall mean the management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, and BANCAJA as Lead Manager and Subscriber of the Bond Issue.

“Management Company” shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

“Moody’s” shall mean both Moody’s Investors Service España, S.A. and Moody’s Investors Service Limited, the holding company to which Moody’s Investors Service España, S.A. is affiliated.

“Mortgage Act” shall mean the Mortgage Act of February 8, 1946.

“Nominal Interest Rate” shall mean the nominal interest rate, floating quarterly and payable quarterly, applicable to each Series and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin for each Series 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 either Delinquent Loans or Doubtful Loans.

“Non-Doubtful Loans” shall mean Loans that are not deemed to be Doubtful Loans at a date.

“Originator” shall mean BANCAJA, originator of the Loan receivables.

“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 the Bond Issue” shall mean the sum of the Outstanding Principal Balance of Series A, B and C making up the Bond Issue.

“Outstanding Principal Balance of the Series” shall mean the sum of the outstanding principal to be repaid (outstanding balance) at a date on all the Bonds making up the Series.

“Pass-Through Certificates” shall mean the Mortgage Loan pass-through certificates issued by BANCAJA and subscribed for by the Fund.

“Paying Agent” shall mean the firm servicing the Bonds. The Paying Agent shall be CAJA MADRID (or any other institution taking its stead as Paying Agent).

“Payment Date” shall mean March 18, June 18, September 18 and December 18 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be December 18, 2009.

“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.

“Prospectus” shall mean this document.

“Rating Agency” shall mean Moody’s.

“Reference Rate” shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor set 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. The Reference Rate for the first Interest Accrual Period shall mean five- (5-) month Euribor, set at 11am (CET) on the Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

“Registration Document” shall mean the asset-backed securities registration document, prepared using the outline provided in Annex VII to Regulation 809/2004.

“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.

“Required Cash Reserve” shall mean, on each Payment Date, the lower of: (i) EUR ninety-six million nine hundred thousand (96,900,000.00) and (ii) the higher of a) 38.00% of the Outstanding Principal Balance of the Bond Issue and b) EUR forty-eight million four hundred and fifty thousand (48,450,000.00). 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 the circumstances provided for in section 3.4.2.2 of the Building Block concur on the Payment Date

“Risk Factors” shall mean the document containing a description of the major risk factors linked to the Issuer, the securities and the assets backing the issue.

“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 116/1992” shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14.

“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.

“Royal Decree 629/1993” shall mean Royal Decree 629/1993, May 3, on operating standards in securities markets and mandatory registrations.

“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.

“Royal Decree 926/1998” shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, as currently worded.

“Securities Note” shall mean a securities note, prepared using the outline provided in Annex XIII to Regulation 809/2004.

“Series A Bonds” shall mean Series A Bonds issued by the Fund having a total face amount of EUR three hundred and eighty-three million seven hundred thousand (383,700,000.00) comprising three thousand eight hundred and thirty-seven (3,837) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A” shall mean Series A Bonds issued by the Fund.

“Series B Bonds” shall mean Series B Bonds issued by the Fund having a total face amount of EUR seventy million two hundred thousand (70,200,000.00) comprising seven hundred and two (702) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series B” shall mean Series B Bonds issued by the Fund.

“Series C Bonds” shall mean Series C Bonds issued by the Fund having a total face amount of EUR fifty-six million one hundred thousand (56,100,000.00) comprising five hundred and sixty-one (561) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series C” shall mean Series C Bonds issued by the Fund.

“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 Custody Agreement, i.e. BANCAJA (or any other institution taking its stead as Servicer).

“Start-Up Loan Agreement” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANCAJA, totalling EUR two million four hundred thousand (2,400,000.00).

“Start-Up Loan” shall mean the loan granted by BANCAJA to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

“Subordinated Loan Agreement” shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANCAJA, totalling EUR ninety-six million nine hundred thousand (96,900,000.00).

“Subscriber” shall mean BANCAJA.

“Treasury Account” shall mean the financial account in euros opened at CAJA MADRID 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.

“Value Added Tax Act” shall mean Value Added Tax Act 37/1992, December 28.