**PROSPECTUS** **December 2008**

# BANCAJA 13
# FONDO DE TITULIZACIÓN DE ACTIVOS

## ISSUE OF ASSET-BACKED BONDS
## EUR 2,895,000,000

| | | |
|---|---|---|
| **Series A** | **EUR 2,583,700,000** | **Aaa** |
| **Series B** | **EUR 152,000,000** | **A2** |
| **Series C** | **EUR 159,300,000** | **Baa3** |

**Backed by pass-through certificates issued on mortgage loans by**

Bancaja

*Lead Manager and Subscriber*

Bancaja

*Paying Agent*

**BANCAJA**

*Fund established and managed by*

edt Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores on December 4, 2008

**Material Event concerning** **BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS**

Pursuant to the Prospectus for **BANCAJA 13 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 and June 15, 2012, this Management Company notified Material Events reporting that the Rating Agencies Moody's Investors Service ("**Moody's**") and Fitch Ratings ("**Fitch**") had respectively on May 17, 2012 and June 11 and 12, 2012, downgraded the credit ratings assigned to BANCO COOPERATIVO ESPAÑOL, S.A. ("**BANCO COOPERATIVO**") and BANCO SANTANDER, S.A. ("**SANTANDER**"), which circumstance was reported because BANCO COOPERATIVO was the Fund's counterparty under the Paying Agent Agreement and SANTANDER was the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

  On October 24, 2012, BANCO SANTANDER, S.A. ("**SANTANDER**") was designated Bond Paying Agent to replace BANCO COOPERATIVO, 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** | **Fitch** |
|---|---|---|
| **Short-term** | P-2 | F2 |
| **Long-term** | Baa2 | BBB+ |

- 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 counterparty to the Guaranteed Interest Rate Account (Treasury Account) Agreement and as the new counterparty to the Paying Agent Agreement, have agreed to amend both agreements. Following the above-mentioned amendments, the following sections of the Fund Prospectus shall read as follows.

| Section | Description |
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| **3.4.4.1 Building Block Paragraphs 3 et seq. (Treasury Account)** | 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:<br><br>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-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 |



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| Section | Description |
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| | 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.<br><br>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.<br><br>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.<br><br>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.<br><br>Once New Minimum Ratings have been notified, no further New Minimum Ratings may be adopted.<br><br>All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by BANKIA.<br><br>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.<br><br>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. |
| **3.4.7.2 Building Block Paragraphs 3 to 6 (Paying Agent Agreement)** | 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 of the following: |



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| Section | Description |
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| | 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.<br><br>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.<br><br>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.<br><br>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.<br><br>Once New Minimum Ratings have been notified, no further New Minimum Ratings may be adopted.<br><br>All costs, expenses and taxes incurred in connection with doing and arranging the above shall be borne by BANKIA.<br><br>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. |

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

Mario Masiá Vicente
General Manager



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**Material Event concerning** **BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS**

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **BANCAJA 13 Fondo de Titulización de Activos** (the "**Fund**") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On April 1, 2011, once the CNMV had checked compliance with the provisions of article 7 of Act 19/1992, as worded by Act 5/2009, June 29, the Management Company amended the Fund's Deed of Constitution, observing the procedure provided for in subparagraph 3.a) of that article, namely that the consent of all holders of the securities issued by the Fund, and of lenders and other creditors, be secured. The Deed of Constitution has been amended in order for Series A Bonds to be rated by Fitch Ratings España, S.A. ("**Fitch**").

- On that same date, the Management Company, for and on behalf of the Fund, and the relevant counterparties amended the Guaranteed Interest Rate Account (Treasury Account), Mortgage Loan Servicing and Pass-Through Certificate Custody, Paying Agent and Subordinated Loan Agreements (collectively the "**Agreements**"), to include Fitch's criteria in credit rating downgrade events for the counterparties to the Agreements and the actions to be taken in those events, and to increase the Cash Reserve.

- On April 1, 2011, Fitch assigned an A-sf rating to Series A Bonds.

  Attached hereto is the letter received from Fitch notifying assignment of the aforementioned rating.

- On April 13, 2011, the CNMV entered the deed amending the deed of constitution of the Fund in its official records.

- The amendments to the Deed of Constitution and the Agreements have resulted in Fitch's criteria being included, and therefore the following sections of the Fund Prospectus shall henceforth read as follows:

| Section | Description |
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| **Miscellany** | Generally, all references to "the Rating Agency" throughout the Prospectus, defined as Moody's, shall be construed, during the life of Series A Bonds, as references to "the Rating Agencies", collectively defined as Moody's and Fitch. |
| **4.4.3.3. (iii) Registration Document (Early Liquidation)** | (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, and, if Series A is outstanding, with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A and F1 by Fitch, or a loan, which shall be fully allocated to early amortisation of the Bonds in the outstanding Series. Financial costs due shall be paid and credit facility or loan principal shall be repaid in accordance with the Liquidation Priority of Payments of the Fund. |



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| Section | Description |
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| **7.5 Securities Note New Paragraphs after the third paragraph** | The rating assigned to Series A by Fitch measures the Fund's capacity for timely Bond interest payment and principal repayment in that Series throughout the life of the transaction and at all events before the Final Maturity Date, on the terms given in this Deed.<br><br>The aforementioned Rating Agencies have been carrying on their business in the European Union before June 7, 2010, and have applied for registration in accordance with Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies. |
| **3.4.2.2 Building Block Sections 1 and 2 (Cash Reserve Amount)** | 1. The Management Company set up a cash reserve on the Closing Date by fully drawing down the Subordinated Loan principal at that date amounting to EUR one hundred and fifty-six million three hundred and thirty thousand (156,330,000.00) and increased the same on April 4, 2011 to a sum of EUR one hundred and seventy-three million five hundred and thirty-two thousand (173,532,000.00) (the "Cash Reserve") by increasing the Subordinated Loan. Subsequently, on each Payment Date, it shall remain provisioned at the required Cash Reserve amount and in the Priority of Payments.<br><br>2. The required Cash Reserve amount on each Payment Date (the "Required Cash Reserve") shall be the lower of:<br>(i) EUR one hundred and seventy-three million five hundred and thirty-two thousand (173,532,000.00).<br>(ii) The higher of:<br>a) 13.50% of the Outstanding Principal Balance of the Bond Issue.<br>b) EUR eighty-six million seven hundred and sixty-six thousand (86,766,000.00). |
| **3.4.3.1 Building Block Paragraphs 1 and 2 (Subordinated Loan)** | The Management Company entered, on the date of establishment of the Fund, for and on behalf of the Fund, with BANCAJA into an agreement whereby BANCAJA granted to the Fund a commercial subordinated loan amounting to EUR one hundred and fifty-six million three hundred and thirty thousand (156,330,000.00) which was increased on April 1, 2011 to a sum of EUR one hundred and seventy-three million five hundred and thirty-two thousand (173,532,000.00) (the "Subordinated Loan"). The initial Subordinated Loan amount was delivered on the Closing Date and the increased amount was delivered on April 4, 2011. Both amounts are allocated to setting up the 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 Mortgage Loans. |
| **3.4.4.1 Building Block Paragraphs 3 et seq. (Treasury Account)** | In the event that the rating of the 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 P-1 by Moody's, for the short-term credit rating, or, at any time during the life of Series A Bonds, be downgraded below F1 or A by Fitch, respectively for the short- or long-term credit rating, the Management Company shall within not more than thirty (30) calendar days from the time of the occurrence of any such circumstances, do one of the following to allow 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 Agencies not to be adversely affected:<br><br>a) Obtain from an institution with unsecured and unsubordinated debt obligations rated at least as high as P-1 in the short term by Moody's, and, if Series A is outstanding, F1 and A |


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| Section | Description |
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| | respectively in the short and long term by Fitch, 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 and/or F1 and/or A as aforesaid.<br><br>b) Transfer the Treasury Account to an institution with unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, and, if Series A is outstanding, at least as high as F1 and A respectively in the short and long term by Fitch, and 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.<br><br>Options a) and b) above are included among Fitch's criteria set out in its report "Counterparty Criteria for Structured Finance Transactions", dated October 22, 2009, which may be updated, amended or replaced and is available at www.fitchratings.com. In order to determine the specific characteristics of the measures to be put in place, in accordance with the above options, amendments, updates or replacements of that document shall be taken into account, provided that they observe the laws for the time being in force. In that connection, the assumption is that, even if the Treasury Account Provider should be rated A and F1, if Fitch has publicly announced that either rating is in a "Rating Watch Negative" status, the rating of the Treasury Account Provider's debt obligations will also be deemed to be below Fitch's required minimum ratings.<br><br>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, and, if Series A is outstanding, that its short- and long-term debt obligations are respectively rated at least as high as F1 and A by Fitch, to provide the Treasury Account and to be subrogated as the Treasury Account Provider to the Guaranteed Interest Rate Account (Treasury Account) Agreement.<br><br>All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BANCAJA<br><br>The Treasury Account Provider, forthwith upon its credit rating being downgraded, and BANCAJA agree to use commercially reasonable efforts in order that the Management Company may do one of (a) or (b) above. |
| **3.4.7.1 Building Block Section 7 (Interest Swap Agreements)** | 7. Actions in the event of change in Party B's rating by Moody's.<br>(…)<br><br>7 bis. Actions in the event of change in Party B's rating by Fitch.<br><br>(i) Fitch Criteria<br>If, during the life of Series A Bonds, the long- and short-term unsecured and unsubordinated debt obligations of Party B, or, if (i) (B) has been arranged, its credit support provider, cease to be respectively rated at least as high as A and F1 by Fitch (and in this connection the assumption is that, even if Party B should be rated at least as high as A and F1, if Fitch should have publicly announced that either rating is in a "Rating Watch Negative" status, the rating of Party B's debt obligations will also be deemed to be one step below those ratings and Party B shall therefore be considered to be ineligible) ("Fitch's Required Ratings"), then Party B will, within fourteen (14) calendar days of the date of that occurrence, at its own cost, either: |



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| | (A) transfer all of its rights and obligations with respect to the Interest Swap Agreements to a replacement third party with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A and F1 by Fitch;<br>(B) obtain a credit support document from a third party with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A and F1 by Fitch guaranteeing its rights and obligations with respect to the Interest Swap Agreements; or<br>(C) post cash or securities collateral with a third party with short-term unsecured and unsubordinated debt obligations rated at least as high as F1 by Fitch, as security for fulfilment of Party B's obligations, at an amount calculated based on the market value of the Interest Swaps and in accordance with Fitch's criteria laid down in its report "Counterparty Criteria for Structured Transactions: Derivative Addendum" dated October 23, 2009.<br><br>(ii) Fitch Criteria (continued)<br>If, during the life of Series A Bonds, the long- and short-term unsecured and unsubordinated debt obligations of Party B or, if (i) (B) above has been arranged, its credit support provider, cease to be respectively rated at least as high as BBB+ or F2 (and in this connection the assumption is that, even if Party B should be rated at least as high as BBB+ or F2, if Fitch should have publicly announced that either rating is in a "Rating Watch Negative" status, the rating of Party B's debt obligations will also be deemed to be one step below those ratings), then Party B will, within fourteen (14) calendar days of the date of that occurrence, at its own cost, either:<br>(A) transfer all of its rights and obligations with respect to the Interest Swap Agreements to a replacement third party with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A and F1 by Fitch (or BBB+ and F2, provided that the collateral referred to in (i) (C) above has been posted);<br>(B) obtain a credit support document from a third party with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A and F1 by Fitch (or rated BBB+ and F2, provided that the collateral referred to in (i) (C) above has been posted), guaranteeing its rights and obligations with respect to the Interest Swap Agreements; or<br>(C) post cash or securities collateral or, as the case may be, increase the same, with a third party with short-term unsecured and unsubordinated debt obligations rated at least as high as F1 by Fitch, as security for fulfilment of Party B's obligations, at an amount calculated based on the market value of the Interest Swaps and in accordance with Fitch's criteria laid down in its report "Counterparty Criteria for Structured Transactions: Derivative Addendum" dated October 23, 2009.<br><br>(iii) Fitch Criteria (continued)<br>If, during the life of Series A Bonds, the long- and short-term unsecured and unsubordinated debt obligations of Party B, or, if (i) (B) or (ii) (B) above have been arranged, its credit support provider, cease to be respectively rated at least as high as BBB- or F3 (and in this connection the assumption is that, even if Party B's debt obligations should be rated at least as high as BBB- or F3, if Fitch should have publicly announced that any of those ratings is in a "Rating Watch Negative" status, the rating of Party B's debt obligations will also be deemed to be one step below those ratings), then Party B will, within thirty (30) calendar days of Party B losing the rating, at its own cost, attempt either to:<br>(A) obtain a credit support document from a third party with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A |


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| Section | Description |
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| | and F1 by Fitch (or BBB+ and F2, provided that the collateral referred to in (i) (C) above has been posted), guaranteeing its rights and obligations with respect to the Interest Swap Agreements; or<br><br>(B) transfer all of its rights and obligations with respect to the Interest Swap Agreements to a replacement third party with long- and short-term unsecured and unsubordinated debt obligations respectively rated at least as high as A and F1 by Fitch (or BBB+ and F2, provided that the collateral referred to in (i) (C) above has been posted).<br><br>In (i), (ii) and (iii) above, where the choice is for a credit support document to be obtained from a third party, both that credit support and the legal opinion attached thereto shall be reviewed by Fitch or its legal advisers. The effectiveness of the credit support shall be subject to Fitch's or its legal advisers' assessment as to its enforceability.<br><br>The alternatives described in this section and the timing, ratings and collateral amounts are set out in Fitch's reports "Counterparty Criteria for Structured Transactions" dated October 22, 2009 and "Counterparty Criteria for Structured Transactions: Derivative Addendum" dated October 23, 2009, which are available at www.fitchratings.com.<br><br>Any and all costs, expenses and taxes incurred in connection with complying with the foregoing obligations shall be borne by Party B. |
| **3.4.7.1 Building Block Section 8.2 (Interest Swap Agreements)** | 8.2 Party B may only assign all its rights and obligations under the Interest Swap Agreements, with Parte A's written consent, to a third party rated with Moody's First Required Rating Threshold and, if Series A Bonds are outstanding, with Fitch's Required Ratings, following notice to the Rating Agencies. |
| **3.4.7.2 Building Block Paragraphs 3 and 4 (Paying Agent Agreement)** | 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 P-1 by Moody's, for the short-term credit rating, or, at any time during the life of Series A Bonds, be downgraded respectively below F1 or A by Fitch for the short- or long-term credit rating, the Management Company shall, within not more than thirty (30) days from the time of the occurrence of any such circumstances, do one of the following after notifying the Rating Agencies:<br>(i) obtain from an institution with unsecured and unsubordinated debt obligations rated at least as high as P-1 in the short term by Moody's, and, if Series A is outstanding, F1 and A respectively in the short and long term by Fitch, 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 any such downgrade and loss of credit rating by the Paying Agent remain in place, 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 in the short term by Moody's, and/or, if Series A is outstanding, F1 and A respectively in the short and long term by Fitch, to take its place before terminating the Paying Agent Agreement or as the case may be under a new paying agent agreement. In that connection, the assumption is that, even if the Paying Agent should be rated A and F1, if Fitch has publicly announced that either rating is in a "Rating Watch Negative" status, the rating of the Paying Agent's debt obligations will also be deemed to be below Fitch's required minimum ratings. Should the Paying Agent be replaced, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established under the original Paying Agent Agreement. All costs, |



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| Section | Description |
|---|---|
| | expenses and taxes incurred in connection with doing and arranging any of the above shall be borne by BANCAJA.<br><br>BANCAJA agrees, forthwith upon the rating of the Paying Agent's debt obligations being downgraded as set out in the preceding paragraph, to use commercially reasonable efforts in order that the Management Company may do one of (i) or (ii) above. |
| **3.7.2.1.2 Building Block Last paragraph but one (Collection Management of the Servicing Agreement)** | In accordance with Fitch's criteria set out in its report "Counterparty Risk Criteria for Structured Finance Transactions", dated October 22, 2009, which may be updated, amended or replaced, in the event that the rating of the Servicer's long- and short-term unsecured and unsubordinated debt obligations should be downgraded respectively below BBB+ and F2, during the life of Series A Bonds, the Management Company shall, within not more than fourteen (14) calendar days from the time of the occurrence of that circumstance, request the Servicer to notify Obligors that Mortgage Loan payments should be made into the Treasury Account opened in the name of the Fund or that cash collateral or any other security be posted to the Fund at or by an institution with long- and short-term debt obligations respectively rated at least as high as BBB+ and F2 by Fitch, based on the aforementioned criteria established by Fitch. In that connection, the assumption is that, even if the Servicer's long- and short-term debt obligations should be rated BBB+ and F2, if Fitch has publicly announced that those debt ratings are in a "Rating Watch Negative" status, the rating of the Servicer's debt obligations will also be deemed to be below Fitch's aforementioned required minimum ratings. In order to determine the specific characteristics of the measures to be put in place, in accordance with the above options, amendments, updates or replacements of that document shall be taken into account, provided that they observe the laws for the time being in force.<br><br>The amount of the cash collateral or the security posted to the Fund shall be equal to 1.5 times the estimated aggregate amount of the first instalment amounts of each Mortgage Loan payable by Obligors due after the adjustment date, calculated based on the following Mortgage Loan assumptions: (a) a 0.00% delinquency rate and (b) a 10.00% Constant Prepayment Rate (CPR).<br><br>In the event of the Servicer's long-term debit obligations being downgraded below Baa3 by Moody's, the Servicer will:<br>(i) post cash collateral to 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<br>(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.<br><br>The cash collateral amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Mortgage Loan repayment and interest instalments during the calendar month with the highest amount from the date of downgrade below Baa3 by Moody's, calculated assuming that the Mortgage Loan delinquency rate should be 0.00% and the CPR should be 10.00%.<br><br>The Fund may only draw on those cash collaterals or the credit facility or any other collateral, including the Guarantee, the Mortgage Loan amounts, if any, it shall not receive owing to the Fund and received by the Servicer and not paid into the Fund.<br><br>All costs, expenses and taxes incurred in connection with doing and arranging the above |



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| Section | Description |
|---|---|
| | shall be borne by the Servicer.<br><br>The Servicer shall do any of the above in the event that the Servicer's unsecured and unsubordinated debt obligations should not be rated by Moody's or, if Series A Bonds are outstanding, by Fitch. |
| **3.7.2.2 Building Block Paragraph 2 (Term and Substitution of the Servicing Agreement)** | In the event of insolvency of the Servicer or administration by the Bank of Spain or in the event of a 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 being downgraded or 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, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, proceed, where this is legally possible, inter alia and after notifying Moody's and Fitch (collectively, the "Rating Agencies"), to do one of the following in order for there to be no detriment to the rating assigned by the Rating Agencies: (i) demand the Servicer to subcontract or subdelegate to another institution the performance of obligations and undertakings made in the Servicing Agreement; (ii) have another institution with sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) post cash or securities collateral to the Fund in an amount sufficient to secure all or part of the Servicer's obligations, and (iv) terminate the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer with sufficient credit quality and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement. In the event of insolvency of the Servicer, only (iv) above shall be valid. 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.<br><br>Notwithstanding the above provisions, in the event of the rating of the Servicer's long- or short-term unsecured and unsubordinated debt obligations being downgraded below Baa3 by Moody's, or, if Series A is outstanding, BBB- by Fitch, the Servicer agrees within not more than 60 calendar days from either of the aforesaid downgrades 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 Mortgage 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 Agencies' rating assigned to the Bonds. |

Issued to serve and avail as required by law, at Madrid on April 14, 2011.

Enrique Pescador Abad
Organisation and Control Manager


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Europea de Titulización
Sociedad Gestora de Fondos de Titulización

**Material Event concerning** **BANCAJA 13 Fondo de Titulización de Activos**

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **BANCAJA 13 Fondo de Titulización de Activos** (the "**Fund**") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- As set out in the material event dated August 10, 2009, Banco Cooperativo Español S.A. was designated Bond Paying Agent on August 7, 2009 by entering into an Agreement to be subrogated to and novating and amending but not terminating the Bond Paying Agent Agreement.

- Accordingly, the following section of the Fund's Prospectus should read as follows:

| Section | Description |
|---|---|
| **3.4.7.2 Building Block** | **Bond Issue Paying Agent.**<br><br>A new additional paragraph is added to paragraph two section (i), containing references to the actions to be taken in the event of the Paying Agent's credit ratings being downgraded, with the following wording:<br><br>"(i) (…)<br><br>The Management Company shall, on the Business Day preceding each Payment Date, pay out of the Treasury Account, into an account opened in the name of the Fund at the Paying Agent, the total Bond interest payment and principal repayment amount for each Series. The return on investments interim tax amounts to be withheld on each Payment Date on Bond interest in accordance with the applicable statutory provisions, shall remain credited to the Fund's account at the Paying Agent until the date on which the Management Company has to actually pay the same to the Tax Administration."<br><br>A new paragraph is added after paragraph four, with the following wording:<br><br>"BANCAJA shall agree, upon the Management Company's request and provided that its short-term unsecured and unsubordinated debt obligations are rated at least as high as F2 and P-1 respectively by Fitch and Moody's, to be subrogated to this Agreement as Paying Agent."<br><br>Paragraph five of this section, concerning the Paying Agent's compensation, is replaced with the following wording:<br><br>"In consideration of the services to be provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of this Agreement, a fixed fee which shall be payable provided that the Fund has sufficient liquidity and in the Fund Priority of Payments or, as the case may be, the Liquidation Priority of Payments." |

Issued to serve and avail as required by law, at Madrid, on December 31, 2009.

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 (EC) No. 809/2004 of April 29, 2004 ("**Regulation 809/2004**") and 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 1310/2005"**), 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 (the "**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.

BANCAJA 13 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**"). 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 Mortgage 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 prepayment of the Mortgage 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 ordinary creditors of the Fund shall have no recourse against the Fund Management Company other than as derived from a breach of its duties or inobservance of the provisions of this Prospectus and the Deed of Constitution. Those actions shall be resolved in the relevant ordinary declaratory proceedings, depending on the claimed amount.

### d) Applicability of the Bankruptcy Act

Both the Originator of the Mortgage Loan receivables, CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("**BANCAJA**"), and the Fund Management Company may be declared insolvent.

In particular, the insolvency of BANCAJA could affect its contractual relationships with the Fund, in accordance with the provisions of Bankruptcy Act 22/2003, July 9 (the "**Bankruptcy Act**"). Moreover, in the event of insolvency of the Management Company, it must be replaced with another management company in accordance with the provisions of paragraph 1.b) above and articles 18 and 19 of Royal Decree 926/1998.

Specifically, the transaction involving the assignment of the Mortgage Loan receivables by issuing the Pass-Through Certificates cannot, in the event of insolvency of BANCAJA, be the subject of restitution to the assets of the estate other than by an action brought by the receivers of BANCAJA, in accordance with the provisions of insolvency laws.

In the event of BANCAJA being decreed insolvent, in accordance with the Bankruptcy Act, the Fund, acting through the Management Company, shall have a right of separation with respect to the document or documents representing the Pass-Through Certificates, on the terms provided for in articles 80 and 81 of the Bankruptcy Act. In addition, the Fund, acting through its Management Company, shall be entitled to obtain from BANCAJA the resulting Pass-Through Certificate amounts from the date on which insolvency is decreed, for those amounts will be considered to be the Fund's property, through its Management Company, and must therefore be transferred to the Management Company, representing the Fund. This right of separation would not necessarily extend to the monies received and kept by BANCAJA on behalf of the Fund before that date, for they might be earmarked as a result of the insolvency, given the essential fungible nature of money.

## 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 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 in the event that it should hereafter fully or partially dispose of the Bond Issue, there is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

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 Mortgage 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 Mortgage Loan repayment and to assumed Mortgage Loan prepayment rates that may not be fulfilled. Mortgage 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 and principal repayment is deferred with respect to Series A Bonds. Series C Bond interest payment and principal repayment is in turn deferred with respect to Series A and Series B Bonds. There is however no assurance whatsoever that these subordination rules shall 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 of the Fund 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 deferment rules.

**h) Bond Rating.**

The credit risk of the Bonds issued by the Fund has been assessed by the 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 1pm (CET) on December 10, 2008 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) Mortgage Loan default risk.**

Holders of the Bonds issued by the Fund shall bear the risk of default on the Mortgage Loans pooled backing the Pass-Through Certificates.

BANCAJA, as Originator, shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Mortgage Loans. BANCAJA shall be liable to the Fund, to the extent provided for under article 348 of the Commercial Code, exclusively for the existence and lawfulness of the Mortgage Loans, on the terms and conditions declared in the Deed of Constitution, and for the personality with which the Pass-Through Certificates shall be issued. BANCAJA 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 Pass-Through Certificates, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Pass-Through Certificates where any of them or of the relevant Mortgage Loans 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 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 Mortgage Loans might reduce or indeed exhaust the limited hedging against Mortgage 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 their place in the application of Available Funds and from the rules for Distribution of Available Funds for Amortisation in the Priority of Payments and the Liquidation Priority of Payments is a mechanism for distinctly hedging the different Series, respectively.

**d) Pass-Through Certificate early amortisation risk.**

There will be an early amortisation of the Pass-Through Certificates pooled in the Fund when Mortgage Loan Obligors prepay the portion of capital pending repayment, on the terms provided for in each Mortgage Loan deed, or in the event that BANCAJA should be substituted in the relevant Mortgage 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 contained in sections 4.9.2. and 4.9.3.5 of the Securities Note.

**e) Delinquency.**

The following are the details for BANCAJA's delinquency rate and delinquency coverage ratio at September 30, 2008 and the financial years ended on December 31, 2007 and 2006.

| | 30.09.2008 | 31.12.2007 (A) | 31.12.2006 (B) | Year-On-Year Change |
|---|---|---|---|---|
| | | | | Δ% ((A)-(B))/(B) |
| Delinquency Rate | 2.94% | 0.85% | 0.53% | 60.38 |
| Delinquency Coverage Ratio | 65.90% | 230.43% | 350.20% | -34.20 |

In calculating the amounts and details tabled in section 4.10 of the Securities Note have assumed BANCAJA's delinquency rate at September 30, 2008 (2.94%) and in any event taken into account the other assumed values referred to at the beginning of that section.

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 Mortgage Loan repayment and to assumed Mortgage Loan prepayment and delinquency rates that may not be fulfilled.

**f) Geographical concentration.**

There are 7,466 (40.07% of the total loans) selected mortgage loans as at October 31, 2008 to be assigned to the Fund upon being established with mortgage security located in the Valencian Community, and their outstanding principal amounts to EUR 1,157,240,533.17 (36.04% of the total), as detailed in section 2.2.2.l) 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 Mortgage Loans backing the Fund's Issue of Asset-Backed Bonds.

**g) Concentration at the selected mortgage loan origination date.**

The selected portfolio selected mortgage loans originated in the years 2006, 2007 and 2008 account for 97.98%, in terms of outstanding principal, of the total selected portfolio. The weighted average age of the portfolio is 15.72 months at October 31, 2008, the selected portfolio selection date.

**h) Selected mortgage loans secured with officially protected housing.**

Some selected mortgage loans may be secured with officially protected housing. In these cases, as BANCAJA has represented in section 2.2.8 (18) of the Building Block, the appraisal value considered and reported for all calculation purposes was the maximum legal value under the official protection system. Identifying the same within the selected mortgage loan portfolio has not been possible because BANCAJA does not distinguish them from loans with private housing mortgage security. In any event, the selected mortgage loans with mortgage security consisting of protected housing do not benefit from any state or autonomous community aid whatsoever.

# ASSET-BACKED 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 BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**" and/or the "**Issuer**"), 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 in a resolution dated October 28, 2008.

### 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 notify the CNMV of the auditor's designation.

### 2.2 Accounting policies used by the Fund.

Income and expenditure will be accounted for by the Fund in accordance with the accruals principle, i.e. in accordance with the actual flow represented by such income and expenditure, irrespective of when they are collected and paid.

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 Risk Factors 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 "BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- BANCAJA 13 FTA
- BANCAJA 13 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 (the "**Originator**") of the Mortgage Loan receivables by issuing the Pass-Through Certificates, shall proceed to execute on December 9, 2008 a public deed whereby BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCAJA will assign Mortgage Loan receivables to the Fund 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 details and amounts of the Mortgage Loan Pass-Through Certificates to be issued and subscribed for under the Deed of Constitution.

The Deed of Constitution may not be altered other than in exceptional events, provided that there are no circumstances preventing that in accordance with the laws and regulations in force from time to time. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agency, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Management Company shall notify the amendment of the Deed of Constitution to the CNMV and the Rating Agency. The Deed of Constitution can also be corrected as requested 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 April 23, 2052 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue, 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 Mortgage Loans yet to be repaid is less than ten (10) percent of the initial Outstanding Balance of the Mortgage 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 required by 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 Mortgage 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.

(iv) That all necessary authorisations, if any, to do so shall have been obtained from the competent bodies.

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 Pass-Through Certificates remaining in the Fund at a reasonable mark-to-market price, initially not less than the sum of the principal value still outstanding plus interest accrued and not paid on the relevant Mortgage 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 costs due shall be paid and credit facility or loan principal shall be repaid in accordance with the Liquidation Priority of Payments of the Fund.

(iv) Finally, both due to the preceding actions falling short and the existence of Pass-Through Certificates 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 reasonable market value. The Management Company shall be bound to accept the best bid received for the Pass-Through Certificates and for the assets on offer. In order to set the reasonable market value, the Management Company may secure such valuation reports as it shall deem necessary.

In (i), (iii) and (iv) above, BANCAJA 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 Pass-Through Certificates and other assets remaining on the assets of the Fund, or to 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 BANCAJA a list of the assets and of third-party bids received, if any, and the latter may use that right for all the Pass-Through Certificates and assets offered by the Management Company or the credit facility within ten (10) Business Days of receiving said notice, and provided that (i) its bid is at least equal to the best of the third-party bids, if any, and (ii) BANCAJA proves to the Management Company that the exercise of the right of first refusal was subject to its usual credit revision and approval procedures and establishing therein that 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 Pass-Through Certificates and 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 Pass-Through Certificates pooled therein being fully amortised.

(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 April 23, 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 1pm (CET) on December 10, 2008. In this event, the Management Company shall terminate the establishment of the Fund, subscription for the Pass-Through Certificates by the Fund 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 expenses of setting up the Fund and issue and admission of the Bonds 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 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 Mortgage Loans that are pending the outcome of court or out-of-court proceedings instituted as a result of default by the Mortgage 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 Pass-Through Certificates and other 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 securities 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 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, (vii) 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, and (viii) 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 following are the most relevant characteristics of each tax under the current tax system of the Fund::

(i) The establishment of the Fund is exempt from the "corporate transactions" item of Capital Transfer and Documents Under Seal Tax.

(ii) Bond issue, subscription, transfer and repayment are exempt from 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) As for returns on the Pass-Through Certificates, loans or other receivables constituting Fund income, there shall be no Corporation Tax withholding or interim payment obligation.

(v) The management and custody services provided to the Fund by the Management Company are exempt from Value Added Tax.

(vi) Assignment of the Mortgage Loan receivables to the Fund by issuing and subscribing for the Pass-Through Certificates is a transaction exempt from and subject to Value Added Tax and Capital Transfer and Documents Under Seal Tax.

(vii) 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, shall apply to the Fund.

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**"). Royal Decree 1065/2007 entered into force on January 1, 2008.

(viii) Interest Swap Agreement payments received by the Fund shall pay tax based on the Corporation Tax rules and are not subject to a withholding on account.

### 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 a set of pass-through certificates (the "**Pass-Through Certificates**") issued by CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("**BANCAJA**") on mortgage loans owned by BANCAJA granted to individuals with real estate mortgage security ranking senior or, as the case may be, ranking junior although BANCAJA has documents relating to cancellation of the debts originated by previous mortgages which are yet to be struck off the registers, on finished homes (and annexes or other properties, if any) located in Spain (the "**Mortgage Loans**") and to issue asset-backed bonds (either the "**Asset-Backed Bonds**" or the "**Bonds**"), the subscription for which is designed to finance the acquisition of the Pass-Through Certificates.

(In this Registration Document and elsewhere in the Prospectus the term "Mortgage Loans" shall be used in some definitions to generically refer to the Pass-Through Certificates perfecting the assignment of the Mortgage Loan receivables, other than where reference is made specifically to the Pass-Through Certificates as such or to the documents representing the same.)

Mortgage 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 issued 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 order of priority 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 Mortgage 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 Mortgage 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.

  VAT REG. No.: A-805144 66 Business Activity Code No.: 6713

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

- CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA is the originator of the Mortgage Loan receivables to be assigned to the Fund upon being established by issuing the Pass-Through Certificates, shall be the Lead Manager of the Bond Issue and the Subscriber of the Bond Issue.

  Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, 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 Guaranteed Interest Rate Account (Treasury Account), Start-Up Loan, Subordinated Loan, Mortgage Loan Servicing and Pass-Through Certificate Custody, Financial Intermediation and Bond Paying Agent 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.

  VAT REG. No.: G-46/002804 Business Activity Code No.: 65122

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

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

Ratings for the short- and long-term unsecured and unsubordinated debt obligations of BANCAJA assigned by rating agencies:

| | Fitch Ratings | Moody's Ratings | S&P Ratings |
|---|---|---|---|
| **Short-term** | F1 (August 2008) | P-1 (August 2008) | A-2 (September 2008) |
| **Long-term** | A (August 2008) | A2 (August 2008) | A- (September 2008) |
| **Outlook** | Stable | Stable | Negative |

- J.P. MORGAN CHASE BANK, N.A., LONDON BRANCH ("**J.P. MORGAN CHASE**") shall be the Fund's counterparty under the Interest Swap Agreements.

  J.P. MORGAN CHASE is the branch in England and Wales of the US J.P. MORGAN CHASE BANK, N.A., with main office at 1111 Polaris Parway, Columbus, Ohio 43271, the place of business of its London branch being at 125 London Wall, London EC2Y 5AJ, United Kingdom, and registered as a branch in England and Wales under branch number BR000746.

  Ratings for the short- and long-term unsecured and unsubordinated debt obligations of J.P. MORGAN CHASE assigned by rating agencies:

| | Fitch Ratings | Moody's Ratings | S&P Ratings |
|---|---|---|---|
| **Short-term** | F1+ (September 2008) | P-1 (September 2008) | A-1+ (June 2008) |
| **Long-term** | AA- (September 2008) | Aaa (September 2008) | AA (June 2008) |
| **Outlook** | Stable | Negative | Negative |

- Moody's Investors Service España, S.A. is the Rating Agency of 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).

  VAT REG. No.: 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 reviewed the tax implications thereof.

  VAT Reg. Number: B-81709081

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

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

  Ernst & Young is entered in the Official Register of Auditors (ROAC) of Spain under number S0530.

  VAT Reg. Number: B-7890506

  Registered Office: Plaza Pablo Ruiz Picasso number 1, 28020 Madrid (Spain).

J.P. MORGAN CHASE BANK, N.A. and J.P. MORGAN SECURITIES LTD. are affiliated to the same Group as J.P. MORGAN ESPAÑA, S.A., and the latter in turn has a 4.00% interest in the Management Company's share capital.

No other direct or indirect ownership or controlling interest or association 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, May 14, regulating asset securitisation funds and securitisation fund management companies, 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, 2007, 2006 and 2005 have been audited by Deloitte S.L. and 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 96 securitisation funds at the registration date of this Prospectus, 22 being mortgage securitisation funds and 74 being asset securitisation funds.

The following table itemises the 96 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 October 31, 2008.

| Securitisation Fund | Establishment | Initial Bond Issue EUR | Bond Issue Balance 31.10.2008 EUR | Δ% | Bond Issue Balance 31.12.2007 EUR | Δ% | Bond Issue Balance 31.12.2006 EUR |
|---|---|---|---|---|---|---|---|
| **TOTAL** | | **128,300,296,652.96** | **78,378,054,784.45** | **13.6%** | **68,990,485,268.28** | **65.75%** | **41,622,450,971.95** |
| **Mortgage (FTH)** | | **15,117,046,652.96** | **7,207,862,355.16** | **-10.3%** | **8,032,640,378.73** | **19.19%** | **6,739,243,850.52** |
| Bankinter 15 FTH | 08.10.2007 | 1,525,500,000.00 | 1,395,112,380.00 | -8.5% | 1,525,500,000.00 | | |
| Bankinter 14 FTH | 19.03.2007 | 964,000,000.00 | 852,023,323.32 | -6.4% | 910,605,771.09 | | |
| Bankinter 12 FTH | 06.03.2006 | 1,200,000,000.00 | 909,090,764.16 | -8.1% | 989,229,621.92 | -17.6% | 1,200,000,000.00 |
| Valencia Hipotecario 2 FTH | 07.12.2005 | 950,000,000.00 | 630,751,948.45 | -11.7% | 714,150,188.05 | -14.0% | 830,584,559.95 |
| Bankinter 11 FTH | 28.11.2005 | 900,000,000.00 | 677,638,780.88 | -8.3% | 739,129,526.88 | -17.9% | 900,000,000.00 |
| Bankinter 7 FTH | 18.02.2004 | 490,000,000.00 | 246,265,242.02 | -8.7% | 269,780,744.80 | -13.1% | 310,601,446.96 |
| Bankinter 5 FTH | 16.12.2002 | 710,000,000.00 | 299,079,738.99 | -11.6% | 338,235,796.10 | -14.2% | 394,326,433.24 |
| BZ Hipotecario 4 FTH | 27.11.2002 | 313,400,000.00 | 92,465,223.44 | -15.3% | 109,224,548.96 | -18.2% | 133,590,667.48 |
| Rural Hipotecario IV FTH | 14.11.2002 | 520,000,000.00 | 191,016,038.03 | -10.4% | 213,157,220.89 | -15.8% | 253,138,797.81 |
| Bancaja 4 FTH | 05.11.2002 | 1,000,000,000.00 | 313,577,833.20 | -11.4% | 354,117,610.15 | -17.0% | 426,542,491.90 |
| Bankinter 4 FTH | 24.09.2002 | 1,025,000,000.00 | 449,767,261.18 | -11.1% | 505,642,125.86 | -15.0% | 594,725,493.56 |
| Rural Hipotecario III FTH | 14.05.2002 | 325,000,000.00 | 109,785,200.68 | -12.2% | 125,077,501.09 | -17.3% | 151,223,912.92 |
| Bankinter 3 FTH | 22.10.2001 | 1,322,500,000.00 | 451,287,203.74 | -15.5% | 533,845,866.60 | -16.1% | 636,195,596.86 |
| BZ Hipotecario 3 FTH | 23.07.2001 | 310,000,000.00 | 70,236,608.06 | -16.8% | 84,455,223.08 | -19.4% | 104,762,637.42 |
| Rural Hipotecario II FTH | 29.05.2001 | 235,000,000.00 | 60,935,882.80 | -13.9% | 70,792,127.80 | -18.8% | 87,231,827.20 |
| BZ Hipotecario 2 FTH | 28.04.2000 | 285,000,000.00 | 40,591,160.18 | -14.3% | 47,380,418.96 | -22.3% | 61,003,530.94 |

| Securitisation Fund | Establishment | Initial Bond Issue EUR | Bond Issue Balance 31.10.2008 EUR | Δ% | Bond Issue Balance 31.12.2007 EUR | Δ% | Bond Issue Balance 31.12.2006 EUR |
|---|---|---|---|---|---|---|---|
| Rural Hipotecario I FTH | 22.02.2000 | 200,000,000.00 | 34,598,295.02 | -16.3% | 41,327,704.16 | -21.9% | 52,894,964.42 |
| Bankinter 2 FTH | 25.10.1999 | 320,000,000.00 | 78,041,823.55 | -16.7% | 93,704,625.41 | -17.4% | 113,458,270.94 |
| Bankinter 1 FTH | 12.05.1999 | 600,000,000.00 | 94,625,851.08 | -20.1% | 118,501,046.04 | -20.8% | 149,656,739.58 |
| BZ Hipotecario 1 FTH | 16.04.1999 | 350,000,000.00 | 40,329,239.08 | -18.4% | 49,438,391.72 | -22.8% | 64,073,530.22 |
| Hipotecario 2 FTH | 04.12.1998 | 1,051,771,182.67 | 144,500,333.28 | -12.9% | 165,880,884.18 | -24.1% | 218,421,786.82 |
| Bancaja 2 FTH | 23.10.1998 | 240,404,841.75 | 26,142,224.02 | -21.9% | 33,463,434.99 | -25.8% | 45,073,251.00 |
| Bancaja 1 FTH | 18.07.1997 | 120,202,420.88 | liquidated | | 0.00 | -100.0% | 11,737,911.30 |
| BBV-MBS I FTH | 30.11.1995 | 90,151,815.66 | liquidated | | | | |
| Hipotecario 1 FTH | 20.09.1993 | 69,116,392.00 | liquidated | | | | |
| **Asset (FTA)** | | **113,183,250,000.00** | **71,170,192,429.29** | **16.8%** | **60,957,844,889.55** | **74.7%** | **34,883,207,121.43** |
| BBVA RMBS 7 FTA | 24.11.2008 | 8,500,000,000.00 | | | | | |
| BBVA RMBS 6 FTA | 10.11.2008 | 4,995,000,000.00 | | | | | |
| Bankinter 18 FTA | 10.11.2008 | 1,500,000,000.00 | | | | | |
| PYME Bancaja 7 FTA | 10.10.2008 | 1,100,000,000.00 | 1,100,000,000.00 | | | | |
| Bankinter 4 FTPYME FTA | 15.09.2008 | 400,000,000.00 | 400,000,000.00 | | | | |
| BBVA-8 FTPYME FTA | 21.07.2008 | 1,100,000,000.00 | 1,100,000,000.00 | | | | |
| Rural Hipotecario X FTA | 25.06.2008 | 1,880,000,000.00 | 1,856,614,123.20 | | | | |
| Bankinter Leasing 1 FTA | 23.06.2008 | 400,000,000.00 | 400,000,000.00 | | | | |
| Bankinter 17 FTA | 09.06.2008 | 1,000,000,000.00 | 972,781,741.00 | | | | |
| BBVA RMBS 5 FTA | 26.05.2008 | 5,000,000,000.00 | 4,907,825,362.50 | | | | |
| MBS Bancaja 5 FTA | 08.05.2008 | 1,850,000,000.00 | 1,802,145,840.82 | | | | |
| BBVA Consumo 3 FTA | 14.04.2008 | 975,000,000.00 | 975,000,000.00 | | | | |
| Bancaja 12 FTA | 09.04.2008 | 2,100,000,000.00 | 2,033,236,240.16 | | | | |
| Bankinter 16 FTA | 10.03.2008 | 2,043,000,000.00 | 1,960,972,653.60 | | | | |
| BBVA-7 FTGENCAT FTA | 11.02.2008 | 250,000,000.00 | 209,714,529.60 | | | | |
| Valencia Hipotecario 4 FTA | 21.12.2007 | 978,500,000.00 | 919,895,774.04 | -6.0% | 978,500,000.00 | | |
| Ruralpyme 3 FTA | 19.12.2007 | 830,000,000.00 | 706,144,431.44 | -14.9% | 830,000,000.00 | | |
| BBVA RMBS 4 FTA | 19.11.2007 | 4,900,000,000.00 | 4,459,929,696.00 | -9.0% | 4,900,000,000.00 | | |
| Bankinter 3 FTPYME FTA | 12.11.2007 | 617,400,000.00 | 547,313,040.00 | -11.4% | 617,400,000.00 | | |
| BBVA Empresas 1 FTA | 05.11.2007 | 1,450,000,000.00 | 1,073,707,300.00 | -26.0% | 1,450,000,000.00 | | |
| FTPYME Bancaja 6 FTA | 26.09.2007 | 1,027,000,000.00 | 766,304,675.00 | -21.3% | 973,986,053.81 | | |
| BBVA RMBS 3 FTA | 23.07.2007 | 3,000,000,000.00 | 2,789,597,160.00 | -4.9% | 2,933,975,280.00 | | |
| PYME Valencia 1 FTA | 20.07.2007 | 865,300,000.00 | 584,568,139.36 | -23.9% | 768,500,284.00 | | |
| Bancaja 11 FTA | 16.07.2007 | 2,022,900,000.00 | 1,838,382,680.00 | -7.1% | 1,977,845,666.00 | | |
| BBVA Leasing 1 FTA | 25.06.2007 | 2,500,000,000.00 | 2,500,000,000.00 | 0.0% | 2,500,000,000.00 | | |
| BBVA-6 FTPYME FTA | 11.06.2007 | 1,500,000,000.00 | 1,057,386,503.15 | -19.7% | 1,317,554,103.99 | | |
| BBVA Finanzia Autos 1 FTA | 30.04.2007 | 800,000,000.00 | 697,029,804.80 | -12.9% | 800,000,000.00 | | |
| MBS Bancaja 4 FTA | 27.04.2007 | 1,873,100,000.00 | 1,573,100,000.00 | -8.9% | 1,727,599,220.00 | | |
| Rural Hipotecario IX FTA | 28.03.2007 | 1,515,000,000.00 | 1,293,615,410.32 | -7.7% | 1,401,597,880.00 | | |
| BBVA RMBS 2 FTA | 26.03.2007 | 5,000,000,000.00 | 4,252,202,750.00 | -7.3% | 4,587,025,405.00 | | |
| BBVA RMBS 1 FTA | 19.02.2007 | 2,500,000,000.00 | 2,118,194,840.00 | -6.7% | 2,270,879,040.00 | | |
| Bancaja 10 FTA | 26.01.2007 | 2,631,000,000.00 | 2,232,994,770.00 | -6.2% | 2,381,068,878.00 | | |
| BBVA Consumo 2 FTA | 27.11.2006 | 1,500,000,000.00 | 1,500,000,000.00 | 0.0% | 1,500,000,000.00 | 0.0% | 1,500,000,000.00 |
| Ruralpyme 2 FTPYME FTA | 24.11.2006 | 617,050,000.00 | 403,363,458.20 | -19.4% | 500,199,171.30 | -18.9% | 617,050,000.00 |
| Bankinter 13 FTA | 20.11.2006 | 1,570,000,000.00 | 1,288,480,982.94 | -17.9% | 1,570,000,000.00 | 0.0% | 1,570,000,000.00 |
| Valencia Hipotecario 3 FTA | 15.11.2006 | 911,000,000.00 | 721,968,126.93 | -7.3% | 778,999,823.33 | -14.5% | 911,000,000.00 |
| BBVA-5 FTPYME FTA | 23.10.2006 | 1,900,000,000.00 | 1,057,443,233.54 | -22.0% | 1,354,988,445.36 | -28.7% | 1,900,000,000.00 |
| PYME Bancaja 5 FTA | 02.10.2006 | 1,178,800,000.00 | 532,978,595.48 | -27.2% | 732,026,693.30 | -37.9% | 1,178,800,000.00 |
| Bankinter 2 PYME FTA | 26.06.2006 | 800,000,000.00 | 517,406,611.40 | -14.1% | 602,635,264.80 | -24.7% | 800,000,000.00 |
| Consumo Bancaja 1 FTA | 26.06.2006 | 612,900,000.00 | 483,239,606.85 | -21.2% | 612,900,000.00 | 0.0% | 612,900,000.00 |
| Rural Hipotecario VIII FTA | 26.05.2006 | 1,311,700,000.00 | 960,987,411.88 | -11.3% | 1,082,823,864.72 | -17.4% | 1,311,700,000.00 |
| BBVA Consumo 1 FTA | 08.05.2006 | 1,500,000,000.00 | 1,199,925,867.75 | -20.0% | 1,500,000,000.00 | 0.0% | 1,500,000,000.00 |
| MBS BANCAJA 3 FTA | 03.04.2006 | 810,000,000.00 | 523,517,512.80 | -9.2% | 576,853,171.20 | -17.9% | 703,043,514.80 |
| Bancaja 9 FTA | 02.02.2006 | 2,022,600,000.00 | 1,349,920,950.00 | -8.1% | 1,468,344,310.00 | -15.9% | 1,744,997,380.00 |
| BBVA Autos 2 FTA | 12.12.2005 | 1,000,000,000.00 | 760,176,714.25 | -24.0% | 1,000,000,000.00 | 0.0% | 1,000,000,000.00 |
| EdT FTPYME Pastor 3 FTA | 05.12.2005 | 520,000,000.00 | 173,518,158.86 | -25.5% | 232,785,467.78 | -38.9% | 380,805,675.83 |
| Rural Hipotecario Global I FTA | 18.11.2005 | 1,078,000,000.00 | 698,705,903.35 | -12.2% | 795,789,260.08 | -14.6% | 932,164,120.79 |
| FTPYME Bancaja 4 FTA | 07.11.2005 | 1,524,000,000.00 | 342,336,309.04 | -44.3% | 614,803,420.00 | -37.7% | 986,887,779.41 |
| BBVA-4 PYME FTA | 26.09.2005 | 1,250,000,000.00 | 399,519,743.46 | -27.5% | 550,956,981.29 | -55.9% | 1,250,000,000.00 |
| Bankinter 10 FTA | 27.06.2005 | 1,740,000,000.00 | 1,164,413,503.72 | -9.0% | 1,278,975,488.94 | -12.8% | 1,466,558,997.10 |
| MBS Bancaja 2 FTA | 27.06.2005 | 809,200,000.00 | 419,336,038.08 | -12.1% | 476,949,943.28 | -18.5% | 585,069,193.36 |
| BBVA Hipotecario 3 FTA | 13.06.2005 | 1,450,000,000.00 | 681,661,216.66 | -18.4% | 835,495,733.83 | -19.9% | 1,042,844,698.00 |
| Rural Hipotecario VII FTA | 29.04.2005 | 1,100,000,000.00 | 668,988,451.22 | -9.1% | 735,608,293.92 | -13.8% | 853,742,668.37 |
| Bancaja 8 FTA | 22.04.2005 | 1,680,100,000.00 | 909,687,849.80 | -11.4% | 1,026,987,917.65 | -18.1% | 1,253,797,200.56 |
| Bankinter 9 FTA | 14.02.2005 | 1,035,000,000.00 | 663,544,032.70 | -11.6% | 750,388,699.40 | -12.8% | 860,813,028.16 |
| BBVA-3 FTPYME FTA | 29.11.2004 | 1,000,000,000.00 | 269,966,083.10 | -34.7% | 413,334,243.11 | -29.9% | 589,349,210.82 |
| Ruralpyme 1 FTPYME FTA | 23.11.2004 | 214,000,000.00 | 80,175,289.41 | -19.4% | 99,469,641.03 | -25.2% | 132,892,833.40 |
| BBVA Autos 1 FTA | 25.10.2004 | 1,000,000,000.00 | 389,453,810.00 | -31.0% | 564,298,650.00 | -37.1% | 897,434,960.00 |
| FTPYME Bancaja 3 FTA | 11.10.2004 | 900,000,000.00 | 192,483,311.02 | -22.9% | 249,775,984.80 | -33.4% | 375,133,008.09 |
| Bancaja 7 FTA | 12.07.2004 | 1,900,000,000.00 | 890,706,543.02 | -10.1% | 990,445,484.28 | -16.8% | 1,190,508,554.06 |
| Rural Hipotecario VI FTA | 07.07.2004 | 950,000,000.00 | 488,624,113.56 | -11.9% | 554,652,864.75 | -14.8% | 651,118,829.40 |

| Securitisation Fund | Establishment | Initial Bond Issue EUR | Bond Issue Balance 31.10.2008 EUR | Δ% | Bond Issue Balance 31.12.2007 EUR | Δ% | Bond Issue Balance 31.12.2006 EUR |
|---|---|---|---|---|---|---|---|
| MBS Bancaja 1 FTA | 17.05.2004 | 690,000,000.00 | 248,900,617.51 | -14.7% | 291,929,875.34 | -20.9% | 369,020,564.16 |
| Valencia H 1 FTA | 23.04.2004 | 472,000,000.00 | 239,753,344.59 | -10.8% | 268,739,092.92 | -15.2% | 316,993,112.58 |
| Bankinter 8 FTA | 03.03.2004 | 1,070,000,000.00 | 564,526,312.43 | -9.7% | 625,104,837.56 | -12.9% | 718,061,846.93 |
| Bancaja 6 FTA | 03.12.2003 | 2,080,000,000.00 | 775,084,212.24 | -11.0% | 870,772,845.80 | -19.2% | 1,077,852,239.88 |
| Rural Hipotecario V FTA | 28.10.2003 | 695,000,000.00 | 318,586,956.06 | -10.5% | 356,056,225.36 | -14.4% | 415,711,778.28 |
| Bankinter 6 FTA | 25.09.2003 | 1,350,000,000.00 | 708,967,687.70 | -9.5% | 783,705,979.58 | -13.4% | 904,534,542.77 |
| FTPYME Bancaja 2 FTA | 19.09.2003 | 500,000,000.00 | 100,471,032.89 | -25.9% | 135,575,823.37 | -28.7% | 190,138,306.78 |
| Bancaja 5 FTA | 14.04.2003 | 1,000,000,000.00 | 341,277,231.90 | -13.9% | 396,415,664.95 | -17.2% | 478,827,993.55 |
| Bancaja 3 FTA | 29.07.2002 | 520,900,000.00 | 520,900,000.00 | 0.0% | 520,900,000.00 | 0.0% | 520,900,000.00 |
| FTPYME Bancaja 1 FTA | 04.03.2002 | 600,000,000.00 | 64,005,795.00 | -74.6% | 252,024,264.00 | -1.4% | 255,514,370.40 |
| BBVA-2 FTPYME-ICO | 01.12.2000 | 900,000,000.00 | 54,615,458.88 | -44.0% | 97,443,577.80 | -44.3% | 175,048,960.77 |
| BCL Municipios I FTA | 21.06.2000 | 1,205,000,000.00 | 295,005,440.00 | -22.1% | 378,681,480.00 | -17.6% | 459,377,520.00 |
| BBVA-1 FTA | 24.02.2000 | 1,112,800,000.00 | 76,911,446.08 | -32.6% | 114,074,593.92 | -43.7% | 202,614,233.18 |

6.4 **Share capital and equity.**

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

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

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

| *(EUR)* | 30.09.2008 | Δ% | 31.12.2007 | Δ% | 31.12.2006 |
|---|---|---|---|---|---|
| **Equity *** | **6,161,104.95** | **99.05%** | **3,095,298.97** | **0.00%** | **3,095,298.97** |
| Capital | 1,803,037.50 | 0.00% | 1,803,037.50 | 0.00% | 1,803,037.50 |
| Reserves | 4,358,067.45 | 237.24% | 1,292,261.47 | 0.00% | 1,292,261.47 |
| *Legal* | *360,607.50* | 0.00% | *360,607.50* | 0.00% | *360.607,50* |
| *Voluntary* | *3,997,459.95* | 329.07% | *931,653.97* | 0.00% | *931.653,97* |
| **Year's profit** | **3,070,845.15** | 0.16% | **3,065,805.98** | **52.95%** | **1,789,429.69** |

* 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 (**)<br>Ms Ana Fernández Manrique (*) (**)<br>Mr Mario Masiá Vicente (*)<br>Mr Justo de Rufino Portillo (*)(**)<br>Mr Borja Uriarte Villalonga on behalf of Bankinter, S.A.<br>Banco Cooperativo Español, S.A. (1) |
| **Non-Director Secretary:** | Ms Belén Rico Arévalo |

(*) Member of the Board of Directors' Executive Committee.
(**) Proprietary Directors for BBVA.
(1) The appointment of Banco Cooperativo Español S.A. as Director at the General Shareholders' Meeting held on June 27, 2008 is yet to be notified to the CNMV and entered in the Companies Register.

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 holding of each one:

| Name of shareholder company | Holding (%) |
|---|---|
| Banco Bilbao Vizcaya Argentaria, S.A. | 85.9880 |
| 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 |
| Citibank España, S.A. | 1.5317 |
| Banco Cooperativo Español, S.A. | 0.7812 |
| 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 II of Royal Decree 629/1993, May 3, on operating standards in securities markets and mandatory registrations, 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 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 BANCAJA's selected mortgage loans from which the Mortgage 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 in the registers of 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 BANCAJA 13 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 in a resolution dated October 28, 2008.

Mr Benito Castillo Navarro, duly authorised for these presents, acting for and on behalf of BANCAJA, Lead Manager of the Bond Issue by BANCAJA 13 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 in pursuance of a deed publicly recording corporate resolutions of the Board of Directors held on October 29, 2008, executed before Valencia Notary Public Mr Vicente Chornet Chalver on November 7, 2008, his document number 1426.

### 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 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 section 2 of Risk Factors of this Prospectus.

The risk factors linked to the assets backing the issue are described in section 3 of Risk Factors 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 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 Mortgage Loan receivables by issuing the Pass-Through Certificates to be pooled in the Fund and is the Bond Issue subscriber.

d) BANCAJA is involved as Lead Manager and Subscriber of the Bond Issue.

e) BANCAJA is involved as Paying Agent of the Bond Issue and shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Start-Up Loan, Subordinated Loan, Mortgage Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements.

f) ERNST & YOUNG have audited certain features and attributes of a sample of all of BANCAJA's selected mortgage loans from which the Mortgage Loans will be taken to be assigned to the Fund upon being established.

g) Moody's is the Rating Agency that has rated each Bond Series.

h) GARRIGUES has provided legal advice for establishing the Fund and the Bond issue and has reviewed the tax implications thereof.

The description of the institutions referred to in the preceding paragraphs is contained in section 5.2 of the Registration Document.

The Management Company represents that the summary descriptions of those agreements, contained in the relevant sections, which it shall enter into, for and on the Fund's behalf, give the most substantial and relevant information on each of the agreements, and no information has been omitted which might affect the contents of the Prospectus.

# 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 and cash value of the issue of Asset-Backed Bonds (the "**Bond Issue**") is EUR two billion eight hundred and ninety-five million (2,895,000,000.00), consisting of twenty-eight thousand nine hundred and fifty (28,950) Bonds denominated in euros and comprised of three Bond Series, distributed as follows:

a) Series A having a total face amount of EUR two billion five hundred and eighty-three million seven hundred thousand (2,583,700,000.00) comprising twenty-five thousand eight hundred and thirty-seven (25,837) 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 one hundred and fifty-two million (152,000,000.00) comprising one thousand five hundred and twenty (1,520) 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 one hundred and fifty-nine million three hundred thousand (159,300,000.00) comprising one thousand five hundred and ninety-three (1,593) 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**").

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

### 4.1.2 Bond issue price.

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

The expenses and taxes 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 "**Bond Issue 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 Bond Issue 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 1pm (CET) on December 10, 2008 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 (vi) 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, other than the Interest Swap agreements which shall be subject to the laws of England and Wales.

### 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 and 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 interest payment and 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) third ($3^{rd}$) 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) fourth ($4^{th}$) 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) fourth ($4^{th}$) 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 ($7^{th}$), and (ii) sixth ($6^{th}$) 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) fifth ($5^{th}$) 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 eighth ($8^{th}$), and (ii) eighth ($8^{th}$) 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 Series A, B and C Bonds as a whole without distinction between those Series is sixth (6th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Bond principal 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 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.

Repayment of Series B Bond principal is 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.

Repayment of Series C Bond principal is ninth (9th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

## 4.7 Description of the rights attached to the securities.

The economic and financial rights for Bondholders associated with acquiring and holding the Bonds shall be, 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 Mortgage 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 Mortgage Loan default or prepayment, 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 duties or inobservance of the provisions of this Prospectus and of the Deed of Constitution. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

All matters, disagreements, actions and claims 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, variable 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, December 11, 2008, inclusive, and the first Payment Date, April 23, 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:** 0.60% margin.
- **Series C:** 1.20% margin.

The resultant Nominal Interest Rate shall be expressed as a percentage rounded to the nearest thousandth of a whole number or rounded up to the nearest one where the differences of rounding up or down to the nearest thousandths are identical.

4.8.1.3 **Reference Rate and determining the same.**

The reference rate (the "**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 pages EURIBOR01 supplied by Reuters, and 248 supplied by Dow Jones Markets (Bridge Telerate), or any other page taking their stead in providing these services.

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between four- (4-) month Euribor and five- (5-) month Euribor, set at 11am (CET) on the Business Day preceding the Closing Date, bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [((D-120)/30) \times E5] + [(1-((D-120)/30)) \times E4]$$

Where:

IR = Reference Rate for the first Interest Accrual Period.

D = Number of days in the first Interest Accrual Period.

E4 = Four- (4-) month Euribor.

E5 = Five- (5-) month Euribor.

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 after and around 11am (CET) on the Interest Rate Fixing Date.

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from a straight-line interpolation, based on the formula given in i) above, between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable four- (4-) month deposit transactions in euros and 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, both 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 after and around 11am (CET) on the Business Day preceding the Closing Date.

The substitute Reference Rate shall be expressed as a percentage rounded to the nearest thousandth of a percentage point or rounded up to the nearest point where the differences of rounding up or down to the nearest thousandths are identical.

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, that interpolation would be made taking the latest four- (4-) month Euribor and 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.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with paragraphs i) and ii) 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 BANCAJA as 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 all Series will be paid until finally amortised by Interest Accrual Periods in arrears on January 23, April 23, July 23 and October 23 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 April 23, 2009, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, December 11, 2008, inclusive, and April 23, 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 calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System) or TARGET 2 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 interest 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 April 23, 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 a Paying Agent Agreement with BANCAJA 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 (April 23, 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 (April 23, 2052 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

#### 4.9.2.2 **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 sum of the Outstanding Principal Balance of the Bond Issue remains at 10.501%, or higher percentage closest thereto.

Final amortisation of Series B Bonds shall occur on the Final Maturity Date (April 23, 2052 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

#### 4.9.2.3 **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 sum of the Outstanding Principal Balance of the Bond Issue remains at 11.005%, or higher percentage closest thereto.

Final amortisation of Series C Bonds shall occur on the Final Maturity Date (April 23, 2052 or the following Business Day if that is not a Business Day), notwithstanding full amortisation before that date due to the partial amortisation for which provision is made, and the fact that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 **Partial amortisation of the Bonds 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 fourth ($4^{th}$) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Funds for Amortisation which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be April 17, 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, April 17, 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 Pass-Through Certificates 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 Mortgage Loans.**

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

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

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

Doubtful mortgage loans (the "**Doubtful Mortgage Loans**") shall be deemed to be Mortgage Loans that are delinquent with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information received from the Servicer. Non-doubtful mortgage loans (the "**Non-Doubtful Mortgage Loans**") shall be deemed to be Mortgage Loans that are not deemed to be Doubtful Loans at a date.

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

On each Payment Date, the Available Funds shall be used in sixth ($6^{th}$) place in the payments application order to withhold the amount 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 Mortgage 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 on each Payment Date.**

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, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised, subject to the provisions of rules 2 and 3 below for pro rata amortisation of the different Series.

2. There shall be no exception and, 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 for amortising each of these Series ("**Conditions for Pro Rata Amortisation**"):

   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 10.501% of the Outstanding Principal Balance of the Bond Issue, and

      ii) the Outstanding Balance of Delinquent Mortgage Loans does not exceed 1.25% of the Outstanding Balance of Non-Doubtful Mortgage 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 11.005% of the Outstanding Principal Balance of the Bond Issue, and

ii) the Outstanding Balance of Delinquent Mortgage Loans does not exceed 1.00% of the Outstanding Balance of Non-Doubtful Mortgage Loans.

d) In addition, in order to amortise Series B and, as the case may be, Series C:

i) that the Required Cash Reserve amount should have been fully provisioned on the preceding Payment Date and is to be 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 the Mortgage Loans is at least as high as 10 percent of the initial Outstanding Balance upon the Fund being established.

3. In the event that the amortisation of Series B and, as the case may be, of Series C should apply on a Payment Date as provided for in rule 2 above, the Available Funds for Amortisation shall also be applied to amortising Series B and, as the case may be, Series C in such a way that the ratio of (i) the Outstanding Principal Balance of Series B and, as the case may be, of Series C to (ii) the Outstanding Principal Balance of the Bond Issue respectively remains at 10.501% and at 11.005%, 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 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 and consequently final amortisation of the Bonds shall be on April 23, 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 Mortgage Loan repayment schedule and system as established in the relevant contracts.

ii) The Obligors' capacity to prepay the Mortgage Loans in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Mortgage 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 Mortgage Loans resulting in the repayment amount on every instalment differing.

iv) The Obligors' delinquency and default in payment of Mortgage Loan instalments.

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

- Mortgage Loan interest rate: 5.67% weighted average interest rate as at October 31, 2008 of the selected mortgage loan portfolio which has been used for calculating the repayment and interest instalments of each of the selected mortgage loans;
- Mortgage Loan portfolio delinquency: 2.94% of the Outstanding Balance of the Mortgage Loans, 2.30% being recovered, with 100% recoveries within 18 months of becoming delinquent, and the remaining 0.64% becoming doubtful from June 2010, with 90% recoveries within 18 months of becoming doubtful;
- that the Mortgage Loan prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is December 11, 2008; and
- that there is no extension of the term of any of the selected mortgage 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 a straight-line interpolation bearing in mind the number of days in the First Interest Accrual Period between 4-month Euribor (3.835%) and 5-month Euribor (3.847%) as at December 1, 2008, 3.840% being the resultant interpolated nominal interest rate, and the applicable 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** | 4.140% | 4.440% | 5.040% |

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 (3.816%) as at December 1, 2008 and the applicable margins established for each Series in section 4.8.1.2 of this Securities Note:

| | **Series A Bonds** | **Series B Bonds** | **Series C Bonds** |
|---|---|---|---|
| **Nominal interest rate** | 4.270% | 4.570% | 5.170% |

### 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 4.4.3.1.(i) of the Registration Document when the Outstanding Balance of the Mortgage 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 in recent months of similarly characterised mortgage loans previously securitised by BANCAJA, would be as follows:

| **% CPR:** | **5%** | **7%** | **9%** |
|---|---|---|---|
| | **Series A Bonds** | | |
| **Average life (years)** | 10.57 | 8.44 | 6.95 |
| **IRR** | 4.393% | 4.392% | 4.391% |
| **Duration (years)** | 7.53 | 6.33 | 5.42 |
| **Final maturity** | 23 07 2035 | 23 07 2031 | 24 04 2028 |
| **(in years)** | 26.63 | 22.63 | 19.38 |

| % CPR: | 5% | 7% | 9% |
|---|---|---|---|
| | **Series B Bonds** | | |
| **Average life (years)** | 27.32 | 23.32 | 19.84 |
| **IRR** | 4.711% | 4.711% | 4.710% |
| **Duration (years)** | 14.94 | 13.74 | 12.50 |
| **Final maturity** | 23 04 2036 | 23 04 2032 | 23 10 2028 |
| **(in years)** | 27.38 | 23.38 | 19.88 |
| | **Series C Bonds** | | |
| **Average life (years)** | 27.38 | 23.38 | 19.88 |
| **IRR** | 5.342% | 5.342% | 5.341% |
| **Duration (years)** | 13.95 | 12.93 | 11.84 |
| **Final maturity** | 23 04 2036 | 23 04 2032 | 23 10 2028 |
| **(in years)** | 27.38 | 23.38 | 19.88 |

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 CPRs are assumed to be constant respectively at 5.00%, 7.00% and 9.00% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.

- The Outstanding Principal Balance of the Bonds on each Payment Date and hence interest payable on each such dates shall depend on the actual Mortgage 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.

- The assumed values referred to at the beginning of this section 4.10 are at all events taken for granted.

- It is assumed that the Management Company will exercise the Early Liquidation option of the Fund and thereby proceed to Early Amortisation of the Bond Issue when the Outstanding Balance of the Mortgage Loans is less than 10% of the Initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3.1.(i) of the Registration Document.

- In this scenario, the Conditions for Pro Rata Amortisation of Series B and C do not apply.

- These are all reasonable assumptions based on the historical performance of mortgage loans granted by BANCAJA to individuals.

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

| Payment | Series A Bonds | | | Series B Bonds | | | Series C Bonds | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| TOTALS | 100,000.00 | 45,727.31 | 145,727.31 | 100,000.00 | 126,553.34 | 226,553.34 | 100,000.00 | 143,491.35 | 243,491.35 |
| 11/12/2008 | | | | | | | | | |
| 23/04/2009 | 1,837.04 | 1,529.57 | 3,366.61 | 0.00 | 1,640.41 | 1,640.41 | 0.00 | 1,862.07 | 1,862.07 |
| 23/07/2009 | 1,544.75 | 1,059.53 | 2,604.28 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2009 | 1,542.59 | 1,054.32 | 2,596.91 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2010 | 1,525.63 | 1,060.04 | 2,585.67 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2010 | 1,481.11 | 976.45 | 2,457.57 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2010 | 1,479.56 | 993.76 | 2,473.31 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2010 | 1,533.21 | 1,010.02 | 2,543.24 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2011 | 1,507.20 | 961.24 | 2,468.44 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2011 | 1,462.76 | 944.97 | 2,407.73 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2011 | 1,459.27 | 929.18 | 2,388.46 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2011 | 1,454.71 | 913.43 | 2,368.14 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2012 | 1,443.05 | 897.73 | 2,340.78 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/04/2012 | 1,435.33 | 882.15 | 2,317.49 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2012 | 1,440.31 | 866.66 | 2,306.97 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2012 | 1,448.77 | 860.47 | 2,309.24 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2013 | 1,438.78 | 844.66 | 2,283.43 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2013 | 1,402.46 | 810.94 | 2,213.39 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2013 | 1,400.50 | 804.81 | 2,205.31 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2013 | 1,397.73 | 798.37 | 2,196.10 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2014 | 1,380.40 | 783.12 | 2,163.51 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2014 | 1,341.20 | 751.36 | 2,092.56 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2014 | 1,335.73 | 745.23 | 2,080.96 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2014 | 1,328.55 | 738.84 | 2,067.40 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2015 | 1,311.80 | 724.35 | 2,036.15 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2015 | 1,274.39 | 694.60 | 1,968.99 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2015 | 1,268.48 | 688.56 | 1,957.04 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2015 | 1,261.66 | 682.28 | 1,943.94 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2016 | 1,245.68 | 683.05 | 1,928.73 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 25/04/2016 | 1,219.79 | 647.80 | 1,867.60 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2016 | 1,204.18 | 634.64 | 1,838.82 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2016 | 1,197.60 | 621.64 | 1,819.24 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2017 | 1,183.15 | 608.71 | 1,791.86 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2017 | 1,152.95 | 595.94 | 1,748.90 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2017 | 1,148.75 | 583.50 | 1,732.25 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2017 | 1,147.15 | 571.10 | 1,718.25 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2018 | 1,138.22 | 564.86 | 1,703.08 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2018 | 1,110.95 | 540.43 | 1,651.38 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2018 | 1,107.46 | 534.44 | 1,641.90 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2018 | 1,102.19 | 528.23 | 1,630.42 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2019 | 1,088.51 | 516.20 | 1,604.71 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2019 | 1,059.31 | 493.36 | 1,552.67 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2019 | 1,053.70 | 487.41 | 1,541.10 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2019 | 1,047.45 | 481.27 | 1,528.71 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2020 | 1,034.23 | 469.84 | 1,504.07 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2020 | 1,013.94 | 453.57 | 1,467.51 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2020 | 1,000.75 | 442.62 | 1,443.37 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2020 | 993.77 | 436.57 | 1,430.33 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2021 | 981.07 | 434.98 | 1,416.04 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2021 | 955.14 | 396.97 | 1,352.11 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2021 | 949.36 | 400.20 | 1,349.56 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2021 | 942.95 | 402.80 | 1,345.75 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2022 | 930.16 | 379.77 | 1,309.93 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2022 | 905.27 | 369.73 | 1,275.00 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2022 | 899.37 | 359.96 | 1,259.33 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2022 | 892.33 | 350.25 | 1,242.58 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2023 | 879.80 | 340.62 | 1,220.42 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2023 | 855.45 | 331.12 | 1,186.58 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2023 | 848.26 | 321.89 | 1,170.16 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2023 | 840.90 | 312.74 | 1,153.63 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2024 | 829.79 | 307.00 | 1,136.79 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2024 | 813.56 | 294.70 | 1,108.26 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2024 | 802.92 | 285.92 | 1,088.84 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2024 | 797.21 | 280.30 | 1,077.51 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2025 | 786.78 | 271.60 | 1,058.38 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2025 | 766.93 | 257.30 | 1,024.23 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2025 | 761.84 | 251.88 | 1,013.72 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2025 | 756.35 | 246.33 | 1,002.68 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2026 | 746.13 | 238.08 | 984.21 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2026 | 726.91 | 224.94 | 951.85 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2026 | 721.22 | 219.59 | 940.82 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2026 | 715.10 | 214.14 | 929.23 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2027 | 705.25 | 210.82 | 916.07 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2027 | 687.01 | 190.00 | 877.01 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2027 | 681.01 | 189.06 | 870.08 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2027 | 674.13 | 187.70 | 861.83 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2028 | 662.97 | 174.44 | 837.40 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2028 | 646.54 | 167.28 | 813.82 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2028 | 634.08 | 160.30 | 794.38 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2028 | 626.69 | 153.46 | 780.15 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2029 | 618.08 | 148.31 | 766.39 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2029 | 603.29 | 138.48 | 741.77 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2029 | 598.30 | 133.51 | 731.81 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2029 | 593.25 | 128.45 | 721.70 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2030 | 585.07 | 121.98 | 707.05 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2030 | 570.70 | 113.08 | 683.78 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2030 | 565.57 | 108.17 | 673.75 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2030 | 559.95 | 103.19 | 663.14 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2031 | 551.59 | 97.08 | 648.67 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2031 | 537.54 | 89.08 | 626.62 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2031 | 531.92 | 84.27 | 616.19 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2031 | 525.93 | 79.39 | 605.33 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2032 | 517.95 | 73.65 | 591.60 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2032 | 506.82 | 67.26 | 574.08 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2032 | 498.07 | 61.79 | 559.87 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2032 | 491.50 | 58.28 | 549.78 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2033 | 481.93 | 51.11 | 533.04 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2033 | 466.38 | 45.91 | 512.29 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2033 | 458.31 | 40.88 | 499.19 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2033 | 450.34 | 35.93 | 486.27 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2034 | 443.25 | 31.07 | 474.32 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2034 | 432.95 | 26.28 | 459.23 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2034 | 428.35 | 21.61 | 449.96 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2034 | 423.84 | 16.99 | 440.82 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2035 | 417.59 | 12.55 | 430.14 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2035 | 407.53 | 7.82 | 415.34 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2035 | 324.81 | 3.51 | 328.32 | 1,323.07 | 1,155.19 | 2,478.26 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2035 | 0.00 | 0.00 | 0.00 | 6,752.37 | 1,152.44 | 7,904.81 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2036 | 0.00 | 0.00 | 0.00 | 6,632.90 | 1,073.58 | 7,706.48 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2036 | 0.00 | 0.00 | 0.00 | 85,291.66 | 985.28 | 86,276.95 | 100,000.00 | 1,306.86 | 101,306.86 |

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

| Payment | Series A Bonds | | | Series B Bonds | | | Series C Bonds | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| TOTALS | 100,000.00 | 36,499.10 | 136,499.10 | 100,000.00 | 108,004.61 | 208,004.61 | 100,000.00 | 122,509.77 | 222,509.77 |
| 11/12/2008 | | | | | | | | | |
| 23/04/2009 | 2,514.63 | 1,529.57 | 4,044.20 | 0.00 | 1,640.41 | 1,640.41 | 0.00 | 1,862.07 | 1,862.07 |
| 23/07/2009 | 2,089.25 | 1,052.22 | 3,141.47 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2009 | 2,073.94 | 1,040.98 | 3,114.93 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2010 | 2,038.16 | 1,040.49 | 3,078.65 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2010 | 1,964.54 | 952.80 | 2,917.34 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2010 | 1,950.82 | 964.08 | 2,914.90 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2010 | 2,012.67 | 974.11 | 2,986.78 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2011 | 1,965.40 | 921.30 | 2,886.70 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2011 | 1,894.47 | 900.09 | 2,794.55 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2011 | 1,879.10 | 879.64 | 2,758.73 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2011 | 1,862.21 | 859.36 | 2,721.56 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2012 | 1,834.16 | 839.26 | 2,673.42 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/04/2012 | 1,805.26 | 819.46 | 2,624.72 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2012 | 1,793.24 | 799.97 | 2,593.22 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2012 | 1,788.80 | 789.20 | 2,577.99 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2013 | 1,763.07 | 769.68 | 2,532.75 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2013 | 1,704.67 | 734.12 | 2,438.79 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2013 | 1,691.61 | 723.88 | 2,415.49 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2013 | 1,677.54 | 713.38 | 2,390.92 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2014 | 1,646.25 | 695.07 | 2,341.32 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2014 | 1,587.76 | 662.39 | 2,250.15 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2014 | 1,572.29 | 652.61 | 2,224.90 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2014 | 1,554.94 | 642.62 | 2,197.57 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2015 | 1,525.75 | 625.65 | 2,151.40 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2015 | 1,471.33 | 595.77 | 2,067.10 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2015 | 1,456.28 | 586.50 | 2,042.78 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2015 | 1,440.12 | 577.06 | 2,017.18 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2016 | 1,412.94 | 573.55 | 1,986.49 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 25/04/2016 | 1,374.17 | 539.99 | 1,914.16 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2016 | 1,348.04 | 525.16 | 1,873.20 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2016 | 1,332.91 | 510.61 | 1,843.52 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2017 | 1,308.28 | 496.22 | 1,804.50 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2017 | 1,264.50 | 482.10 | 1,746.60 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2017 | 1,252.35 | 468.45 | 1,720.80 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2017 | 1,242.18 | 454.94 | 1,697.11 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2018 | 1,223.07 | 446.38 | 1,669.45 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2018 | 1,183.53 | 423.62 | 1,607.15 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2018 | 1,172.47 | 415.55 | 1,588.02 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2018 | 1,159.70 | 407.32 | 1,567.02 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2019 | 1,137.75 | 394.67 | 1,532.42 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2019 | 1,098.42 | 373.94 | 1,472.36 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2019 | 1,086.24 | 366.24 | 1,452.48 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2019 | 1,073.33 | 358.41 | 1,431.75 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2020 | 1,052.77 | 346.70 | 1,399.47 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2020 | 1,024.53 | 331.57 | 1,356.10 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2020 | 1,004.55 | 320.51 | 1,325.06 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2020 | 991.72 | 313.07 | 1,304.79 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2021 | 972.52 | 308.82 | 1,281.34 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2021 | 939.10 | 278.96 | 1,218.06 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2021 | 927.97 | 278.33 | 1,206.31 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2021 | 916.26 | 277.16 | 1,193.42 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2022 | 897.82 | 258.43 | 1,156.25 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2022 | 866.69 | 248.73 | 1,115.43 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2022 | 856.03 | 239.38 | 1,095.41 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2022 | 844.35 | 230.14 | 1,074.49 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2023 | 827.04 | 221.03 | 1,048.07 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2023 | 797.74 | 212.10 | 1,009.84 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2023 | 786.66 | 203.49 | 990.15 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2023 | 775.34 | 195.00 | 970.33 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2024 | 759.89 | 188.68 | 948.58 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2024 | 739.37 | 178.43 | 917.79 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2024 | 724.69 | 170.45 | 895.13 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2024 | 715.07 | 164.41 | 879.49 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2025 | 700.84 | 156.61 | 857.45 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2025 | 677.29 | 145.72 | 823.02 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2025 | 668.68 | 140.03 | 808.71 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2025 | 659.74 | 134.27 | 794.01 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2026 | 646.26 | 127.08 | 773.33 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2026 | 624.24 | 117.41 | 741.65 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2026 | 615.64 | 111.98 | 727.62 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2026 | 606.65 | 106.49 | 713.14 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2027 | 594.11 | 102.04 | 696.16 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2027 | 573.78 | 89.33 | 663.11 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2027 | 565.38 | 86.18 | 651.57 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2027 | 556.32 | 82.72 | 639.04 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2028 | 543.51 | 74.07 | 617.59 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2028 | 526.37 | 68.21 | 594.58 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2028 | 513.08 | 62.53 | 575.61 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2028 | 504.17 | 56.99 | 561.16 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2029 | 493.68 | 52.11 | 545.80 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2029 | 477.52 | 45.71 | 523.23 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2029 | 470.60 | 41.06 | 511.67 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2029 | 463.61 | 36.38 | 499.99 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2030 | 453.86 | 31.32 | 485.18 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2030 | 438.74 | 25.80 | 464.54 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2030 | 432.06 | 21.35 | 453.41 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2030 | 425.02 | 16.87 | 441.89 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2031 | 415.66 | 12.23 | 427.89 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2031 | 401.47 | 7.53 | 409.00 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2031 | 303.46 | 3.28 | 306.74 | 1,552.62 | 1,155.19 | 2,707.82 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2031 | 0.00 | 0.00 | 0.00 | 6,593.18 | 1,149.76 | 7,742.93 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2032 | 0.00 | 0.00 | 0.00 | 6,445.67 | 1,072.75 | 7,518.42 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2032 | 0.00 | 0.00 | 0.00 | 85,408.53 | 986.63 | 86,395.17 | 100,000.00 | 1,306.86 | 101,306.86 |

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

| Payment | Series A Bonds | | | Series B Bonds | | | Series C Bonds | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| TOTALS | 100,000.00 | 30,048.26 | 130,048.26 | 100,000.00 | 91,858.91 | 191,858.91 | 100,000.00 | 104,156.27 | 204,156.27 |
| 11/12/2008 | | | | | | | | | |
| 23/04/2009 | 3,202.52 | 1,529.57 | 4,732.09 | 0.00 | 1,640.41 | 1,640.41 | 0.00 | 1,862.07 | 1,862.07 |
| 23/07/2009 | 2,635.38 | 1,044.79 | 3,680.18 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2009 | 2,600.91 | 1,027.52 | 3,628.43 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2010 | 2,540.58 | 1,020.86 | 3,561.44 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2010 | 2,432.88 | 929.18 | 3,362.06 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2010 | 2,401.93 | 934.59 | 3,336.52 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2010 | 2,467.38 | 938.62 | 3,406.01 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2011 | 2,394.18 | 882.04 | 3,276.22 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2011 | 2,293.26 | 856.19 | 3,149.46 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2011 | 2,261.75 | 831.44 | 3,093.20 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2011 | 2,228.45 | 807.03 | 3,035.48 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2012 | 2,180.62 | 782.98 | 2,963.60 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/04/2012 | 2,127.98 | 759.44 | 2,887.42 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2012 | 2,096.24 | 736.47 | 2,832.72 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2012 | 2,075.85 | 721.69 | 2,797.54 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2013 | 2,032.09 | 699.04 | 2,731.13 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2013 | 1,950.81 | 662.15 | 2,612.96 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2013 | 1,924.24 | 648.45 | 2,572.69 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2013 | 1,896.62 | 634.58 | 2,531.20 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2014 | 1,849.94 | 613.88 | 2,463.82 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2014 | 1,772.33 | 580.79 | 2,353.11 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2014 | 1,745.15 | 568.11 | 2,313.26 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2014 | 1,716.08 | 555.31 | 2,271.39 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2015 | 1,673.72 | 536.58 | 2,210.31 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2015 | 1,603.25 | 507.05 | 2,110.30 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2015 | 1,577.95 | 495.38 | 2,073.33 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2015 | 1,551.51 | 483.61 | 2,035.12 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2016 | 1,513.02 | 476.82 | 1,989.84 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 25/04/2016 | 1,462.15 | 445.27 | 1,907.42 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2016 | 1,425.70 | 429.49 | 1,855.19 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2016 | 1,401.59 | 414.10 | 1,815.69 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2017 | 1,367.19 | 398.97 | 1,766.17 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2017 | 1,311.92 | 384.22 | 1,696.13 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2017 | 1,291.72 | 370.06 | 1,661.78 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2017 | 1,273.10 | 356.11 | 1,629.21 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2018 | 1,244.82 | 346.14 | 1,590.95 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2018 | 1,195.54 | 325.32 | 1,520.86 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2018 | 1,177.27 | 316.03 | 1,493.30 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2018 | 1,157.47 | 306.66 | 1,464.13 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2019 | 1,128.45 | 294.03 | 1,422.48 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2019 | 1,081.68 | 275.59 | 1,357.27 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2019 | 1,063.54 | 266.98 | 1,330.51 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2019 | 1,044.72 | 258.31 | 1,303.03 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2020 | 1,018.26 | 246.91 | 1,265.17 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2020 | 984.26 | 233.23 | 1,217.50 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2020 | 959.04 | 222.61 | 1,181.65 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2020 | 941.30 | 214.59 | 1,155.88 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2021 | 917.24 | 208.76 | 1,126.00 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2021 | 879.28 | 185.86 | 1,065.14 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2021 | 863.85 | 182.70 | 1,046.55 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2021 | 847.97 | 179.10 | 1,027.07 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2022 | 825.64 | 164.23 | 989.87 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/04/2022 | 791.22 | 155.32 | 946.54 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/07/2022 | 776.98 | 146.78 | 923.75 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/10/2022 | 761.93 | 138.39 | 900.32 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2023 | 741.64 | 130.17 | 871.80 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2023 | 710.21 | 122.16 | 832.37 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2023 | 696.45 | 114.50 | 810.95 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2023 | 682.48 | 106.98 | 789.46 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/01/2024 | 664.59 | 100.71 | 765.29 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2024 | 642.13 | 92.44 | 734.56 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/07/2024 | 625.30 | 85.51 | 710.81 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2024 | 613.28 | 79.62 | 692.90 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2025 | 597.14 | 72.93 | 670.08 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2025 | 572.67 | 64.97 | 637.64 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2025 | 562.02 | 59.51 | 621.53 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2025 | 551.14 | 54.03 | 605.17 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/01/2026 | 536.31 | 48.02 | 584.33 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 23/04/2026 | 514.08 | 41.25 | 555.33 | 0.00 | 1,142.50 | 1,142.50 | 0.00 | 1,292.50 | 1,292.50 |
| 23/07/2026 | 504.00 | 36.16 | 540.16 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2026 | 493.65 | 31.06 | 524.70 | 0.00 | 1,167.89 | 1,167.89 | 0.00 | 1,321.22 | 1,321.22 |
| 25/01/2027 | 480.26 | 26.23 | 506.49 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 23/04/2027 | 460.26 | 19.54 | 479.80 | 0.00 | 1,117.11 | 1,117.11 | 0.00 | 1,263.78 | 1,263.78 |
| 23/07/2027 | 450.86 | 15.24 | 466.10 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 25/10/2027 | 441.00 | 10.72 | 451.72 | 0.00 | 1,193.28 | 1,193.28 | 0.00 | 1,349.94 | 1,349.94 |
| 24/01/2028 | 428.13 | 5.61 | 433.75 | 0.00 | 1,155.19 | 1,155.19 | 0.00 | 1,306.86 | 1,306.86 |
| 24/04/2028 | 91.95 | 0.99 | 92.94 | 5,438.70 | 1,155.19 | 6,593.89 | 0.00 | 1,306.86 | 1,306.86 |
| 24/07/2028 | 0.00 | 0.00 | 0.00 | 6,784.06 | 1,092.37 | 7,876.42 | 0.00 | 1,306.86 | 1,306.86 |
| 23/10/2028 | 0.00 | 0.00 | 0.00 | 87,777.25 | 1,014.00 | 88,791.24 | 100,000.00 | 1,306.86 | 101,306.86 |

### 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 12.1 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:***

In a resolution dated October 28, 2008, the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved that:

i) BANCAJA 13 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) Pass-through certificates issued by BANCAJA on mortgage loans owned by BANCAJA granted to individuals secured with a real estate mortgage on homes (and annexes or other properties, if any) located in Spain and shown on its assets be pooled in the Fund.

iii) The Bonds be issued by the Fund.

***Resolution to assign the Mortgage Loans:***

At a meeting held on October 29, 2008, the Board of Directors of BANCAJA resolved that the assignment of loan receivables with real estate mortgage security granted by BANCAJA to private individuals, to a closed-end Asset Securitisation Fund purposely set up to pool those assets therein, perfected by issuing pass-through certificates, 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, with the presence of BANCAJA, as Originator of the Mortgage Loan receivables by issuing the Pass-Through Certificates, proceed to execute on December 9, 2008 a public deed whereby BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCAJA will issue and the Fund will subscribe for the Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds, 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.

The Management Company shall submit a copy of the Deed of Constitution to the CNMV to be entered in the Official Registers by 1pm (CET) on December 10, 2008.

### 4.13 Issue date of the securities.

The Bond issue date shall be December 9, 2008.

#### 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.

The Subscriber shall subscribe for the Bond Issue on December 10, 2008 and pay to the Fund by 2pm (CET) on December 11, 2008 (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 certificates and the transfer shall thereupon be enforceable on third parties.

## 5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

### 5.1 Market where the securities will be traded.

In fulfilment of the provisions of article 2.3 of Royal Decree 926/1998, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija ("**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 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 Paying Agent of the Bond Issue.

The Bond Issue will be serviced through BANCAJA 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 BANCAJA 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 fifty-eight thousand and seventy-one (358,071.00). 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 and printing 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 reviewed the tax implications thereof.

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.

ERNST & YOUNG have audited the selected mortgage loans on the terms set forth in section 2.2 of the Building Block.

### 7.4 Information sourced from a third party.

Within its duties to verify the information contained in this Prospectus, the Management Company has received confirmation from BANCAJA as to the truthfulness of the characteristics of BANCAJA as Originator of the Mortgage Loans and of the Pass-Through Certificates, given in section 2.2.8 of the Building Block, and of the remaining information on BANCAJA and the Mortgage Loans 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 mortgage loans from which the Mortgage Loans will be taken 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 December 2, 2008, assigned the following provisional ratings to each Bond Series, and expects to assign the same final ratings by 1pm (CET) on December 10, 2008.

| Bond Series | Moody's Ratings |
|---|---|
| Series A | Aaa |
| Series B | A2 |
| Series C | Baa3 |

If the Rating Agency should not confirm any of the assigned provisional ratings as final by 1pm (CET) on December 10, 2008, 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 issue of and subscription for the Pass-Through Certificates 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, and Ernst & Young as auditors of the selected mortgage loans, and on the legal opinion to be issued by GARRIGUES on the date of establishment of the Fund.

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 mortgage 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 its 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.

# 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 by pooling the Mortgage Loan Pass-Through Certificates which BANCAJA shall issue to be subscribed for by the Fund upon being established and their Outstanding Balance shall be equal to or slightly above EUR two billion eight hundred and ninety-five million (2,895,000,000.00), 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 on the Mortgage Loans, the Management Company confirms that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Mortgage Loan receivables allow the payments due and payable on the Bond Issue to be satisfied.

Nevertheless, in order to cover for potential payment defaults by the securitised Mortgage 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 the interest risk due to the different terms of the interest clauses of the Mortgage Loans and of the Bonds in each Series. In exceptional circumstances, the enhancement transactions could actually fall short. The credit enhancement transactions are described in sections 3.4.2, 3.4.3, 3.4.4 and 3.4.7 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 given in section 2.2.8 of the Building Block in relation to the Pass-Through Certificates and the Mortgage 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 mortgage loans that will mostly be assigned to the Fund.

## 2.2 Assets backing the issue.

The selected mortgage loan portfolio from which the Mortgage Loans will be taken, their receivables being mostly represented by the Pass-Through Certificates to be subscribed for by the Fund upon being established, comprises mortgage loans owned by BANCAJA granted to individuals with real estate mortgage security ranking senior or, as the case may be, ranking junior although BANCAJA has documents relating to cancellation of the debts originated by previous mortgages which are yet to be struck off the registers, on finished homes (and annexes or other properties, if any) located in Spain and consists of 18,634 loans, their outstanding principal as at October 31, 2008 being EUR 3,211,342,754.53 and their overdue principal being EUR 133,742.65.

The contract terms of 0.38% of the selected mortgage loans allow for a lowering of the margin applicable for determining the interest rate by up to not more than 0.30%, provided that the obligor is not more than 90 days in arrears in fulfilment of the payment obligations, and subject to the following requirements:

a) That the obligor’s salary is paid directly into an account at BANCAJA.

b) That the obligor has taken out an individual Pension Plan through BANCAJA.

c) That the obligor is the holder of a life insurance policy associated with the mortgage loan, arranged through a BANCAJA Group insurer.

In any event, and even if the above three requirements are satisfied, the minimum margin applicable for determining the interest rate in this type of mortgage loans shall be 0.70%.

***Audit of the assets securitised through the Fund.***

Ernst & Young have audited the most significant features of the selected mortgage loans.

That audit was made using sampling techniques consisting of analysing a number of transactions fewer (sample) than the full selection of mortgage 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: loan and mortgage origination, nature of the loan and borrower, purpose of the loan, identification of the borrower, loan origination date, loan maturity date, initial loan amount, current loan balance, reference rate or benchmark index, interest rate spread, interest rate applied, mortgaged property, appraisal value, loan-to-value ratio, mortgaged property address, mortgage security, damage insurance, loan transfer and arrears in payment. Mortgage loans in respect of which errors are detected in verifying the sample shall not be assigned to the Fund by BANCAJA.

The audit results are set out in a report prepared by Ernst & Young, this being 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 of the obligors of the selected mortgage loans.**

The following table gives the concentration of the ten obligors weighing most in the portfolio of selected mortgage loans as at October 31, 2008.

| Loan portfolio at 31.10.2008<br>Classification by Obligor | | | | |
|---|---|---|---|---|
| | Mortgage loans | % | Outstanding principal (EUR) | % |
| Obligor 1 | 1 | 0.005 | 905,703.26 | 0.028 |
| Obligor 2 | 1 | 0.005 | 839,038.28 | 0.026 |
| Obligor 3 | 1 | 0.005 | 817,741.66 | 0.025 |
| Obligor 4 | 1 | 0.005 | 806,215.91 | 0.025 |
| Obligor 5 | 1 | 0.005 | 799,196.34 | 0.025 |
| Obligor 6 | 1 | 0.005 | 791,315.54 | 0.025 |
| Obligor 7 | 1 | 0.005 | 779,076.87 | 0.024 |
| Obligor 8 | 1 | 0.005 | 770,775.91 | 0.024 |
| Obligor 9 | 1 | 0.005 | 760,000.00 | 0.024 |
| Obligor 10 | 1 | 0.005 | 753,895.26 | 0.023 |
| Rest: 18,624 Obligors | 18,624 | 99.946 | 3,203,319,795.50 | 99.750 |
| **Total 18,634 obligors** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |

**b) Information regarding type of property mortgaged as security for the selected mortgage loans.**

The selected mortgage loans are all secured with a real estate mortgage on the legal and beneficial ownership of each and every one of the mortgaged properties ranking senior, or, as the case may be, ranking junior although BANCAJA has documents regarding cancellation of debts originated by previous mortgages, which are however yet to be struck off the register.

The following table gives the distribution by type of property mortgaged as security for the selected mortgage loans.

| Mortgage Loan portfolio at 31.10.2008<br>Classification by type of mortgaged property | | | | |
|---|---|---|---|---|
| | Mortgage loans | % | Outstanding principal (EUR) | % |
| Homes and annexes, if any | 18,274 | 98.07 | 3,153,926,750.30 | 98.21 |
| Homes and business premises | 113 | 0.61 | 22,239,781.64 | 0.69 |
| Homes and industrial warehouses | 193 | 1.04 | 26,194,450.88 | 0.82 |
| Homes and rustic or urban land | 54 | 0.29 | 8,981,771.71 | 0.28 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |

In addition to mortgage security, some of the selected mortgage loans include third-party personal guarantees.

**c) Information regarding selected mortgage loan origination date.**

The following table gives the selected mortgage loan distribution according to the origination date by six-monthly intervals, and the average, minimum and maximum age.

| Mortgage loan portfolio at 31.10.2008<br>Classification by loan origination date | | | | |
|---|---|---|---|---|
| Date interval | Mortgage loans | % | Outstanding principal (EUR) | % |
| 01/07/2000 to 31/12/2000 | 2 | 0.01 | 154,004.01 | 0.00 |
| 01/01/2001 to 30/06/2001 | 2 | 0.01 | 87,334.07 | 0.00 |
| 01/07/2001 to 31/12/2001 | 6 | 0.03 | 613,540.09 | 0.02 |
| 01/01/2002 to 30/06/2002 | 6 | 0.03 | 331,762.08 | 0.01 |
| 01/07/2002 to 31/12/2002 | 5 | 0.03 | 492,668.33 | 0.02 |
| 01/01/2003 to 30/06/2003 | 13 | 0.07 | 921,919.61 | 0.03 |
| 01/07/2003 to 31/12/2003 | 16 | 0.09 | 1,891,038.24 | 0.06 |
| 01/01/2004 to 30/06/2004 | 26 | 0.14 | 2,829,051.98 | 0.09 |
| 01/07/2004 to 31/12/2004 | 50 | 0.27 | 6,679,402.43 | 0.21 |
| 01/01/2005 to 30/06/2005 | 70 | 0.38 | 10,023,489.31 | 0.31 |
| 01/07/2005 to 31/12/2005 | 253 | 1.36 | 40,901,500.74 | 1.27 |
| 01/01/2006 to 30/06/2006 | 281 | 1.51 | 47,236,936.68 | 1.47 |
| 01/07/2006 to 31/12/2006 | 2,692 | 14.45 | 522,660,504.19 | 16.28 |
| 01/01/2007 to 30/06/2007 | 4,663 | 25.02 | 883,384,526.16 | 27.51 |
| 01/07/2007 to 31/12/2007 | 5,394 | 28.95 | 902,543,142.30 | 28.10 |
| 01/01/2008 to 30/06/2008 | 4,767 | 25.58 | 730,809,736.32 | 22.76 |
| 01/07/2008 to 31/12/2008 | 388 | 2.08 | 59,782,197.99 | 1.86 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |
| | **15.72** | **Months** | **Weighted average age** | |
| | **98.79** | **Months** | **Maximum age** | |
| | **2.63** | **Months** | **Minimum age** | |

**d) Information regarding selected mortgage loan principal.**

The following table gives outstanding mortgage loan principal distribution as at October 31, 2008 by EUR 25,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no contents.

| Mortgage loan portfolio at 31.10.2008<br>Classification by outstanding principal | | | | |
|---|---|---|---|---|
| Principal interval (EUR) | Mortgage loans No. | % | Outstanding principal (EUR) | % |
| 0.00 - 24,999.99 | 52 | 0.28 | 1,031,416.82 | 0.03 |
| 25,000.00 - 49,999.99 | 395 | 2.12 | 15,790,788.54 | 0.49 |
| 50,000.00 - 74,999.99 | 771 | 4.14 | 49,187,227.25 | 1.53 |
| 75,000.00 - 99,999.99 | 1,598 | 8.58 | 142,484,687.60 | 4.44 |
| 100,000.00 - 124,999.99 | 2,300 | 12.34 | 260,501,083.23 | 8.11 |
| 125,000.00 - 149,999.99 | 2,924 | 15.69 | 403,151,833.78 | 12.55 |
| 150,000.00 - 174,999.99 | 2,790 | 14.97 | 451,950,743.52 | 14.07 |
| 175,000.00 - 199,999.99 | 2,289 | 12.28 | 427,164,227.26 | 13.30 |
| 200,000.00 - 224,999.99 | 1,708 | 9.17 | 361,318,988.16 | 11.25 |
| 225,000.00 - 249,999.99 | 1,310 | 7.03 | 309,632,602.90 | 9.64 |
| 250,000.00 - 274,999.99 | 876 | 4.70 | 228,741,478.20 | 7.12 |
| 275,000.00 - 299,999.99 | 578 | 3.10 | 165,492,978.68 | 5.15 |
| 300,000.00 - 324,999.99 | 329 | 1.77 | 102,341,786.07 | 3.19 |
| 325,000.00 - 349,999.99 | 212 | 1.14 | 71,356,046.76 | 2.22 |
| 350,000.00 - 374,999.99 | 139 | 0.75 | 50,129,393.50 | 1.56 |
| 375,000.00 - 399,999.99 | 105 | 0.56 | 40,639,239.72 | 1.27 |
| 400,000.00 - 424,999.99 | 64 | 0.34 | 26,396,947.43 | 0.82 |
| 425,000.00 - 449,999.99 | 41 | 0.22 | 17,875,482.10 | 0.56 |
| 450,000.00 - 474,999.99 | 27 | 0.14 | 12,421,682.97 | 0.39 |

| Mortgage loan portfolio at 31.10.2008<br>Classification by outstanding principal | | | | |
|---|---|---|---|---|
| Principal interval (EUR) | Mortgage loans No. | % | Outstanding principal (EUR) | % |
| 475,000.00 - 499,999.99 | 27 | 0.14 | 13,157,127.00 | 0.41 |
| 500,000.00 - 524,999.99 | 15 | 0.08 | 7,626,557.17 | 0.24 |
| 525,000.00 - 549,999.99 | 15 | 0.08 | 8,059,209.59 | 0.25 |
| 550,000.00 - 574,999.99 | 12 | 0.06 | 6,724,080.22 | 0.21 |
| 575,000.00 - 599,999.99 | 17 | 0.09 | 9,991,284.03 | 0.31 |
| 600,000.00 - 624,999.99 | 9 | 0.05 | 5,482,836.09 | 0.17 |
| 625,000.00 - 649,999.99 | 3 | 0.02 | 1,894,533.38 | 0.06 |
| 650,000.00 - 674,999.99 | 3 | 0.02 | 1,993,352.97 | 0.06 |
| 675,000.00 - 699,999.99 | 4 | 0.02 | 2,758,645.62 | 0.09 |
| 700,000.00 - 724,999.99 | 4 | 0.02 | 2,852,154.02 | 0.09 |
| 725,000.00 - 749,999.99 | 5 | 0.03 | 3,671,380.92 | 0.11 |
| 750,000.00 - 774,999.99 | 5 | 0.03 | 3,784,671.17 | 0.12 |
| 775,000.00 - 799,999.99 | 3 | 0.02 | 2,369,588.75 | 0.07 |
| 800,000.00 - 824,999.99 | 2 | 0.01 | 1,623,957.57 | 0.05 |
| 825,000.00 - 849,999.99 | 1 | 0.01 | 839,038.28 | 0.03 |
| 900,000.00 - 924,999.99 | 1 | 0.01 | 905,703.26 | 0.03 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |
| | **Average principal:** | | **172,337.81** | |
| | **Minimum principal:** | | **1,210.41** | |
| | **Maximum principal:** | | **905,703.26** | |

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

Selected mortgage loan interest floats. The following table gives mortgage loan distribution according to benchmark indices applicable to the mortgage loans for determining the nominal interest rate.

| Mortgage loan portfolio at 31.10.2008<br>Classification by Interest rate benchmark index | | | | | |
|---|---|---|---|---|---|
| Benchmark Index | Mortgage loans | % | Outstanding principal (EUR) | % | Margin o/index* |
| 1-YEAR EURIBOR | 18,634 | 100.00 | 3,211,342,754.53 | 100.00 | 0.84 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** | |
| *Average margin weighted by the outstanding principal. | | | | | |

**f) Information regarding selected mortgage loan reference rate reset period.**

The following table gives the selected mortgage loan distribution based on the mortgage loan reference rate reset period.

| Mortgage loan portfolio at 31.10.2008<br>Classification by reference rate reset period | | | | |
|---|---|---|---|---|
| Interest rate reset period | Mortgage loans | % | Outstanding principal (EUR) | % |
| YEARLY | 17,009 | 91.28 | 2,936,700,243.04 | 91.45 |
| SIX-MONTHLY | 1,625 | 8.72 | 274,642,511.49 | 8.55 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |

**g) Information regarding selected mortgage loan principal repayment exclusion period.**

The following table gives the selected mortgage loan distribution according to expiry of the mortgage loan principal repayment exclusion period. The selected mortgage loan monthly instalments excluding principal repayment comprise interest only.

| Mortgage loan portfolio at 31.10.2008<br>Classification by principal repayment exclusion period | | | | |
|---|---|---|---|---|
| **Expiry of the principal exclusion period** | **Mortgage loans** | **%** | **Outstanding principal (EUR)** | **%** |
| No Exclusion | 10,038 | 53.87 | 1,568,997,893.65 | 48.86 |
| 01/10/2008 to 31/12/2008 | 85 | 0.46 | 15,859,200.28 | 0.49 |
| 01/01/2009 to 31/03/2009 | 105 | 0.56 | 22,550,717.94 | 0.70 |
| 01/04/2009 to 30/06/2009 | 122 | 0.65 | 24,519,602.15 | 0.76 |
| 01/07/2009 to 30/09/2009 | 93 | 0.50 | 19,919,908.28 | 0.62 |
| 01/10/2009 to 31/12/2009 | 124 | 0.67 | 23,484,887.83 | 0.73 |
| 01/01/2010 to 31/03/2010 | 147 | 0.79 | 27,285,287.35 | 0.85 |
| 01/04/2010 to 30/06/2010 | 151 | 0.81 | 28,953,833.67 | 0.90 |
| 01/07/2010 to 30/09/2010 | 106 | 0.57 | 20,333,487.65 | 0.63 |
| 01/10/2010 to 31/12/2010 | 71 | 0.38 | 12,247,986.43 | 0.38 |
| 01/01/2011 to 31/03/2011 | 68 | 0.36 | 13,006,773.68 | 0.41 |
| 01/04/2011 to 30/06/2011 | 91 | 0.49 | 17,957,764.39 | 0.56 |
| 01/07/2011 to 30/09/2011 | 204 | 1.09 | 37,614,328.60 | 1.17 |
| 01/10/2011 to 31/12/2011 | 1,118 | 6.00 | 218,247,554.82 | 6.80 |
| 01/01/2012 to 31/03/2012 | 1,659 | 8.90 | 320,017,974.49 | 9.97 |
| 01/04/2012 to 30/06/2012 | 1,172 | 6.29 | 223,471,844.21 | 6.96 |
| 01/07/2012 to 30/09/2012 | 594 | 3.19 | 108,874,829.46 | 3.39 |
| 01/10/2012 to 31/12/2012 | 393 | 2.11 | 72,114,869.36 | 2.25 |
| 01/01/2013 to 31/03/2013 | 167 | 0.90 | 29,579,117.96 | 0.92 |
| 01/04/2013 to 30/06/2013 | 171 | 0.92 | 28,679,420.48 | 0.89 |
| 01/07/2013 to 30/09/2013 | 55 | 0.30 | 9,282,690.41 | 0.29 |
| 01/10/2014 to 31/12/2014 | 1 | 0.01 | 92,264.81 | 0.00 |
| 01/04/2015 to 30/06/2015 | 3 | 0.02 | 413,966.59 | 0.01 |
| 01/10/2015 to 31/12/2015 | 1 | 0.01 | 175,000.00 | 0.01 |
| 01/07/2016 to 30/09/2016 | 35 | 0.19 | 6,006,559.55 | 0.19 |
| 01/10/2016 to 31/12/2016 | 218 | 1.17 | 43,499,633.74 | 1.35 |
| 01/01/2017 to 31/03/2017 | 102 | 0.55 | 20,636,540.34 | 0.64 |
| 01/04/2017 to 30/06/2017 | 243 | 1.30 | 49,355,460.38 | 1.54 |
| 01/07/2017 to 30/09/2017 | 492 | 2.64 | 97,029,033.49 | 3.02 |
| 01/10/2017 to 31/12/2017 | 388 | 2.08 | 72,914,852.42 | 2.27 |
| 01/01/2018 to 31/03/2018 | 216 | 1.16 | 40,478,387.20 | 1.26 |
| 01/04/2018 to 30/06/2018 | 170 | 0.91 | 32,046,336.03 | 1.00 |
| 01/07/2018 to 30/09/2018 | 31 | 0.17 | 5,694,746.89 | 0.18 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |

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

The following table gives the selected mortgage loan distribution by 0.25% nominal interest rate intervals applicable as at October 31, 2008, and their average, minimum and maximum values.

| Mortgage loan portfolio at 31.10.2008<br>Classification by applicable nominal interest rate | | | | | |
|---|---|---|---|---|---|
| **Interest Rate % Interval** | **Mortgage loans** | **%** | **Outstanding principal (EUR)** | **%** | **% Interest Rate*** |
| 4.50 - 4.74 | 14 | 0.08 | 2,448,936.08 | 0.08 | 4.64 |
| 4.75 - 4.99 | 362 | 1.94 | 68,300,291.88 | 2.13 | 4.89 |
| 5.00 - 5.24 | 1,856 | 9.96 | 338,003,099.78 | 10.53 | 5.13 |
| 5.25 - 5.49 | 4,484 | 24.06 | 796,325,354.74 | 24.80 | 5.36 |
| 5.50 - 5.74 | 4,072 | 21.85 | 697,168,489.31 | 21.71 | 5.61 |
| 5.75 - 5.99 | 3,582 | 19.22 | 602,066,700.58 | 18.75 | 5.86 |
| 6.00 - 6.24 | 2,369 | 12.71 | 400,616,408.41 | 12.48 | 6.12 |
| 6.25 - 6.49 | 1,560 | 8.37 | 258,159,036.22 | 8.04 | 6.35 |
| 6.50 - 6.74 | 290 | 1.56 | 42,777,452.63 | 1.33 | 6.58 |
| 6.75 - 6.99 | 44 | 0.24 | 5,445,437.43 | 0.17 | 6.84 |
| 7.00 - 7.24 | 1 | 0.01 | 31,547.47 | 0.00 | 7.00 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** | |
| | **Weighted average:** | | | | **5.67 %** |
| | **Simple average:** | | | | **5.68 %** |
| | **Minimum:** | | | | **4.50 %** |
| | **Maximum:** | | | | **7.00 %** |

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

The contract terms of 0.38% of the selected mortgage loans allow for a lowering of the margin applicable for determining the interest rate by up to not more than 0.30%, provided that the obligor is not more than 90 days in arrears in fulfilment of the payment obligations, and subject to the requirements set out in section 2.2 of this Building Block. In any event, and even if those requirements are satisfied, the minimum margin applicable for determining the interest rate in this type of mortgage loans shall be 0.70%.

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

None of the selected mortgage 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 mortgage loans.**

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

**k) Information regarding final maturity date of the selected mortgage loans.**

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

**Mortgage loan portfolio at 31.10.2008**
**Classification by final repayment date**

| Final Repayment Year | Mortgage loans | % | Outstanding principal (EUR) | % | Residual Life w.a.* Months | Date |
|---|---|---|---|---|---|---|
| 2010 | 1 | 0.01 | 6,653.29 | 0.00 | 23.29 | 10/10/2010 |
| 2012 | 9 | 0.05 | 430,618.14 | 0.01 | 41.39 | 13/04/2012 |
| 2013 | 8 | 0.04 | 1,008,469.03 | 0.03 | 57.93 | 29/08/2013 |
| 2014 | 11 | 0.06 | 797,328.21 | 0.02 | 67.78 | 25/06/2014 |
| 2015 | 23 | 0.12 | 2,056,882.03 | 0.06 | 81.31 | 11/08/2015 |
| 2016 | 28 | 0.15 | 2,676,559.27 | 0.08 | 92.91 | 29/07/2016 |
| 2017 | 43 | 0.23 | 3,726,275.21 | 0.12 | 105.04 | 2/08/2017 |
| 2018 | 52 | 0.28 | 3,568,106.46 | 0.11 | 114.70 | 23/05/2018 |
| 2019 | 36 | 0.19 | 2,912,323.28 | 0.09 | 127.67 | 22/06/2019 |
| 2020 | 48 | 0.26 | 5,340,686.20 | 0.17 | 139.79 | 25/06/2020 |
| 2021 | 70 | 0.38 | 6,884,959.14 | 0.21 | 152.72 | 24/07/2021 |
| 2022 | 130 | 0.70 | 13,204,695.79 | 0.41 | 164.88 | 29/07/2022 |
| 2023 | 162 | 0.87 | 16,000,983.43 | 0.50 | 174.48 | 17/05/2023 |
| 2024 | 56 | 0.30 | 6,558,958.80 | 0.20 | 187.86 | 27/06/2024 |
| 2025 | 74 | 0.40 | 9,042,034.11 | 0.28 | 200.93 | 30/07/2025 |
| 2026 | 132 | 0.71 | 17,217,327.04 | 0.54 | 211.96 | 1/07/2026 |
| 2027 | 292 | 1.57 | 36,251,865.83 | 1.13 | 225.25 | 9/08/2027 |
| 2028 | 338 | 1.81 | 39,356,081.28 | 1.23 | 233.57 | 18/04/2028 |
| 2029 | 92 | 0.49 | 13,875,639.26 | 0.43 | 248.31 | 11/07/2029 |
| 2030 | 174 | 0.93 | 26,155,245.57 | 0.81 | 260.42 | 15/07/2030 |
| 2031 | 216 | 1.16 | 35,049,974.46 | 1.09 | 271.79 | 25/06/2031 |
| 2032 | 490 | 2.63 | 70,612,251.93 | 2.20 | 284.81 | 26/07/2032 |
| 2033 | 526 | 2.82 | 69,855,721.19 | 2.18 | 294.09 | 4/05/2033 |
| 2034 | 166 | 0.89 | 27,064,825.01 | 0.84 | 308.15 | 6/07/2034 |
| 2035 | 307 | 1.65 | 51,524,001.15 | 1.60 | 320.52 | 18/07/2035 |
| 2036 | 443 | 2.38 | 80,940,237.01 | 2.52 | 332.03 | 2/07/2036 |
| 2037 | 917 | 4.92 | 149,309,303.06 | 4.65 | 344.15 | 6/07/2037 |
| 2038 | 901 | 4.84 | 134,045,476.70 | 4.17 | 353.89 | 28/04/2038 |
| 2039 | 144 | 0.77 | 28,802,167.58 | 0.90 | 367.55 | 18/06/2039 |
| 2040 | 254 | 1.36 | 46,560,467.19 | 1.45 | 380.34 | 12/07/2040 |
| 2041 | 408 | 2.19 | 72,320,445.69 | 2.25 | 392.69 | 22/07/2041 |
| 2042 | 752 | 4.04 | 132,226,461.22 | 4.12 | 404.05 | 3/07/2042 |
| 2043 | 615 | 3.30 | 102,675,798.75 | 3.20 | 413.93 | 30/04/2043 |
| 2044 | 230 | 1.23 | 42,563,940.78 | 1.33 | 427.43 | 14/06/2044 |
| 2045 | 283 | 1.52 | 52,480,334.16 | 1.63 | 439.81 | 26/06/2045 |
| 2046 | 1,631 | 8.75 | 325,640,513.62 | 10.14 | 455.30 | 10/10/2046 |
| 2047 | 6,046 | 32.45 | 1,148,565,341.47 | 35.77 | 463.34 | 12/06/2047 |
| 2048 | 2,526 | 13.56 | 434,033,802.19 | 13.52 | 473.14 | 5/04/2048 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** | | |
| | **Weighted average:** | | | | **412.05** | **04/03/2043** |
| | **Simple average:** | | | | **400.86** | **28/03/2042** |
| | **Minimum:** | | | | **23.29** | **10/10/2010** |
| | **Maximum:** | | | | **478.16** | **05/09/2048** |

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

### l) Information regarding geographical distribution by Autonomous Communities.

The following table gives the mortgage loan distribution by Autonomous Communities according to the location of the mortgage loan security.

| Mortgage loan portfolio at 31.10.2008<br>Classification by Autonomous Communities | | | | |
|---|---|---|---|---|
| | Mortgage loans | % | Outstanding principal (EUR) | % |
| Andalusia | 2,888 | 15.50 | 471,643,011.49 | 14.69 |
| Aragón | 126 | 0.68 | 19,035,692.47 | 0.59 |
| Asturies | 183 | 0.98 | 21,771,386.49 | 0.68 |
| Balearic Isles | 1,022 | 5.48 | 212,456,586.82 | 6.62 |
| Canary Islands | 698 | 3.75 | 108,222,288.82 | 3.37 |
| Cantabria | 76 | 0.41 | 12,729,241.94 | 0.40 |
| Catalonia | 2,227 | 11.95 | 515,341,196.54 | 16.05 |
| Ceuta | 1 | 0.01 | 104,954.08 | 0.00 |
| Basque Country | 125 | 0.67 | 25,932,503.14 | 0.81 |
| Extremadura | 110 | 0.59 | 14,102,251.36 | 0.44 |
| Galicia | 317 | 1.70 | 43,291,349.87 | 1.35 |
| Castile-León | 595 | 3.19 | 95,900,112.45 | 2.99 |
| Madrid | 1,308 | 7.02 | 286,684,883.48 | 8.93 |
| Castile La Mancha | 659 | 3.54 | 102,502,647.86 | 3.19 |
| Melilla | 3 | 0.02 | 590,069.63 | 0.02 |
| Murcia | 644 | 3.46 | 96,049,426.30 | 2.99 |
| Navarre | 146 | 0.78 | 22,480,619.32 | 0.70 |
| La Rioja | 40 | 0.21 | 5,263,999.30 | 0.16 |
| Valencian Community | 7,466 | 40.07 | 1,157,240,533.17 | 36.04 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** |

**m) Information regarding delays, if any, in collecting selected mortgage loan interest or principal instalments and amount, if any, of the current principal of mortgage loans delayed in excess of 30, 60 and 90 days.**

The following table gives the number of mortgage loans, the outstanding principal and the overdue principal on selected mortgage loans in regard to which there was any delay in payment of amounts due as at October 31, 2008.

| Arrears in payment of instalments due at 31.10.2008 | | | | |
|---|---|---|---|---|
| Interval Days | Mortgage loans | Outstanding principal | Overdue principal | % on total outstanding principal |
| In good standing | 17,093 | 2,933,024,520.85 | | |
| 1 to 15 days | 101 | 16,039,795.37 | 16,365.09 | 0.0005 |
| 16 to 30 days | 1,110 | 201,445,750.26 | 70,950.49 | 0.0022 |
| 31 to 60 days | 330 | 60,832,688.05 | 46,427.07 | 0.0014 |
| **Total** | **18,634** | **3,211,342,754.53** | **133,742.65** | **0.0042** |

In accordance with BANCAJA's representation in section 2.2.8.2.(23) of the Building Block, none of the Mortgage 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.

**n) Loan to value ratio or level of collateralisation.**

The selected mortgage loans have real estate mortgage security 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.

The ratio, expressed as a percentage, of the initial outstanding principal as at October 31, 2008 to the appraisal value of the selected mortgage loan mortgaged properties ranged between 0.36% and 100.00%, the average ratio weighted by the outstanding principal of each mortgage loan being 77.32%.

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

| Mortgage loan portfolio at 31.10.2008<br>Classification by loan to value ratio | | | | | |
|---|---|---|---|---|---|
| **Ratio Intervals** | **Mortgage loans** | **%** | **Outstanding principal (EUR)** | **%** | **(%) Loan to Value*** |
| 0.01 - 5.00 | 4 | 0.02 | 32,108.70 | 0.00 | 4.37 |
| 5.01 - 10.00 | 19 | 0.10 | 575,676.79 | 0.02 | 8.15 |
| 10.01 - 15.00 | 49 | 0.26 | 2,121,180.91 | 0.07 | 13.28 |
| 15.01 - 20.00 | 115 | 0.62 | 5,760,852.13 | 0.18 | 17.91 |
| 20.01 - 25.00 | 157 | 0.84 | 9,576,771.21 | 0.30 | 22.72 |
| 25.01 - 30.00 | 184 | 0.99 | 13,478,034.95 | 0.42 | 27.62 |
| 30.01 - 35.00 | 274 | 1.47 | 24,996,176.92 | 0.78 | 32.54 |
| 35.01 - 40.00 | 324 | 1.74 | 36,091,055.57 | 1.12 | 37.67 |
| 40.01 - 45.00 | 451 | 2.42 | 57,293,898.66 | 1.78 | 42.73 |
| 45.01 - 50.00 | 566 | 3.04 | 79,325,966.71 | 2.47 | 47.64 |
| 50.01 - 55.00 | 694 | 3.72 | 106,908,008.41 | 3.33 | 52.61 |
| 55.01 - 60.00 | 849 | 4.56 | 134,172,794.39 | 4.18 | 57.67 |
| 60.01 - 65.00 | 1,028 | 5.52 | 164,229,962.19 | 5.11 | 62.64 |
| 65.01 - 70.00 | 1,487 | 7.98 | 250,565,168.59 | 7.80 | 67.95 |
| 70.01 - 75.00 | 1,713 | 9.19 | 314,634,999.71 | 9.80 | 72.71 |
| 75.01 - 80.00 | 4,634 | 24.87 | 846,577,890.28 | 26.36 | 78.50 |
| 80.01 - 85.00 | 783 | 4.20 | 141,727,622.65 | 4.41 | 83.02 |
| 85.01 - 90.00 | 1,168 | 6.27 | 217,792,426.53 | 6.78 | 87.98 |
| 90.01 - 95.00 | 1,156 | 6.20 | 221,550,321.72 | 6.90 | 92.90 |
| 95.01 - 100.00 | 2,979 | 15.99 | 583,931,837.51 | 18.18 | 98.76 |
| **Total** | **18,634** | **100.00** | **3,211,342,754.53** | **100.00** | |
| | **Weighted Average:** | | | | **77.32 %** |
| | **Simple Average:** | | | | **74.44 %** |
| | **Minimum:** | | | | **0.36 %** |
| | **Maximum:** | | | | **100.00 %** |

*Loan to Value Ratio are averages weighted by the outstanding principal.
** Appraisal value: the result of adding all the appraisal values, as the case may be, of each property mortgaged under each mortgage loan.

There is no overcollateralisation in the Fund.

### 2.2.3 Legal nature of the pool of assets to be securitised.

The selected mortgage loans are all loans originated in a public deed granted by BANCAJA to individuals with real estate mortgage security on finished homes (and annexes or other properties, if any) located in Spain.

The Mortgage Loans were originated in a public deed subject to the Mortgage Act, February 8, 1946, Mortgage Market Regulation Act 2/1981, March 25, and ancillary laws. The real estate mortgage securities are entered in the relevant Land Registries in respect of the senior-ranked mortgaged properties or, as the case may be, ranking junior although BANCAJA has documents relating to cancellation of the debts originated by previous mortgages which are yet to be struck off the registers.

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, Royal Decree 685/1982 and additional provision five of Act 3/1994 as worded by Act 41/2007, 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 mortgage 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 mortgage loans prepay all or part of the outstanding capital, in which case interest accrual on the part prepaid will cease as of the date on which repayment occurs.

The final maturity date of the selected mortgage loans lies between October 10, 2010 and September 5, 2048, as specified in section 2.2.2.k) of this Building Block.

### 2.2.5 Amount of the assets.

The Fund shall be set up with the Pass-Through Certificates, representing Mortgage Loan receivables, issued by BANCAJA and subscribed for by the Fund upon being established, and their Outstanding Balance shall be equal to or slightly above EUR two billion eight hundred and ninety-five million (2,895,000,000.00), the face value amount of the Bond Issue.

The selected mortgage loan portfolio from which the Mortgage Loans will be taken, their receivables being mostly attached to the Pass-Through Certificates to be subscribed for by the Fund upon being established, comprises 18,634 loans, their outstanding principal as at October 31, 2008 being EUR 3,211,342,754.53 and their overdue principal being EUR 133,742.65.

### 2.2.6 Loan to value ratio or level of collateralisation.

The loan to value ratio or level of collateralisation ratio is given in section 2.2.2.n).

### 2.2.7 Method of creation of the assets.

The selected mortgage loans, part of whose receivables will be attached to the Pass-Through Certificates, have been granted by BANCAJA following its usual credit risk analysis and assessment procedures for granting mortgage loans to individuals. The following is a summary description of the procedures currently in place at BANCAJA:

1. **Private individual lending model used**

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

   The Risks management at BANCAJA draws up the Basic analysis policies for approving lending transactions, based on a positive repayment capacity for the transaction and the existence of a suitable level of cover and profitability, which shall be specified having regard to the client's particular characteristics, transaction type, amount and term applied for. General policies are the same for any type of lending transaction, but the analysis and tools used differ according to the segment in which the client belongs.

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

   BANCAJA's risk analysis takes into account the customer's global risk with BANCAJA. In so doing the concept of economic risk unit (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).

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. Empowerment.**

BANCAJA has structured a loan approval empowerment system based on BANCAJA's total risk with each UER. Risks are approved on the committees at the various levels depending on the extent of authority.

<table>
<tr><td colspan="3">Management Bodies<br>More than 3% of BANCAJA's equity</td></tr>
<tr><td colspan="3">General Manager Risks Committee<br>Up to 3% of BANCAJA's equity</td></tr>
<tr><td colspan="3">Business Area<br>Up to €9,000,000</td></tr>
<tr><td colspan="3">Business Unit<br>Up to €3,000,000</td></tr>
<tr><td colspan="3">Branches</td></tr>
<tr><td>External Network*</td><td colspan="2">Traditional Network**</td></tr>
<tr><td>Up to €1,800,000</td><td>Retail banking<br>Up to €1,800,000</td><td>Specialised banking<br>Up to €3,000,000</td></tr>
</table>

**Table: Simplified outline of empowerment at BANCAJA**

* Branch network throughout Spanish territory, excluding the Valencian Community and Murcia
** Branch network of the Valencian Community and Murcia

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 Area manager are on the Management Risks Committee. This Committee meets weekly to review applications with an UER in excess of €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.

**2. 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<br>■ Risks Department<br>■ Pre-litigation Managers |
| Recovery Agencies | Rem- Recoveries (batch information) | ■ Acinsa (recovery agency that deals with tele-collection tasks, friendly and pre-litigation management of individual cases) |

| | | |
|---|---|---|
| | | ■ Other Agencies |
| Litigation<br>Bad Debt | Litigation<br>Recoveries (TL4) | Legal Department<br>■ Risks Department<br>■ 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.**

The Management Company reproduces below the representations and warranties that BANCAJA shall, as holder of the Mortgage Loans until assigned to the Fund and as issuer of the Pass-Through Certificates, give and make to the Fund and to 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 operate in the mortgage market.

(2) That neither as of today nor at any time since it was incorporated has BANCAJA been decreed to be insolvent, 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 Mortgage Loan receivables, to 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 as at December 31, 2007, 2006 and 2005, with a favourable opinion and without any provisos by the auditors in those years, which have been filed with the CNMV and with the Companies Register.

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

(1) That the Mortgage Loan receivables are assigned to the Fund by issuing the Pass-Through Certificates in the ordinary course of business of BANCAJA and the issue is made at arm's length in accordance with Act 2/1981, Royal Decree 685/1982, amended by Royal Decree 1289/1991, and the provisions of additional provision 5 of Act 3/1994, as worded by Act 41/2007, and other applicable laws.

(2) That the Pass-Through Certificates are issued for the same term remaining until maturity and for the same interest rate of each underlying Mortgage Loan.

(3) That the Mortgage Loans exist and are valid and enforceable in accordance with the applicable laws, and all applicable laws have also been observed in granting the same.

(4) That it is the legal and beneficial owner of all the Mortgage Loans and there is no obstacle whatsoever for the same to be assigned.

(5) That the details of the Pass-Through Certificates and the Mortgage Loans included in the schedules to the Deed of Constitution accurately reflect the current status of those Mortgage Loans and Pass-Through Certificates and are full and accurate, and match the data files sent to the Management Company on those Mortgage Loans.

(6) That the Mortgage Loans are secured with a real estate mortgage on the legal and beneficial ownership of each and every one of the mortgaged properties ranking senior, 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.

(7) That the Mortgage Loans are all originated in a public deed, and the mortgages are all duly granted and entered in the relevant Land Registries. The registration of the mortgaged properties is in force and has not been howsoever opposed and is subject to no limitation whatsoever taking precedence over the mortgage, in accordance with the applicable regulations, other than debts originated by previous mortgages although BANCAJA has documents supporting economic cancellation.

(8) That the Mortgage Loans all stand as a valid and binding payment obligation for the relevant Obligor and are enforceable on their own terms.

(9) That the Mortgage Loans are all denominated and payable exclusively in euros, and the capital or principal has been fully drawn down.

(10) That none of the Mortgage Loans have clauses allowing deferment of periodic interest and principal payment, other than principal repayment exclusion if any existing on the origination date of each Mortgage Loan.

(11) That all the Mortgage Loan payment obligations are satisfied by directly debiting an account at BANCAJA.

(12) That the Obligors are all individuals and are not employees, officers or directors of BANCAJA.

(13) That the purpose of the Mortgage Loans is to finance the purchase, building or renovation of homes.

(14) That the Mortgage Loans have been granted to individuals both directly and through subrogations of financing granted to developers for building homes.

(15) That the mortgages are granted on real properties already built (where the real estate comprises buildings) wholly legally and beneficially owned by the respective mortgagor and to the best of BANCAJA's knowledge there is no litigation over the ownership of those properties which might detract from the mortgages.

(16) That the mortgaged properties underlying the Mortgage Loans are not, and are not ineligible as, assets excluded for standing as security under article 31.1.d) of Royal Decree 685/1982, nor do the Mortgage Loans have any of the credit features excluded or restricted under article 32 of Royal Decree 685/1982.

(17) That the mortgaged properties are all finished homes (and annexes or other properties, if any) located in Spain, and have been appraised by duly qualified institutions approved by BANCAJA, evidence of which appraisal has been duly provided in the form of a certificate. The appraisals made satisfy all the requirements established in the mortgage market laws.

(18) That in the case of Mortgage Loans secured with officially protected homes, the appraisal value considered and reported for all calculation purposes was the highest legal value under the official protection system.

(19) That the outstanding principal balance of each Mortgage Loan does not exceed 100% of the appraisal value of the properties mortgaged as security for the relevant Mortgage Loan.

(20) That, to the best of its knowledge, there has been no fall in the value of any of the properties mortgaged as security for the Mortgage Loans in excess of 20% of the appraisal value.

(21) That the public deeds originating the 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.

(22) That the Mortgage Loans are not perfected in registered, negotiable or bearer securities, other than the Pass-Through Certificates issued to be pooled in the Fund.

(23) That on the Pass-Through Certificate issue date none of the Mortgage Loans have any payments that are more than one (1) month overdue.

(24) That, to the best of its knowledge, no Mortgage Loan Obligor holds any credit right enforceable on BANCAJA whereby that Obligor might be entitled to a set-off which might adversely affect the rights conferred by the Pass-Through Certificates.

(25) That BANCAJA has strictly adhered to the lending policies in force at that time of granting each and every one of the Mortgage Loans and in accepting, as the case may be, the subrogation of subsequent borrowers in the initial borrower's position.

(26) That the deeds for the mortgages granted on the properties to which the Mortgage Loans relate have all been duly filed in the records of BANCAJA suitable therefor, and are at the Management Company's disposal, for and on behalf of the Fund, and the Mortgage Loans are all clearly identified both in data files and by means of their deeds.

(27) That the Outstanding Balance of each Mortgage Loan on the date of issue is equivalent to the principal figure of the relevant Pass-Through Certificate and that, in turn, the total capital of the Pass-Through Certificates shall be at least as high as EUR two billion eight hundred and ninety-five million (2,895,000,000.00).

(28) That the final maturity date of the Mortgage Loans is at no event after September 5, 2048.

(29) That after being granted, the Mortgage Loans have been serviced and are still being serviced by BANCAJA in accordance with its set customary procedures.

(30) That, to the best of its knowledge, there is no litigation whatsoever in relation to the Mortgage Loans which may detract from their validity or which may result in the application of Civil Code article 1535, nor do any circumstances exist which may result in the purchase agreement of the home mortgaged as security for the Mortgage Loans being ineffective.

(31) That, to the best of its knowledge, there has been no failure to pay in full the premiums accrued until the assignment date for the insurance taken out referred to in paragraph (21) above.

(32) That, to the best of its knowledge, no Obligor is able to make any objection whatsoever to paying any Mortgage Loan amount.

(33) That on the issue date it has received no notice of full prepayment of the Mortgage Loans.

(34) That the Mortgage Loan payment frequency is monthly.

(35) That none of the Mortgage Loans has any clauses establishing interest rate floors or ceilings limiting the interest rate amount applicable to the Mortgage Loan.

(36) That some Mortgage Loans contain clauses allowing the margin applicable for determining the interest rate to be reduced upon certain circumstances occurring.

(37) That, on the issue date, at least one instalment has fallen due on each Mortgage Loan.

(38) That the Pass-Through Certificate and Mortgage Loan information contained in the Prospectus is accurate and strictly true.

(39) That, to the best of its knowledge, no circumstance whatsoever exists which might prevent the mortgage security from being enforced.

(40) That the Mortgage Loans are not earmarked for any issue whatsoever of mortgage debentures, mortgage bonds, mortgage participation certificates or pass-through certificates, other than the issue of the Pass-Through Certificates, and after their issue the Mortgage Loans shall not be earmarked for any issue whatsoever of mortgage debentures, mortgage bonds, mortgage participation certificates or other pass-through certificates.

(41) That nobody has a preferred right over the Fund in and to the Mortgage Loans, as holder of the Pass-Through Certificates.

### 2.2.9 Substitution of the securitised assets.

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

1. In the event of early amortisation of the Pass-Through Certificates upon the relevant Mortgage Loan capital being prepaid, there will be no substitution of the relevant Pass-Through Certificates.

2. In the event that during the full term of the Pass-Through Certificates it should be found that any of them or the relevant Mortgage Loan 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 Pass-Through Certificates not substituted, by early amortisation of the affected Pass-Through Certificates, subject to the following rules:

(i) The party learning of the existence of a Pass-Through Certificate in that circumstance, be it the Originator or the Management Company, shall advise the other party. The Originator shall have not more than fifteen (15) Business Days from said notice to remedy that circumstance if it may be so remedied or proceed to substitution of the affected Pass-Through Certificates, notifying the Management Company of the characteristics of the mortgage loans intended to be assigned to take their stead, which shall fulfil the representations given in section 2.2.8 above and be homogeneous with the affected Pass-Through Certificates as to residual term, interest rate and outstanding principal value and mortgage ranking and also credit quality in terms of loan to value ratio 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 appropriateness of the substitute mortgage loan or loans, and after advising the Originator expressly of mortgage loans suitable for such substitution, such substitution shall be made by early amortisation of the affected Pass-Through Certificates 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 issue of and subscription for the Pass-Through Certificates upon the Fund being established, in accordance with the specific characteristics of the new mortgage 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) If there should be no substitution of the affected Pass-Through Certificates in accordance with rule (i) above, the affected Pass-Through Certificates not substituted shall be amortised early. That early amortisation consist of the Originator making a cash repayment to the Fund of the outstanding capital of the affected Pass-Through Certificates not substituted, interest accrued and not paid, calculated until the repayment date, and any other amount owing to the Fund under those Pass-Through Certificates.

(iii) In the event of (i) and (ii) above occurring, BANCAJA shall be vested in all the rights attaching to those Pass-Through Certificates 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 Mortgage 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 Pass-Through Certificates, 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 Pass-Through Certificate replacements on the terms of the procedure provided for in paragraph 2 above.

**2.2.10 Relevant insurance policies relating to the assets.**

In accordance with BANCAJA's representation (21) given in section 2.2.8.2 of this Building Block, 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, assigning to BANCAJA the insured capital or other indemnities payable by the insurer.

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 fully supported or updated 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 sections 5.2 and 6.7 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 are mostly appraisals by appraisers for the purpose of 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.

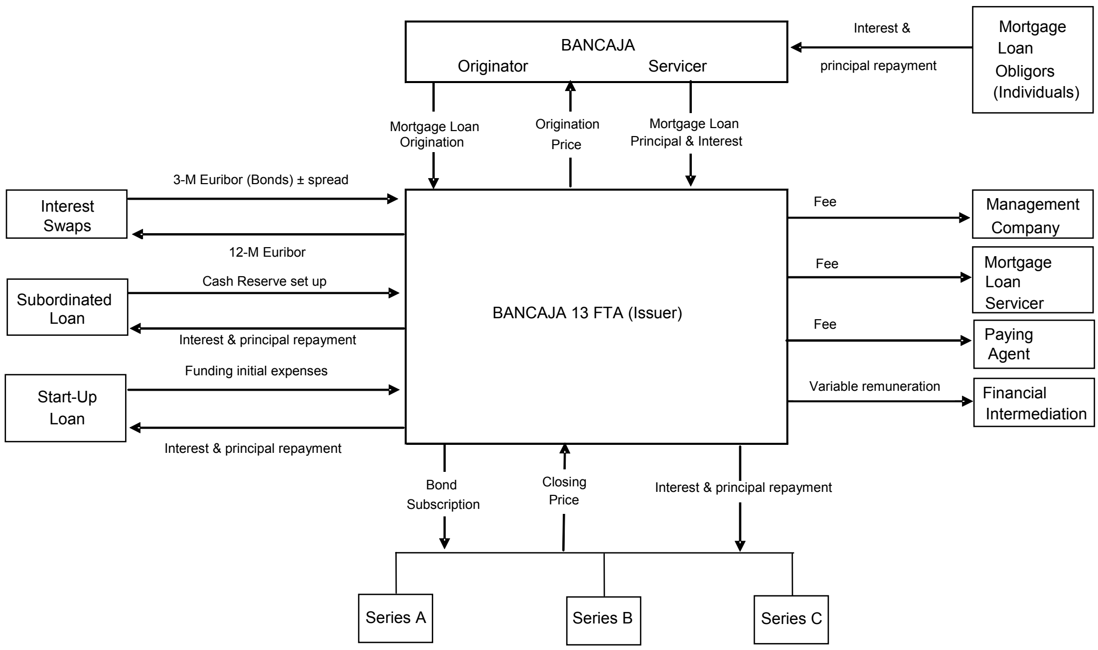
**2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.**

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 on the Closing Date will be as follows:

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| **Fixed Assets** | **2,895,500,000.00** | **Bond Issue** | **2,895,000,000.00** |
| Mortgage Loans | 2,895,141,929.00 | **Series A Bonds** | 2,583,700,000.00 |
| (adjustment excess to EUR 141,929.00) | | Series B Bonds | 152,000,000.00 |
| Set-up, issue and admission expenses* | 358,071.00 | Series C Bonds | 159,300,000.00 |
| | | | |
| **Current assets** | **to be determined** | **Other long-term liabilities** | **167,725,000.00** |
| Treasury Account* | 167,225,000.00 | Start-Up Loan | 8,500,000.00 |
| Accrued interest receivable** | to be determined | Subordinated Loan *** | 159,225,000.00 |
| | | | |
| | | **Short-term creditors** | **To be determined** |
| | | Mortgage Loan interest accrued ** | to be determined |
| | | | |
| **Total assets** | **3,062,725,000.00** | **Total liabilities** | **3,062,725,000.00** |

| MEMORANDUM ACCOUNTS | |
|---|---|
| Cash Reserve *** | 159,225,000.00 |
| Interest Swap collections | 0.00 |
| Interest Swap payments | 0.00 |

**(Amounts in EUR)**

* Assuming that all Fund set-up and Bond issue and admission expenses are met on the Closing Date and that they amount to EUR 358,071.00 as detailed in section 6 of the Securities Note.

** As set forth in section 3.3.3 of this Building Block.

*** Assuming that the Initial Cash Reserve and Subordinated Loan amount shall be determined at EUR 159,225,000.00, the amount being in any event comprised between EUR 156,330,000.00 and EUR 162,120,000.00 in accordance with section 3.4.2.2 of the Building Block.

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

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

(ii) BANCAJA is the originator of the Mortgage Loan receivables to be assigned to the Fund by issuing the Pass-Through Certificates to be subscribed for by the Fund upon being established, shall be the Lead Manager and the Subscriber of the Bond Issue, has structured the financial terms of the Fund and the Bond Issue, and shall be the Fund's counterparty under the Guaranteed Interest Rate Account (Treasury Account), Start-Up Loan, Subordinated Loan, Mortgage Loan Servicing and Pass-Through Certificate Custody, Financial Intermediation and Bond Paying Agent Agreements.

(iii) J.P. MORGAN CHASE is the Fund's counterparty under the Interest Swap Agreements.

(iv) GARRIGUES, an independent law firm, has provided legal advice for establishing the Fund and issuing the Bonds and has reviewed the tax implications thereof.

(v) Ernst & Young have audited the most significant features of a sample of BANCAJA's selected mortgage loans.

(vi) Moody's is the Rating Agency that has rated each Bond Issue Series.

The detailed 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, which it shall enter into for and on behalf of the Fund, include the most substantial and relevant information on each agreement, 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 Mortgage Loan receivables to the Fund.

The Deed of Constitution shall perfect the issue by BANCAJA of the Pass-Through Certificates which shall be the instruments for assigning the Mortgage Loan receivables effective upon the very date on which the Fund is established, and their subscription by the Fund, represented by the Management Company.

The Pass-Through Certificates will be issued in accordance with the provisions of Act 2/1981 and Additional Provision Five of Act 3/1994, as currently worded, and other applicable laws.

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 institutional or professional investors, and may not be acquired by the unspecialised public.

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 Pass-Through Certificate holders, moreover including therein (i) Mortgage Loan origination and maturity dates, amount and settlement method; and (ii) the registration particulars of the mortgage securing the Mortgage Loans.

Given that the Fund is an institutional investor and that the Fund has subscribed for the Pass-Through Certificates, for the purposes of paragraph two of article 64.6 of Royal Decree 685/1982, 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.

The assignment by BANCAJA to the Fund of the Mortgage Loan receivables, upon the Pass-Through Certificates being issued and subscribed for, shall not be notified to the respective Obligors, which notice is not compulsory in order for the assignment to be effective. However, in the event of insolvency, or indications thereof, administration by the Bank of Spain, liquidation of the Originator or substitution of the Originator as 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 transfer to the Fund of the outstanding Mortgage Loan, 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 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).

### 3.3.2 Pass-Through Certificate issue and subscription terms.

1. The Mortgage Loan receivables will be fully and unconditionally assigned, perfected upon the Pass-Through Certificates being issued by BANCAJA and subscribed for by the Fund, from the date of constitution of the Fund and for the entire term remaining until maturity of each Mortgage Loan.

2. The Pass-Through Certificates shall be represented by means of registered multiple or individual certificates as established in section 3.3.4 below.

3. BANCAJA shall, in accordance with article 348 of the Commercial Code and 1529 of the Civil Code, be liable to the Fund for the existence and lawfulness of the Mortgage Loans, and for the personality with which the issue of the Pass-Through Certificates shall be made, but shall not be liable for Obligors' creditworthiness.

Moreover, BANCAJA shall not bear the Mortgage Loan default risk and shall therefore have no liability whatsoever for the Obligors' default of Mortgage Loan principal, interest or any other amount owing by the Obligors. BANCAJA will moreover 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 replace or repurchase the Pass-Through Certificates, saving as provided for in section 2.2.9 of this Building Block.

4. The Pass-Through Certificates will be issued in respect of 100 percent of the outstanding principal and interest and any and all other amounts, assets or rights attaching to each of the relevant Mortgage Loans, excluding fees if any established for each Mortgage Loan, which shall remain for the benefit of BANCAJA.

   Specifically, the Pass-Through Certificates shall confer on the Fund as their holder the following rights in relation to each Mortgage Loan:

   a) To receive all Mortgage Loan capital or principal repayment amounts accrued.

   b) To receive all Mortgage Loan principal ordinary interest amounts accrued.

   c) To receive all Mortgage Loan late-payment interest amounts accrued.

   d) To receive any other amounts, real properties, assets, securities or rights received as payment of Mortgage Loan principal, interest or expenses, either in the form of knock-down 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 real properties, assets or securities awarded or, upon foreclosing, in the administration or interim possession of the real properties, assets or securities in foreclosure proceedings.

   e) To receive all possible rights or compensations accruing for BANCAJA, including not only those derived from the Mortgage Loan mortgaged property damage insurance contracts which are also assigned to the Fund, but also those derived from any right collateral to the Mortgage Loans, excluding fees if any established for each Mortgage Loan, which shall remain for the benefit of BANCAJA.

   The above-mentioned rights will all accrue for the Fund from the Pass-Through Certificate issue date. Interest shall moreover include interest accrued and not due since the last interest settlement date on each Mortgage Loan, on or before the Pass-Through Certificate issue date and overdue interest, if any, on each Mortgage Loan as of the same date.

5. 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.

6. In the event of Mortgage Loan prepayment upon full or partial capital prepayment, there will be no substitution of the affected Pass-Through Certificates.

7. The Fund's rights under the Pass-Through Certificates are linked to the Obligors' payments and are therefore directly affected by the evolution, late payments, prepayments or any other incident in connection with the Mortgage Loans.

8. 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 Mortgage Loan Obligors of their obligations, including enforcement proceedings against the same.

9. In the event of the Mortgage Loans or their due dates being renegotiated, subject to the Management Company's consent, for and on behalf of the Fund, the change in the terms shall affect the Fund.

### 3.3.3 Pass-Through Certificate issue price.

The Pass-Through Certificate issue price shall be at par with the face value of the Mortgage Loan capital. The aggregate amount payable by the Fund represented by the Management Company to BANCAJA for subscribing for the Pass-Through Certificates shall be an amount equivalent to the sum of (i) the face value of the capital or principal outstanding on each Mortgage Loan, and (ii) ordinary interest accrued and not due and overdue interest, if any, on each Mortgage Loan on the Pass-Through Certificate issue date (the "**accrued interest**").

The Management Company shall pay the total Pass-Through Certificate subscription amount on behalf of the Fund as follows:

1. The part consisting of the face value of the capital of all the Mortgage Loans, item (i) of the first paragraph of this section, shall be paid by the Fund on the Bond Closing Date, for same day value, upon subscription for the Bond Issue being paid up. BANCAJA shall receive no interest on the deferment of payment until the Closing Date.

2. The part of the price consisting of payment of interest accrued on each Mortgage Loan, item (ii) of the first paragraph of this section, shall be paid by the Fund on each collection date falling on the first interest settlement date of each Mortgage Loan, irrespective of collection of the relevant instalment, and will not be subject to the Fund Priority of Payments.

If the establishment of the Fund and consequently the issue of and subscription for the Pass-Through Certificates should terminate, as provided for in section 4.4.4 (v) of the Registration Document, (i) the Fund's obligation to pay for the Pass-Through Certificates shall terminate, and (ii) the Management Company shall be obliged to restore to BANCAJA any rights whatsoever accrued for the Fund upon the Pass-Through Certificates being subscribed for.

### 3.3.4 Pass-Through Certificate representation and custody.

The Pass-Through Certificates shall be represented by means of registered individual or multiple certificates which shall contain the minimum data provided for in article 64 of Royal Decree 685/1982, along with the registered particulars of the properties mortgaged as security for the Mortgage Loans. The Pass-Through Certificates which shall be issued to be pooled in the Fund upon being established shall be represented by means of a registered multiple certificate.

Both in the event that any Pass-Through Certificate should be substituted, as prescribed in section 2.2.9 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 3.7.2.1.8 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 individual or multiple certificates, if any, into which it is split shall be kept by BANCAJA and relations between the Fund and BANCAJA shall be governed by the Mortgage Loan Servicing and Pass-Through Certificate Custody Agreement to be entered into by BANCAJA and the Management Company for and on behalf of the Fund. That custody shall be established for the benefit of the Fund and BANCAJA shall therefore be custodian for the Pass-Through Certificate supporting documents deposited, as directed by the Management Company.

### 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.

Mortgage Loan amounts received by the Servicer will be paid by the Servicer into the Fund's Treasury Account on the seventh day after the date on which they are received by the Servicer or the following business day if that is not a business day, for same day value. 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. Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt obligations should be downgraded below P-1 by Moody's, Mortgage Loan amounts received by the Servicer shall be paid by the Servicer to the Fund crediting the Treasury Account on the first day after the day on which they were received by the Servicer or the following business day if that is not a business day, for same day value.

The weighted average interest rate of the mortgage loans selected as at October 31, 2008, as detailed in section 2.2.2.H) of this Building Block, is 5.67%, which is above the 4.21% 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. The Interest Swaps mitigate the interest rate risk (base risk) occurring in the Fund because the Mortgage Loans are subject to floating interest with benchmark indices and reset and settlement periods that differ from the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods.

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 Mortgage Loan delinquency and default credit risk.

(ii) Interest Swaps.

Mitigate the interest rate risk (base risk) occurring in the Fund because the Mortgage 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.

(iii) Treasury Account.

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

(iv) 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 Series.

#### 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 initial amount as established hereinafter (the "**Initial Cash Reserve**"). Subsequently to being set up, on each Payment Date, the Cash Reserve shall be provisioned up to the required Cash Reserve amount on each Payment Date as established hereinafter (the "**Required Cash Reserve**") out of the Available Funds in the Priority of Payments.

2. The Initial Cash Reserve and the Required Cash Reserve amount shall be determined by the Management Company by 1pm (CET) on December 10, 2008, based on (i) the average margin applicable to the Party B interest rate in each Interest Swap Agreement (Annual) and (Six-Monthly), respectively weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly) for the first calculation period, rounded to the nearest thousandth of a whole number or rounded up to the nearest one where the differences of rounding up or down to the nearest thousandths are identical and in accordance with the provisions of section 3.4.7.1 of the Building Block, and (ii) as set out in the following table:

| | **Weighted average margin applicable to the Party B interest rate in the Interest Swap Agreements for the first calculation period** | | |
|---|---|---|---|
| | **Between 0.000% and 0.050%** both inclusive | **Between 0.051% and 0.100%** both inclusive | **Between 0.101% and 0.150%** both inclusive |
| **Initial Cash Reserve** | €162,120,000.00 | 159,225,000.00 | €156,330,000.00 |
| **Required Cash Reserve** shall be the lower of the following: | | | |
| (i) The Initial Cash Reserve amount | €162,120,000.00 | 159,225,000.00 | €156,330,000.00 |
| (ii) The higher of: | | | |
| a) The amount resulting from applying the percentage specified to the Outstanding Principal Balance of the Bond Issue | 11.20% | 11.00% | 10.80% |
| b) The following amount | €81,060,000.00 | €79,612,500.00 | €78,165,000.00 |

The Initial Cash Reserve and the Required Cash Reserve amount to be determined on each Payment Date shall be notified by the Management Company by 1pm (CET) on December 10, 2008 to the Bond Issue Subscriber. Moreover, the Management Company will also notify this to the CNMV, as information in addition to this Prospectus, and to the Rating Agency. It shall also specify this in the notarial certificate recording subscription for and payment of the Bond Issue.

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 Mortgage Loans is higher than 1.00% of the Outstanding Balance of Non-Doubtful Mortgage 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 Mortgage Loans, weighted by the outstanding principal of the Mortgage Loans, is equal to or less than 0.65%.

   iii) 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 Subordinated Loan.

The Management Company shall, for and on behalf of the Fund, enter with BANCAJA into an agreement on the date on which the Fund is established whereby BANCAJA shall grant to the Fund a commercial subordinated loan (the "**Subordinated Loan**") totalling between EUR one hundred and fifty-six million three hundred and thirty thousand (156,330,000.00) and EUR one hundred and sixty-two million one hundred and twenty thousand (162,120,000.00) (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 Mortgage Loans.

The Subordinated Loan amount shall be determined by the Management Company by 1pm (CET) on December 10, 2008, based on the average margin applicable to the Party B interest rate in each Interest Swap Agreement (Annual) and (Six-Monthly), respectively weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly) for the first calculation period, rounded to the nearest thousandth of a whole number or rounded up to the nearest one where the differences of rounding up or down to the nearest thousandths are identical and in accordance with the provisions of section 3.4.7.1 of the Building Block, and as set out in the following table:

| | **Weighted average margin applicable to the Party B interest rate in the Interest Swap Agreements for the first calculation period** | | |
|---|---|---|---|
| | **Between 0.000% and 0.050%** both inclusive | **Between 0.051% and 0.100%** both inclusive | **Between 0.101% and 0.150%** both inclusive |
| **Subordinated Loan amount** | €162,120,000.00 | 159,225,000.00 | €156,330,000.00 |

The Management Company shall notify the Subordinated Loan amount, upon being determined, to the Subscriber, to the CNMV, as information in addition to this Prospectus, and to the Rating Agency. The Management Company shall also specify this in the notarial certificate recording subscription for and payment of the Bond Issue.

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

In the event that the Fund should not have sufficient liquidity to 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 that should be repaid, as the case may be, on that same Payment Date, until fully repaid.

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

Outstanding Subordinated Loan principal shall earn floating annual nominal interest, determined quarterly in 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, 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 fall on April 23, 2009.

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

All Subordinated Loan amounts due and not paid 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, as the case may be, in the Liquidation Priority of Payments.

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 1pm (CET) on December 10, 2008.

#### 3.4.3.2 Start-Up Loan.

The Management Company shall, for and on behalf of the Fund, enter with BANCAJA into a commercial loan agreement amounting to EUR eight million five hundred thousand (8,500,000.00) (the "**Start-Up Loan Agreement**"). The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the expenses of setting up the Fund and issue and admission of the Bonds, to partly financing assignment of the Mortgage Loan receivables at the difference between the total face capital of the Mortgage Loan receivables and the total face amount of the Bond Issue, and to covering the timing difference existing between Mortgage 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 April 23, 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 on each Payment Date in twenty (20) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, April 23, 2009, and the following until the Payment Date falling on January 23, 2014, inclusive.

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 Start-Up Loan amounts falling due on that Payment Date, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

The Start-Up Loan Agreement shall not be terminated in the event of the establishment of the Fund being terminated in accordance with the provisions of section 4.4.4.(v) of the Prospectus Registration Document. In that event, the Start-Up Loan shall be used to pay the Fund set-up and Bond issue and admission 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.

#### 3.4.3.3 Subordination of Series B and C Bonds.

Series B Bond interest payment and 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 interest payment and principal repayment is 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.

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 BANCAJA shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BANCAJA will guarantee a certain variable 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 BANCAJA, 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) Mortgage Loan principal repaid and interest collected;

(iii) any other Mortgage Loan amounts received owing to the Fund and the proceeds of the sale or utilisation of properties or assets awarded or under administration or interim possession in foreclosure proceedings;

(iv) Subordinated Loan principal drawn down and the Cash Reserve amount from time to time;

(v) Start-Up Loan principal drawn down;

(vi) Interest Swap Agreement amounts paid to the Fund;

(vii) the amounts of the returns obtained on Treasury Account balances; and

(viii) the amounts, if any, of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BANCAJA shall pay an annual nominal interest rate, variable 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 January 17, April 17, July 17 and October 17 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, April 17, 2009.

In the event that the rating of short-term unsecured and unsubordinated debt obligations of BANCAJA 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) days from the time of the occurrence of such circumstance 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.

c) If a) and b) above are not possible, obtaining from the Treasury Account Provider or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español)* on the Closing Date, in an amount sufficient to guarantee the commitments established in the Guaranteed Interest Rate Account (Treasury Account) Agreement.

d) In addition, if the above options are not possible on the terms provided for, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions with long- and short-term unsecured and unsubordinated debt obligations rated at least as high as A1 and P-1 by Moody's, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BANCAJA under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

In the event of b) or d) occurring and that BANCAJA's short-term unsecured and unsubordinated debt obligations should subsequently be upgraded back to P-1 by Moody's, the Management Company shall subsequently transfer the balances back to BANCAJA under 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 or, as the case may be, the substitute Treasury Account Provider.

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

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

The Servicer shall manage collection of all Mortgage Loan amounts payable by the Obligors. The Servicer shall use every effort in order for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Mortgage Loans.

Mortgage Loan amounts due to the Fund received by the Servicer shall be paid by the Servicer in full into the Treasury Account on the seventh 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.

Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt obligations should be downgraded below P-1 by Moody's, Mortgage Loan amounts received by the Servicer shall be paid by the Servicer to the Fund crediting the Treasury Account on the first day after the day on which they were received by the Servicer or the following business day if that is not a business day, for same day value.

The 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 Servicer may at no event pay any amount whatsoever to the Fund not previously received from the Obligors as payment for the Mortgage 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 and application of the amounts available to the Fund on the Bond Issue Closing Date shall be as follows:

1. **Source:** the Fund shall have the following funds:
   a) Bond subscription payment.
   b) Drawdown of Start-Up Loan principal. The portion of Start-Up Loan principal not used shall remain credited to the Treasury Account until the first Payment Date.
   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 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 in the order of priority of payments given hereinafter for each of them and to distribute the Available Funds for Amortisation (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:

   a) Mortgage Loan principal repayment income received during the Determination Period preceding the relevant Payment Date.

   b) Mortgage 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 at the Determination Date preceding the relevant Payment Date.

   e) Net amounts, if any, received by the Fund under the Interest Swap Agreements and, in the event of termination of those Agreements, the settlement payment amounts payable by the Fund's counterparty (Party B).

   f) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of real estate, assets, securities or rights awarded to the Fund.

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 Mortgage Loan interest and payment of Bond interest and to the extent not used.

Income under a), b) and f) above received by the Fund and credited to the Treasury Account from the preceding Determination Date, exclusive, until the relevant Payment Date, inclusive, 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: Priority of Payments.**

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 Mortgage 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 net amounts, if any, payable by the Fund under the Interest Swap Agreements and, only in the event of termination of these Agreements following a breach by the Fund or because the latter is the party affected by any termination event, payment of the settlement payment amounts payable by the Fund.

3. Payment of interest due on Series A.

4. Payment of interest due on Series B 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 Mortgage Loans since the Fund was established, reckoned at the amount of the Outstanding Balance as at the Doubtful Mortgage Loan classification date, is in excess of 19.00% of the Outstanding Balance of the Mortgage 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.

5. Payment of interest due on Series C Bonds unless this payment is deferred to 8th place in the order of priority.

   This payment shall be deferred to 8th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Mortgage Loans since the Fund was established, reckoned at the amount of the Outstanding Balance as at the Doubtful Mortgage Loan classification date, is in excess of 17.00% of the Outstanding Balance of the Mortgage 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.

6. Bond principal 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 Mortgage Loans.

   Depending on the liquidity existing on each Payment Date, the amount actually applied to Bond principal 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.

7. Payment of interest due on Series B Bonds when this payment is deferred from 4th place in the order of priority as established therein.

8. Payment of interest due on Series C Bonds when this payment is deferred from 5th place in the order of priority as established therein.

9. Withholding of an amount sufficient for the Required Cash Reserve amount to be maintained.

10. Payment of Subordinated Loan interest due.

11. Repayment of Subordinated Loan principal to the extent amortised.

12. Payment of the settlement payment amounts, if any, payable by the Fund under the Interest Swap Agreements other than in the events provided for in 2nd place above.

13. Payment of Start-Up Loan interest due.

14. Repayment of Start-Up Loan principal to the extent amortised.

15. Payment to BANCAJA of the fee established under the Servicing Agreement.

    In the event that any other institution should replace BANCAJA as Mortgage 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, admission to trading in organised secondary markets and maintaining all of the foregoing.

d) Expenses of auditing the annual accounts.

e) Bond amortisation expenses.

f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

The Fund’s ordinary expenses in its first year, including the management fee due to the Management Company and those derived from the Paying Agent Agreement, are estimated at EUR two hundred thousand (200,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and those balances 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 Mortgage Loans 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 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 distribution.**

**1. Source.**

On each Payment Date, the Available Funds for Amortisation shall be the Amortisation Withholding amount actually applied in sixth ($6^{th}$) place of the application of the Available Funds on the relevant Payment Date.

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

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, (ii) the amounts obtained by the Fund from time to time upon disposing of the Pass-Through Certificates and the remaining assets, and, as the case may be, (iii) the amount drawn under the credit facility or the loan arranged and exclusively used for final amortisation of the Bonds then outstanding, in accordance with the provisions of section 4.4.3.3.(iii) of the Registration Document, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

1. Reserve to meet the final tax, administrative or advertising termination and liquidation expenses.

2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and Mortgage 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 amounts, if any, due upon termination of the Interest Swap Agreements and, only in the event of termination of these Agreements following a breach by the Fund or because the Fund is the party affected by any termination event, payment of the settlement payment amounts payable by the Fund.

4. Payment of interest due on Series A Bonds.

5. Repayment of Series A Bond principal.

6. Payment of interest due on Series B Bonds.

7. Repayment of Series B Bond principal.

8. Payment of interest due on Series C Bonds.

9. Repayment of Series C Bond principal.

10. In the event of the credit facility or the loan being arranged for early amortisation of the Bond Series then outstanding as provided for in section 4.4.3.3.(iii) of the Registration Document, payment of financial costs accrued and repayment of principal drawn on the credit facility or the loan arranged.

11. Payment of interest due on the Subordinated Loan.

12. Repayment of Subordinated Loan principal.

13. Payment of the settlement payment amounts, if any, payable by the Fund under the Interest Swap Agreements other than in the events provided for in 3rd place above (i.e., in the event of termination of these Agreements following a breach by the Fund's counterparty or because the Fund is the party affected by any termination event).

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 Mortgage Loan Servicer, payment of the servicing fee accrued by the other institution, to wit the new Servicer, shall take the place of paragraph 2 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.

**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 subscription by the Fund for the Pass-Through Certificates 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 March, June, September and December, these being the last calendar month in each quarterly period.

The Financial Intermediation Margin accrued at the close of the months of March, June, September and December 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 March 31, 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, April 23, 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 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 1pm (CET) on December 10, 2008.

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

#### 3.4.7.1 Interest Swaps.

The Management Company shall, for and on behalf of the Fund, enter with J.P. MORGAN CHASE into two floating interest rate swap agreements (the "**Interest Swap Agreements**" or the "**Interest Swaps**") which shall be entered into based on the standard 1992 ISDA Master Agreement (Multicurrency-Cross Border) and the 2006 definitions (ISDA 2006 Definitions) of the International Swap Dealers Association, Inc. ("ISDA") (the "**Master Agreement**"), the most relevant characteristics of which are described below.

The two Interest Swap Agreements shall be entered into under the Master Agreement. The first agreement shall contain a floating interest rate swap agreement whereby the Fund and J.P. MORGAN CHASE shall make each other payments calculated on the Outstanding Balance of Non-Doubtful Mortgage Loans with an annually reset interest rate, respectively applying the 12-month Euribor rate and the Reference Rate determined for the Bonds, all as described in the following subparagraphs (the "**Interest Swap Agreement (Annual)**"). The second agreement shall contain a floating interest rate swap agreement whereby the Fund and J.P. MORGAN CHASE shall make each other payments calculated on the Outstanding Balance of Non-Doubtful Mortgage Loans with a six-monthly reset interest rate, respectively applying the 12-month Euribor rate and the Reference Rate determined for the Bonds, all as described in the following subparagraphs (the "**Interest Swap Agreement (Six-Monthly)**").

The Interest Swaps mitigate the interest rate risk (base risk) occurring in the Fund because the Mortgage Loans are subject to floating interest with benchmark indices and reset and settlement periods that differ from the floating interest established for the Bonds based on 3-month Euribor and with quarterly accrual and settlement periods.

The Interest Swap Agreements shall expire on the earlier of the following dates:

(i) the Final Maturity Date; or

(ii) upon the Mortgage Loans pooled in the Fund being fully repaid; or

(iii) upon the Bonds issued being fully amortised for reasons other than as provided for in paragraphs (ii) to (v), both inclusive, of section 4.4.3.1 of the Registration Document.

Party A: The Fund, represented by the Management Company.

Party B: J.P. MORGAN CHASE

**1. Payment Dates.**

The Payment Dates shall be January 23, April 23, July 23 and October 23 in every year or the next succeeding Business Day if any of those is not a Business Day. The first Payment Date shall be April 23, 2009.

The variable amounts payable by Party A and by Party B for each calculation period shall be netted and be paid by the paying Party to the receiving Party on the Payment Date after the end of the Party A calculation period.

**2. Calculation dates.**

The calculation dates shall fall on the Determination Dates, i.e. the dates falling on the fourth ($4^{th}$) Business Day preceding each Payment Date.

**2.1 Calculation periods.**

**Party A**

Party A calculation periods shall be the exact number of days elapsed between two consecutive calculation dates (which shall fall on the Determination Dates, as set out in paragraph 2 below), not including the beginning but including the ending date. Exceptionally, the length of the first calculation period shall be equivalent to the exact number of days elapsed between the date on which the Fund is established (inclusive) and April 17, 2009, the first Determination Date (inclusive).

**Party B**

Party B calculation periods shall be the exact number of days elapsed between two consecutive Payment Dates, including the beginning but not including the ending date. Exceptionally, the length of the first calculation period shall be equivalent to the exact number of days elapsed between the Bond Issue Closing Date (inclusive) and April 23, 2009 (exclusive).

**3. Party A subperiod calculation dates.**

Party A subperiod calculation dates shall be the fourth ($4^{th}$) Business Day preceding the $23^{rd}$ of each month or, if any of those is not a Business Day, the next succeeding Business Day. The first Party A subperiod calculation date shall be December 17, 2008.

**3.1 Party A calculation subperiods.**

Party A calculation subperiods shall be the exact number of days elapsed between two consecutive Party A subperiod calculation dates, not including the beginning but including the ending date. Exceptionally, the length of the first Party A calculation subperiod shall be equivalent to the exact number of days elapsed between the date on which the Fund is established (inclusive) and December 17, 2008 (inclusive).

**4. Interest Swap Agreement (Annual).**

**4.1 Notional Amount (Annual) for Party A and for Party B.**

This shall be for every calculation period the Outstanding Balance of Non-Doubtful Mortgage Loans with an annually reset interest rate at the Determination Date preceding the first day of the then-current Party B calculation period. Exceptionally, the Notional Amount (Annual) for the first calculation period shall be the Outstanding Balance of Non-Doubtful Mortgage Loans with an annually reset interest rate at the date on which the Fund is established.

**4.2 Variable amount payable by Party A (Annual).**

This shall be on each Payment Date and for each calculation period the amount determined in accordance with the following formula:

$$\text{CVPAperiod} = \sum_{\text{subperiod}=1}^{\text{subperiod}=n} \frac{\text{IN(A)period} \times \text{\%TIPA(A)subperiod} \times \text{Dsubperiod}}{\text{B}}$$

where:

$\text{CVPA}_{\text{period}}$ = Variable amount payable by Party A (Annual) for the relevant calculation period.

n = 5 for the first calculation period, 3 for the remaining calculation periods, excepting the last one to be determined.

$\text{IN(A)}_{\text{period}}$ = Notional Amount (Annual) for the relevant calculation period.

$\text{\%TIPA(A)}_{\text{subperiod}}$ = Party A Interest Rate (Annual), expressed as a percentage, determined for the relevant Party A calculation subperiod

$\text{D}_{\text{subperiod}}$ = Number of relevant Party A calculation subperiod calendar days.

B= 36,000 (thirty-six thousand).

**4.2.1 Party A Interest Rate (Annual).**

This shall be for each Party A calculation subperiod the result of the weighted addition of the twelve (12) 12-month Euribor fixed on twelve (12) Reference Dates (Annual) from the third to the fourteenth, both inclusive, preceding the month of the relevant Party A calculation subperiod ending date and calculated as follows: (0.0628 x January 12-month Euribor) + (0.0797 x February 12-month Euribor) + (0.0883 x March 12-month Euribor) + (0.0946 x April 12-month Euribor) + (0.0844 x May 12-month Euribor) + (0.0785 x June 12-month Euribor) + (0.0772 x July 12-month Euribor) + (0.0950 x August 12-month Euribor) + (0.0932 x September 12-month Euribor) + (0.0884 x October 12-month Euribor) + (0.0776 x November 12-month Euribor) + (0.0803 x December 12-month Euribor).

12-month Euribor is the EURIBOR rate, "Euro InterBank Offered Rate" Euribor, calculated and distributed by the BRIDGE financial information system under an FBE ("*Fédération Bancaire de l'Union Europeéne*") mandate, with a twelve- (12-) month maturity, set at 11am (CET "Central European Time"), which is currently published on electronic page 248 supplied by Dow Jones Markets (Bridge Telerate), or any other page taking its stead in providing these services.

**4.2.2 Reference Dates (Annual).**

These shall fall on the $15^{th}$ of each month or the following Business Day if any of those is not a Business Day. The first Reference Date (Annual) shall be October 15, 2007. The Reference Dates (Annual) for calculating the Party A Interest Rate (Annual) applicable to the first Party A calculation subperiod shall be the twelve (12) Reference Dates (Annual) from October 15, 2007 to September 15, 2008.

**4.3 Variable amount payable by Party B (Annual).**

This shall be on each Payment Date and for each calculation period the amount determined by applying the following formula:

$$\text{CVPBperiod} = \frac{\text{IN(A)period} \times \text{\%TIPBperiod} \times \text{Dperiod}}{\text{B}}$$

where:

CVPBperiod = Variable amount payable by Party B (Annual) for the relevant calculation period.

IN(A)period = Notional Amount (Annual) for the relevant calculation period.

%TIPBperiod = Party B interest rate (Annual), expressed as a percentage, determined for the relevant calculation period.

Dperiod = Number of relevant Party B calculation period calendar days.

B= 36,000 (thirty-six thousand).

**4.3.1 Party B Interest Rate (Annual).**

This shall be for each calculation period the interest rate, expressed as a percentage, resulting from adding (i) the Reference Rate determined for the Bonds for the Interest Accrual Period coinciding with the relevant Party B calculation period and (ii) a margin ranging between -0.20% and 0.20%, both inclusive, to be determined by Party B and notified in writing to the Management Company by 10am (CET) on December 10, 2008.

In any event, the average margin applicable to the Party B interest rate under each Interest Swap Agreement (Annual) and (Six-Monthly), respectively weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly) for the first calculation period, determined by Party B by 10am (CET) on December 10, 2008, shall be greater than or equal to 0.000% and less than or equal to 0.150%.

The final margin applicable to the Party B interest rate to have been set shall in turn be notified by the Management Company on December 10, 2008, to the CNMV and to the Rating Agency. The final margin applicable to the Party B interest rate shall be set down on the notarial certificate recording payment of the Bond Issue.

**5. Interest Swap Agreement (Six-Monthly)**

**5.1 Notional Amount (Six-Monthly) for Party A and for Party B.**

This shall be for every calculation period the Outstanding Balance of Non-Doubtful Mortgage Loans with a six-monthly reset interest rate at the Determination Date preceding the first day of the then-current Party B calculation period. Exceptionally, the Notional Amount (Six-Monthly) for the first calculation period shall be the Outstanding Balance of Non-Doubtful Mortgage Loans with a six-monthly reset interest rate at the date on which the Fund is established.

**5.2 Variable amount payable by Party A (Six-Monthly).**

This shall be on each Payment Date and for each calculation period the amount determined in accordance with the following formula:

$$\text{CVPAperiod} = \sum_{\text{subperiod}=1}^{\text{subperiod}=n} \frac{\text{IN(S)period} \times \text{\%TIPA(S)subperiod} \times \text{Dsubperiod}}{\text{B}}$$

where:

$\text{CVPA}_{\text{period}}$ = Variable amount payable by Party A (Six-Monthly) for the relevant calculation period.

n = 5 for the first calculation period, 3 for the remaining calculation periods, excepting the last one to be determined.

$\text{IN(S)}_{\text{period}}$ = Notional Amount (Six-Monthly) for the relevant calculation period.

$\text{\%TIPA(S)}_{\text{subperiod}}$ = Party A Interest Rate (Six-Monthly), expressed as a percentage, determined for the relevant Party A calculation subperiod.

$\text{D}_{\text{subperiod}}$ = Number of relevant Party A calculation subperiod calendar days.

B= 36,000 (thirty-six thousand).

**5.2.1 Party A Interest Rate (Six-Monthly).**

This shall be for each Party A calculation subperiod the result of the weighted addition of the six (6) 12-month Euribor fixed on six (6) Reference Dates (Six-Monthly) from the third to the eighth, both inclusive, preceding the month of the relevant Party A calculation subperiod ending date and calculated as follows: (0.1438 x January 12-month Euribor) + (0.1732 x February 12-month Euribor) + (0.1597 x March 12-month Euribor) + (0.1918 x April 12-month Euribor) + (0.1791 x May 12-month Euribor) + (0.1524 x June 12-month Euribor) + (0.1438 x July 12-month Euribor) + (0.1732 x August 12-month Euribor) + (0.1597 x September 12-month Euribor) + (0.1918 x October 12-month Euribor) + (0.1791 x November 12-month Euribor) + (0.1524 x December 12-month Euribor).

12-month Euribor is the EURIBOR rate, "Euro InterBank Offered Rate" Euribor, calculated and distributed by the BRIDGE financial information system under an FBE ("*Fédération Bancaire de l'Union Europeéne*") mandate, with a twelve- (12-) month maturity, set at 11am (CET "Central European Time"), which is currently published on electronic page 248 supplied by Dow Jones Markets (Bridge Telerate), or any other page taking its stead in providing these services.

**5.2.2 Reference Dates (Six-Monthly).**

These shall fall on the 15th of each month or the following Business Day if any of those is not a Business Day. The first Reference Date (Six-Monthly) shall be April 15, 2008. The Reference Dates (Six-Monthly) for calculating the Party A Interest Rate (Six-Monthly) applicable to the first calculation subperiod shall be the six (6) Reference Dates (Six-Monthly) from April 15, 2008 to September 15, 2008.

**5.3 Variable amount payable by Party B (Six-Monthly).**

This shall be on each Payment Date and for each calculation period the amount determined by applying the following formula:

$$\text{CVPBperiod} = \frac{\text{IN(S)period} \times \text{\%TIPBperiod} \times \text{Dperiod}}{\text{B}}$$

where:

$\text{CVPB}_{\text{period}}$ = Variable amount payable by Party B (Six-Monthly) for the relevant calculation period.

$\text{IN(S)}_{\text{period}}$ = Notional Amount (Six-Monthly) for the relevant calculation period.

$\text{\%TIPB}_{\text{period}}$ = Party B interest rate (Six-Monthly), expressed as a percentage, determined for the relevant calculation period.

$D_{period}$ = Number of relevant Party B calculation period calendar days.

B= 36,000 (thirty-six thousand).

**5.3.1 Party B Interest Rate (Six-Monthly).**

This shall be for each calculation period the interest rate, expressed as a percentage, resulting from adding (i) the Reference Rate determined for the Bonds for the Interest Accrual Period coinciding with the relevant Party B calculation period and (ii) a margin ranging between -0.20% and 0.20%, both inclusive, to be determined by Party B and notified in writing to the Management Company by 10am (CET) on December 10, 2008.

In any event, the average margin applicable to the Party B interest rate under each Interest Swap Agreement (Annual) and (Six-Monthly), respectively weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly) for the first calculation period, determined by Party B by 10am (CET) on December 10, 2008, shall be greater than or equal to 0.000% and less than or equal to 0.150%.

The final margin applicable to the Party B interest rate to have been set shall in turn be notified by the Management Company on December 10, 2008, to the CNMV and to the Rating Agency. The final margin applicable to the Party B interest rate shall be set down on the notarial certificate recording payment of the Bond Issue.

**6. Events of default particular to the Interest Swap Agreements.**

If on a Payment Date of any Interest Swap Agreement the Fund (Party A) should not have sufficient liquidity to pay the full net amount, if any, payable to Party B under any Interest Swap Agreement, the portion of this net amount not paid shall be settled on the following Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments. Should such event of non-payment under any Interest Swap Agreement occur on two consecutive Payment Dates, Party B may choose to terminate the relevant Interest Swap Agreement (Termination). In this event, the Fund (Party A) shall accept the obligation to pay the settlement amount established to which it is bound on the terms of the relevant Interest Swap Agreement, all in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. Should the settlement amount under the relevant Interest Swap Agreement be a payment obligation for Party B and not for the Fund (Party A), Party B shall take over the obligation to pay the settlement amount provided for in the relevant Interest Swap Agreement.

Similarly, if on a Payment Date of any Interest Swap Agreement Party B should not pay the full amount payable to the Fund (Party A), under any Interest Swap Agreement, the Management Company, for and on behalf of the Fund, may choose to terminate the relevant Interest Swap Agreement (Termination). In that event, Party B shall accept the obligation to pay the settlement amount established in the relevant Interest Swap Agreement. Should the settlement amount under the relevant Interest Swap Agreement be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

Without prejudice to the foregoing, other than in an event of permanent financial imbalance of the Fund, the Management Company shall endeavour, for and on behalf of the Fund, to enter into a new interest swap agreement on terms substantially identical with the terminated Interest Swap Agreement.

**7. Actions in the event of change in the rating of Party B.**

Party B shall irrevocably agree as follows under the Interest Swap Agreements:

(1) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the First Required Rating Threshold ("First Rating Default"), then Party B shall within thirty (30) Business Days of the occurrence of that circumstance, do one of the following:

a) Obtain a Replacement with the First Required Rating Threshold (or a Replacement with a Credit Support Provider having the First Required Rating Threshold).

b) Obtain a Credit Support Provider with the First Required Rating Threshold,

c) Post collateral in the form of cash or securities in favour of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's, on the terms of the Credit Support Annex.

(2) If at any time during the life of the Bond Issue neither Party B nor any of its Credit Support Providers has the Second Required Rating Threshold ("Second Rating Default"), then Party B shall, on a best efforts basis and as soon as possible (A) obtain a Credit Support Provider with the Second Required Rating Threshold, or (B) obtain a Replacement with the Second Required Rating Threshold, (or a Replacement with a Credit Support Provider having the Second Required Rating Threshold).

While none of the actions specified above have been taken, Party B shall, within thirty (30) Business Days of the occurrence of the Second Rating Default, post collateral in the form of cash or securities in favour of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least P-1 by Moody's, on the terms of the Credit Support Annex.

Party B's obligations under (1) and (2) above, and the Termination events deriving therefrom, shall only apply during such time as the events respectively prompting the First Required Rating Default or the Second Required Rating Default are in place. The collateral transferred by Party B pursuant to (1) and (2) above will be retransferred to Party B upon cessation of the causes resulting in the First Rating Default or the Second Rating Default, respectively.

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

In the above connection, "Credit Support Provider" shall mean an institution providing an unconditional, irrevocable and first demand guarantee with respect to present and future obligations of Party B under the Interest Swap Agreements (the "Guarantee"), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A under the Guarantee results in any requirement for deduction or withholding for or on account of any tax; or (B) the Guarantee determines that, if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding; and "Replacement" shall mean any institution taking over the contractual position of Party B under the Interest Swap Agreements or entering into a new swap agreement with Party A, on terms substantially identical with the Interest Swap Agreements (which shall be confirmed by Party A, on a best efforts basis), and provided that (A) a law firm provides a legal opinion confirming that none of the payments made by that institution to Party A results in any requirement for deduction or withholding for or on account of any tax; or (B) if there is any such deduction or withholding, the payment made by that institution shall be increased by whatever amount is necessary in order for the net payment received by Party A to be equal to such other amount as Party A would have received had there been no such deduction or withholding. That institution shall thereafter, to all intents and purposes, be considered Party B under the Interest Swap Agreements or under the new swap agreement to be entered into.

An entity shall have the "First Required Rating Threshold" (A) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are rated P-1 by Moody's and its long-term unsecured and unsubordinated debt obligations are rated at least as high as A2 by Moody's, and (B) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term unsecured and unsubordinated debt obligations are rated at least as high as A1 by Moody's.

An entity shall have the "Second Required Rating Threshold" (A) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are rated P-2 by Moody's and its long-term unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's, and (B) in the event that the short-term unsecured and unsubordinated debt obligations of that entity are not rated by Moody's, if its long-term unsecured and unsubordinated debt obligations are rated at least as high as A3 by Moody's.

**8. Other characteristics of the Interest Swap Agreements.**

8.1 In the event of termination, in the events set out and defined in the Interest Swap Agreements (which include Party B's failure to consent in writing in the event of the Deed of Constitution of the Fund being amended and provided that such amendment adversely and negatively affects the amount, priority or time of the payments, if any, to be made by Party A to Party B and full amortisation of the Bonds issued for the reasons provided for in paragraphs (ii) to (v) of section 4.4.3.1 of the Registration Document), Party B shall accept the obligation to pay the settlement amount provided for in the relevant Interest Swap Agreements. Should the settlement amount under the relevant Interest Swap Agreements be due by the Fund (Party A) and not by Party B, payment thereof by the Fund (Party A) shall be made in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

8.2 Party B may only assign all its rights and obligations under the Interest Swap Agreements, subject to Party A's written consent, to a third party with a credit rating equal to Moody's First Required Rating Threshold, subject to notice to the Rating Agency.

8.3 The occurrence, as the case may be, of Termination of the Interest Swap Agreements will not in itself be an Early Amortisation event of the Bond Issue and an Early Liquidation event of the Fund referred to in sections 4.9.4 of the Securities Note and 4.4.3 of the Registration Document, unless in conjunction with other events or circumstances related to the net asset value of the Fund, its financial balance should be materially or permanently altered.

**3.4.7.2 Bond Issue Paying Agent.**

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

The obligations to be taken on by BANCAJA (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 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 BANCAJA 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 BANCAJA under the Paying Agent Agreement. All Paying Agent substitution costs, expenses and taxes incurred shall be borne by the substituted institution.

BANCAJA shall agree, forthwith upon its credit rating being downgraded, 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.

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 1pm (CET) on December 10, 2008.

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

The originator and assignor of the Mortgage 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 consolidated financial information at September 30, 2008, at December 31, 2007 and at December 31, 2006 and how the latter two dates compare. Both the financial information at December 31, 2007 and the financial information at December 31, 2006 have been audited. The information has been prepared in accordance with Bank of Spain Circular 4/2004.

| | **30.09.2008** | **31.12.2007** (A) | **31.12.2006** (B) | Year-On-Year Change $\Delta$% ((A)-(B))/(B) |
|---|---|---|---|---|
| **BALANCE SHEET** (EUR thousand) | | | | |
| Total Assets | 103,530,901 | 99,584,939 | 79,577,247 | 25.14 |
| Total Assets exsecuritisation | 105,500,745 | 101,827,868 | 82,353,426 | 23.65 |
| Average Total Assets | 101,863,749 | 92,804,946 | 71,678,859 | 29.47 |
| Gross Customer Credit | 84,679,988 | 81,315,622 | 66,746,030 | 21.83 |
| Gross Customer Credit exsecuritisation | 86,649,832 | 83,558,551 | 69,522,209 | 20.19 |
| Funds Managed | 88,597,183 | 92,962,631 | 78,261,115 | 18.79 |
| Balance Sheet External Funds | 79,144,713 | 80,100,267 | 65,581,588 | 22.14 |
| Other Funds Managed (1) | 9,452,470 | 12,862,364 | 12,679,527 | 1.44 |
| Turnover | 173,277,171 | 174,278,253 | 145,007,145 | 20.19 |
| Turnover exsecuritisation | 175,247,015 | 176,521,182 | 147,783,324 | 19.45 |
| Equity | 3,753,118 | 3,564,295 | 3,092,019 | 15.27 |
| **PROFIT AND LOSS ACCOUNT** (EUR thousand) | | | | |
| Intermediation margin | 1,066,580 | 1,399,420 | 1,197,782 | 16.83 |
| Ordinary margin | 1,397,925 | 1,876,688 | 2,124,679 | -11.67 |
| Operating margin | 831,447 | 1,205,120 | 1,526,209 | -21.04 |
| Pre-tax profit | 554,615 | 774,281 | 1,246,232 | -37.87 |
| After-tax profit | 468,947 | 603,964 | 866,916 | -30.33 |
| Net Profit attributed to the Group | 348,137 | 491,170 | 796,009 | -38.30 |

| | 30.09.2008 | 31.12.2007 (A) | 31.12.2006 (B) | Year-On-Year Change ∆% ((A)-(B))/(B) |
|---|---|---|---|---|
| **RATIOS** | | | | |
| Delinquency Rate | 2.94% | 0.85% | 0.53% | 60.38 |
| Delinquency Coverage Ratio | 65.90% | 230.43% | 350.20% | -34.20 |
| Strict Efficiency Ratio (2) | - | 39.08% | 30.97% | 26.19 |
| Efficiency Ratio | 39.92% | 35.95% | 28.52% | 26.05 |
| Capital Ratio | 11.09% | 12.95% | 13.07% | -0.92 |
| TIER I (6) | 7.45% | 8.16% | 7.40% | 10.27 |
| Core Capital (6) | 6.04% | 6.66% | 5.60% | 18.93 |
| ROE (3) | 12.81% | 14.72% | 31.78% | -53.68 |
| ROA (4) | 0.61% | 0.65% | 1.21% | -46.28 |
| **BRANCHES AND EMPLOYEES** | | | | |
| Branches (5) | 1,591 | 1,561 | 1,482 | 5.33 |
| Employees (5) | 8,271 | 8,079 | 7,578 | 6.61 |

(1) Investment Trusts, Pension Schemes, Technical Insurance Reserves and Asset Management.
(2) Equivalent to Efficiency Ratio plus amortisation and depreciation.
(3) Yearly profit attributed to the Group/Average Equity.
(4) Yearly profit after tax/ Average Total Assets.
(5) Branches and employees related to the banking business; excludes representation offices.
(6) Data at 30/09/2008 determined in accordance with BIS II regulations.

### 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.

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, provided that circumstances preventing the foregoing in accordance with the laws and regulations in force from time to time do not occur. In any event, those actions shall require that the Management Company previously notify and first secure the authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agency, and provided that such actions are not detrimental to the rating assigned to the Bonds by the Rating Agency. 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 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 Mortgage Loan income amount actually received by the Fund matches the amounts that must be received by the Fund, on the Pass-Through Certificate issue terms and on the relevant Mortgage Loan terms, and that the Mortgage 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 securities 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 revoked, 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 amortisation of the Bonds issued by the same and of the loans, in accordance with the provisions of this Prospectus and of the Deed of Constitution.

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

### 3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to 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 at the Determination Date preceding the relevant Payment Date, which may not be in excess of the maximum amount determined.

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

**3.7.2 Servicing and custody of the securitised assets.**

BANCAJA, Originator of the Mortgage Loan receivables by issuing the Pass-Through Certificates to be subscribed for by the Fund, as established in article 2.2.b) of Royal Decree 926/1998 and article 61.3 of Royal Decree 685/1982, shall continue as attorney for the Management Company to be responsible for servicing and managing the Mortgage Loans, and relations between BANCAJA and the Fund, represented by the Management Company, shall be governed by the Mortgage Loan Servicing and Pass-Through Certificate supporting document custody Agreement (the "**Servicing Agreement**") in relation to custody and servicing of the Mortgage Loans and custody of the Pass-Through Certificates.

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

(i) To be Mortgage 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 Mortgage Loans, devoting the same time and efforts to them as it would devote and use to service its own mortgage 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 custody of the Mortgage 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 Mortgage Loan servicer, and custodian of the relevant Pass-Through Certificates and agreements, 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 Mortgage Loans.

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

The Servicer shall keep all deeds, documents and data files relating to the Mortgage Loans and the copies of the mortgaged property damage insurance policies under 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 Mortgage 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 duly authorised thereby reasonable access to the aforesaid deeds, documents, records and policies. 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 and documents.

**2. Collection management.**

The Servicer shall continue managing collection of all Mortgage 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 Mortgage Loans.

Mortgage Loan amounts received by the Servicer owing to the Fund shall be paid by the Servicer into the Fund's Treasury Account on the seventh 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.

Nevertheless, in the event that the rating of the Servicer's short-term unsecured and unsubordinated debt obligations should be downgraded below P-1 by Moody's, the Management Company shall, in a written notice to the Servicer, issue instructions for those amounts to be paid into the Treasury Account on the first day after the date on which they were received by the Servicer or the following business day, if that is not a business day, for same day value.

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

**3. Fixing the interest rate.**

Because the Mortgage Loan interest rate floats, the Servicer shall continue fixing the interest rates applicable in each interest period as established in the respective Mortgage 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 Mortgage Loan, to fulfilment by the Obligors of their obligations under the Mortgage Loans, to delinquency status and ensuing changes in the characteristics of the Mortgage 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 Mortgage 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. Mortgage Loan subrogation.**

The Servicer shall be authorised to permit substitutions in the Obligor's position under the Mortgage Loan agreements, exclusively where the new Obligor's characteristics are not less creditworthy than those of the former Obligor and those characteristics observe the mortgage 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.

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 Mortgage Loan renegotiation procedures.**

The Servicer may not voluntarily cancel the Mortgage Loans or their mortgages or security arrangements for any reason other than payment of the Mortgage Loan, relinquish or settle in regard thereto, forgive the Mortgage 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 Mortgage 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 mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Loan. In any event, any Mortgage 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 mortgage 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 individuals with real estate

security on finished homes located in Spanish territory with amounts and terms substantially similar to the Mortgage Loan being renegotiated.

3. Interest Rate Renegotiation of a Mortgage 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 Mortgage Loans over the benchmark index is below 70 basis points. In particular, the Servicer shall not impose clauses limiting the interest rate amount applicable to the Mortgage Loans. In particular, the Servicer shall not impose clauses limiting the interest rate amount applicable to the Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Loans with respect to which the maturity date is extended may not exceed 10% of the initial Outstanding Balance of the Mortgage Loans upon the Fund being established.

(iii) The term of a specific Mortgage Loan may be extended provided that the following requirements are met:

a) That the same Mortgage 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 September 5, 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 Mortgage 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 Mortgage Loans to be updated.

In the event of Mortgage 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 Mortgage 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 Mortgage Loan default.**

***Actions in the event of late payment.***

The Servicer shall use the same efforts and procedure for claiming overdue Mortgage Loan amounts it applies for the rest of its portfolio mortgage 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 mortgage 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.

***Legal actions.***

The Servicer, using its fiduciary title to the Mortgage Loans or using the power referred to in the following paragraph, shall take all relevant actions against Obligors and guarantors, if any, failing to meet their Mortgage Loan payment obligations. 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 latter, or in its own name but for the Management Company as the Fund's authorised representative, demand by any judicial or other means any Mortgage 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 Mortgage 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 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 Mortgage Loan Obligor to pay the debt.

In the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies provided for mortgage participation certificates in article 66 of Royal Decree 685/1982, 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) calendar 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 though 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 BANCAJA 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.(6) of this Building Block, the debts originated by valid mortgages have been fully cancelled financially.

Therefore, those Mortgage Loans will not for registration purposes have a senior mortgage but a mortgage ranking junior to those entered in the registry. Notwithstanding this, the debts subject of the previous mortgages 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.

The Servicer agrees to promptly advise of payment demands, legal actions and any and all other circumstances affecting collection of overdue Mortgage Loan amounts. Furthermore, the Servicer will provide the Management Company with all such documents as the latter may request in relation to said Mortgage 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 damage insurance policy covering the properties mortgaged under the Mortgage Loans or reducing the amount payable in any claim thereunder. The Servicer shall use all reasonable efforts and in any event use the rights conferred under the insurance policies or the Mortgage Loans in order to keep those policies in force and fully effective in relation to each Mortgage Loan and the respective mortgaged property, 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.

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 where it is able to do so under the Mortgage Loan deed, advancing payment of the premiums, without prejudice to its right to be ultimately reimbursed by the Obligor for amounts so paid.

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 Mortgage 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 Mortgage 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 Mortgage 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 properties.**

The Servicer agrees to notify the Management Company of the places, dates, terms and valuation of the real properties mortgaged as security for the Mortgage Loans and of all other assets attached as a result of the legal proceedings commenced against the Obligors, auctions scheduled, and proposed action and bid, in suitable advance in order that the Management Company may do such things 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 properties or 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 estate or the asset to the Fund, fulfilling the instructions received from the Management Company.

In the event of real properties 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 Mortgage Loans acquired by the Fund terminate, once all the Mortgage Loans 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 of administration by the Bank of Spain, breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement, of the rating of the Servicer's long-term unsecured and unsubordinated debt obligations being downgraded below Ba2 by Moody's 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 shall 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; (ii) have another institution with a sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) post collateral in the form of cash or securities in favour of the Fund in an amount sufficient to secure all or part of the Servicer's obligations in order for there to be no detriment to the rating given to the Bonds by the Rating Agency, and (iv) 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. In the event of insolvency of the Servicer, only (iv) above shall be valid. 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.

Furthermore, in the event of insolvency, or indications thereof, 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 mortgaged property insurers, if any) of the transfer to the Fund of the outstanding Mortgage Loan receivables, and that payments thereunder will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors (and third-party guarantors and 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 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 Mortgage Loan receivables, 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 1pm (CET) on December 10, 2008.

**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 Mortgage Loans, without prejudice to the liabilities undertaken thereby in the Deed of Constitution of the Fund as Originator of the Mortgage Loans acquired by the Fund upon subscribing for the Pass-Through Certificates.

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 and report on the Mortgage Loans and custody the Pass-Through Certificates, 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 Mortgage Loans owing to the Fund does not result from the Obligors' default and is attributable to the Servicer.

Upon the Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 listed below. The details relating to BANCAJA and its activities are respectively given in section 5.2 of the Securities Note and in section 3.5 of this Building Block.

(i) Treasury Account:

Guaranteed Interest Rate Account (Treasury Account) Agreement

Description in section 3.4.4.1 of this Building Block.

(ii) Subordinated Loan:

Subordinated Loan Agreement

Description in section 3.4.3.1 of this Building Block.

(iii) Start-Up Loan:

Start-Up Loan Agreement

Description in section 3.4.3.2 of this Building Block.

(iv) Financial Intermediation:

Financial Intermediation Agreement

Description in section 3.4.6.4 of this Building Block.

J.P. MORGAN CHASE is the Fund counterparty under the transactions referred to below. The details relating to J.P. MORGAN CHASE and its activities are given in section 5.2 of the Registration Document.

(i) Interest Swaps:

Interest Swap Agreement (Annual)

Interest Swap Agreement (Six-Monthly)

Description in section 3.4.7.1 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 thereby and not settled due to a shortfall of Available Funds, in accordance with the rules of the Fund 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' Mortgage Loan principal prepayment rate during the calendar quarter preceding the Payment Date.

    v) The average residual life of the Bonds in each Series estimated assuming that Mortgage Loan principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3.1 below and will also be notified to the CNMV, the Paying Agent, AIAF and Iberclear, not less than one (1) Business Day before each Payment Date.

**b) Information referred to each Payment Date:**

In relation to the Mortgage Loans on the Determination Date preceding the Payment Date:

1. Outstanding Balance.
2. Interest and principal amount of instalments in arrears.
3. Mortgage Loan interest rate.
4. Mortgage Loan maturity dates.
5. Outstanding Balance of Doubtful Mortgage Loans and cumulative amount of Doubtful Mortgage 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.

This information shall be submitted to the CNMV.

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

Annual Accounts (balance sheet, profit & loss account and management report) and audit report 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 Subordinated Loan amount, the Cash Reserve amount and 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 Mortgage Loans, the Bonds, the Fund and the Management Company proper, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, change in 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.

### 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, Bridge Telerate, 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 Subordinated Loan amount, the Cash Reserve amount and 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 by 1pm (CET) on December 10, 2008 to the Subscriber, 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.

### 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 Mortgage 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 December 2, 2008.**

## GLOSSARY OF DEFINITIONS

**"Act 19/1992"** shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7.

**"Act 2/1981"** shall mean Mortgage Market Regulation Act 2/1981, March 25, as currently worded.

**"Act 2/1994"** shall mean Mortgage Loan Subrogation and Amendment Act 2/1994, March 30, as currently worded.

**"Act 3/1994"** shall mean Act 3/1994, April 14, adapting Spanish laws in the matter of credit institutions to the Second Banking Coordination Directive and introducing other changes in relation to the financial system, as currently worded.

**"Act 41/2007"** shall mean Act 41/2007, December 7, 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.

**"AIAF"** shall mean AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija*).

**"Available Funds for Amortisation"** shall mean the amount to be allocated to Bond amortisation on each Payment Date and shall be the Amortisation Withholding amount actually applied in sixth ($6^{th}$) place of the 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 paid into 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.

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

**"Bond Issue"** shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR two billion eight hundred and ninety-five million (2,895,000,000.00) comprised of 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 BANCAJA, as Paying Agent.

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

**"Business Day"** shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System) or TARGET 2 calendar.

**"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".

**"Closing Date"** shall mean December 11, 2008, the date on which the cash amount of the subscription for the Bonds shall be paid up and the face value of the Pass-Through Certificates subscribed for by the Fund shall be paid.

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

**"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.

**"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 Mortgage Loan receivables by issuing Pass-Through Certificates, and issue by the Fund of the Asset-Backed Bonds.

**"Delinquent Mortgage Loans"** shall mean Mortgage Loans that at a date are delinquent with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Mortgage Loans.

**"Determination Dates"** shall mean the dates falling on the fourth ($4^{th}$) 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, April 17, 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 of the Registration Document, on which the Mortgage 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.

**"Distribution of Available Funds for Amortisation"** shall mean the rules for applying the Available Funds for Amortisation among each Series on each Payment Date established in section 4.9.3.5 of the Securities Note.

**"Doubtful Mortgage Loans"** shall mean Mortgage 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 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 where 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.

**"Ernst & Young"** shall mean Ernst & Young S.L.

**"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 consisting of 57 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.

**"Final Maturity Date"** shall mean the final Bond amortisation date, i.e. April 23, 2052 or the following Business Day if that is not a Business Day.

**"Financial Intermediation Agreement"** shall mean the financial intermediation agreement entered into between the Management Company, for and on the Fund's behalf, and BANCAJA.

**"Financial Intermediation Margin"** shall mean, under the Financial Intermediation Agreement, the variable subordinated remuneration which shall accrue upon expiry of every quarterly period, comprising, other than for the first period, the three calendar months 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 March, June, September and December, these being the last calendar month in each quarterly period.

**"Fund"** shall mean BANCAJA 13 FONDO DE TITULIZACIÓN DE ACTIVOS.

**"Guaranteed Interest Rate Account (Treasury Account) Agreement"** shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and 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 initial Cash Reserve to be determined by the Management Company by 1pm (CET) on December 10, 2008 based on the average margin applicable to the Party B interest rate in each Interest Swap Agreement, weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly), between the following amounts: EUR 162,120,000.00, EUR 159,225,000.00 and EUR 156,330,000.00.

**"Interest Accrual Period"** shall mean the exact number of 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.

**"Interest Swap Agreement (Annual)"** shall mean the floating interest rate swap agreement whereby the Fund and J.P. MORGAN CHASE shall make each other payments calculated on the Outstanding Balance of Non-Doubtful Mortgage Loans with an annual reset interest rate, respectively applying the 12-month Euribor rate and the Reference Rate determined for the Bonds, adding a margin.

**"Interest Swap Agreement (Six-Monthly)"** shall mean the floating interest rate swap agreement whereby the Fund and J.P. MORGAN CHASE shall make each other payments calculated on the Outstanding Balance of Non-Doubtful Mortgage Loans with a six-monthly reset interest rate, respectively applying the 12-month Euribor rate and the Reference Rate determined for the Bonds, adding a margin.

**"Interest Swap Agreements"** shall mean the two floating interest rate swap agreements (Interest Swap Agreement (Annual) and Interest Swap Agreement (Six-Monthly)), to be entered into based on the standard 1992 ISDA Master Agreement (ISDA Master Agreement - Multicurrency - Cross Border) and the 2006 definitions (ISDA 2006 Definitions) entered into between the Management Company, acting for and on behalf of the Fund, and J.P. MORGAN CHASE.

**"IRR"** shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

**"Issuer"** shall mean the Fund.

**"J.P. MORGAN CHASE"** shall mean J.P. MORGAN CHASE BANK, N.A., LONDON BRANCH.

**"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 of the Fund, the amounts to be allocated to meeting the Fund's payment or withholding obligations, as follows: (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Pass-Through Certificates and the remaining assets, and, as the case may be, (iii) the amount drawn under the credit facility or loan arranged and exclusively used for amortisation of the Bonds then outstanding, in accordance with the provisions of section 4.4.3.3.(iv) of the Registration Document.

**"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.

**"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 Loan Servicing and Pass-Through Certificate Custody Agreement"** shall mean the Mortgage Loan servicing and custody 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.

**"Mortgage Loans"** shall mean the loans owned by BANCAJA granted to individuals with real estate mortgage security ranking senior or, as the case may be, ranking junior although BANCAJA has documents relating to cancellation of the debts originated by previous mortgages which are yet to be struck off the registers, on finished homes (and annexes or other properties, if any) located in Spain, assigned by BANCAJA to the Fund upon BANCAJA issuing and the Fund subscribing for the Pass-Through Certificates.

In this Prospectus the term "Mortgage Loans" shall be used to refer collectively to the Mortgage Loans or the Pass-Through Certificates perfecting their assignment.

**"Nominal Interest Rate"** shall mean the nominal interest rate, variable 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 Mortgage Loans"** shall mean Mortgage Loans that at a date are not deemed to be either Delinquent Mortgage Loans or Doubtful Mortgage Loans.

**"Non-Doubtful Mortgage Loans"** shall mean Mortgage Loans that at a date are not deemed to be Doubtful Mortgage Loans.

**"Obligors"** shall mean the Mortgage Loan borrowers.

**"Originator"** shall mean BANCAJA, issuer of the Pass-Through Certificates representing the Mortgage Loan rights.

**"Outstanding Balance of the Mortgage 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 Mortgage Loans.

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

**"Paying Agent"** shall mean the firm servicing the Bonds. The Paying Agent shall be BANCAJA (or any replacement institution).

**"Payment Date"** shall mean January 23, April 23, July 23 and October 23 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be April 23, 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 from the first Payment Date until the last Payment Date or Fund liquidation date, exclusive.

**"Rating Agency"** shall mean Moody's Investors Service España, S.A.

**"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 the rate resulting from a straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between four- (4-) month Euribor and 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.(ii) of the Securities Note.

**"Regulation 809/2004"** shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004.

**"Required Cash Reserve"** shall mean the Required Cash Reserve amount on each Payment Date to be determined by the Management Company, based on (i) the average margin applicable to the Party B interest rate in each Interest Swap Agreement (Annual) and (Six-Monthly), respectively weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly) for the first calculation period, in accordance with the provisions of section 3.4.7.1 of the Securities Note Building Block.

**"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 685/1982"** shall mean Royal Decree 685/1982, March 17, implementing certain aspects of Mortgage Market Regulation Act 2/1981, and Royal Decree 1289/1991, August 2, amending certain of the previous Royal Decree's articles.

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

**"Royal Decree-Law 5/2005"** shall mean Royal Decree-Law 5/2005, March 11, on urgent measures for boosting productivity and improving public contracting.

**"Securities Market Act"** shall mean Securities Market Act 24/1988, July 28, as currently worded, amended by Act 37/1998, November 16, and Act 44/2002, November 22, and Royal Decree-Law 5/2005, March 11, among other amendments.

**"Series A Bonds"** shall mean Series A Bonds issued by the Fund having a total face amount of EUR two billion five hundred and eighty-three million seven hundred thousand (2,583,700,000.00) comprising twenty-five thousand eight hundred and thirty-seven (25,837) 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 one hundred and fifty-two million (152,000,000.00) comprising one thousand five hundred and twenty (1,520) 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 one hundred and fifty-nine million three hundred thousand (159,300,000.00) comprising one thousand five hundred and ninety-three (1,593) 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 Mortgage Loan custody and servicing and Pass-Through Certificate supporting document custody under the Mortgage Loan Servicing and Pass-Through Custody Agreement, i.e. BANCAJA (or any replacement institution).

**"Servicing Agreement"** shall mean the Mortgage Loan Servicing and Pass-Through Certificate Custody Agreement.

**"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, for a sum of EUR eight million five hundred thousand (8,500,000.00).

**"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 between EUR one hundred and fifty-six million three hundred and thirty thousand (156,330,000.00) and EUR one hundred and sixty-two million one hundred and twenty thousand (162,120,000.00).

The Subordinated Loan amount shall be determined by the Management Company by 1pm (CET) on December 10, 2008, based on the average margin applicable to the Party B interest rate in each Interest Swap Agreement (Annual) and (Six-Monthly), respectively weighted by the Notional Amount (Annual) and the Notional Amount (Six-Monthly) for the first calculation period, in accordance with the provisions of section 3.4.7.1 of the Building Block.

**"Subordinated Loan"** shall mean the loan granted by BANCAJA to the Fund, in accordance with the provisions of the Subordinated Loan Agreement.

**"Treasury Account"** shall mean the financial account in euros opened at BANCAJA 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 payments.