

FOLLETO INFORMATIVO (Spanish-language offering circular)

June 2004

HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS

SECURITISATION BONDS 1,400,000,000 EURO

Series A1	160,000,000 Euro	Aaa/AAA/AAA	EURIBOR 3M + (0.05% / 0.10%)
Series A2	1,148,300,000 Euro	Aaa/AAA/AAA	EURIBOR 3M + (0.14% / 0.19%)
Series B	21,700,000 Euro	Aa3/AA/AA	EURIBOR 3M + (0.25% / 0.35%)
Series C	42,000,000 Euro	A2/A/A+	EURIBOR 3M + (0.40% / 0.60%)
Series D	28,000,000 Euro	Baa2/BBB/BBB	EURIBOR 3M + (0.80% / 1.05%)

(FONDO DESIGNED AND STRUCTURED BY



MANAGERS



CO-MANAGER



UNDERWRITERS



ASSIGNOR



PAYING AGENT



FUND ORGANISED AND MANAGED BY

Gestión de Activos Titulizados S.G.F.T., S.A.

Folleto entered on the Registers of the C.N.M.V. on June 7, 2004

ive Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

This document may not be distributed in Spain or used in connection with any offer to, or solicitation by, anyone in Spain in relation to the issue of the Bonds.

Dated as of 8 June 2004

HIPOCAT 7 FONDO DE TITULIZACIÓN DE ACTIVOS (THE “ISSUER”)

€1,400,000,000 ASSET-BACKED BONDS (THE “BONDS”)

English language translation of the legal Spanish *Folleto Informativo* registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* or “CNMV”) on 7 May 2004.

This document is a translation of the *Folleto Informativo* or Spanish Language legal offering circular which has been prepared by the Issuer, represented by the Management Company (the “**Gestora**”), and duly registered with the CNMV on 7 June 2004 (the “**Folleto**”). This document is provided for information purposes only and is not to be relied upon in any way. Investors should only rely on the information provided in the Folleto for any investment decision and should pay particular attention to Chapter II 3 of the Folleto describing special considerations regarding an investment in the Bonds. Terms used and not otherwise defined will, unless the context requires otherwise, have the meanings given to them in the Folleto. No person is authorised to give any information or to make any representation in connection with the offering or sale of the Bonds other than as contained in the Folleto and, if given or made, any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Lead Managers, the Originator or the Issuer.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Bonds are subject to US tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to US Persons.

The distribution of the Folleto and the offering or sale of the Bonds in certain jurisdictions is restricted by law. Persons into whose possession the Folleto and this document may come are required by the Lead Managers to inform themselves about and to observe any such restriction. Neither the Folleto nor this document may be used in connection with any offer to, or solicitation by, anyone in any jurisdiction or any circumstances where such offer or solicitation is not authorised or is unlawful.

SUBSCRIPTION AND SALE

The Lead Managers have entered into a subscription agreement dated 7 May 2004 (the “**Subscription Agreement**”) with the Gestora (on behalf of the Fund) pursuant to which they have agreed to subscribe for **Euro 1,400,000,000** Bonds, at **100** % of their principal amount.

United States

The Underwriters and Placers have represented and warranted to the Fund that the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the Securities Act.

The Underwriters and Placers have warranted and represented to the Fund that they have not offered or sold the Bonds and agree that they will not offer or sell the Bonds within the United States other than in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither the Underwriters and Placers, nor their affiliates nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. Terms used in this paragraph have the meanings given to them by Regulation S.

Additionally:

- (i) Except to the extent permitted by the U.S. Treasury registration standards §1,163 – 5(c) (2) (i) (D) (“Rules D”), the Underwriters and Placers have represented and warranted to the Fund that (a) they have not offered or sold and shall not offer or sell during the restricted period Bonds to any person within the territory of the United States or its possessions or to a person from the United States; and (b) they have not delivered and will not deliver within the territory of the United States or its possessions Bonds that may be sold during the restricted period:
- (ii) The Underwriters and Placers have represented that they have available, and have warranted to the Fund that during the restricted period they will have available, procedures reasonably conceived to ensure that their employees or agents, relating to the sale of bonds, are aware of the fact that said Bonds will not be offered or sold during the restricted period to any person within the territory of the United States or its possessions or to any person from the United States, unless this is permitted by Rules D;
- (iii) if it is a person from the United States (sic.), the Underwriters and Placers have represented and warranted to the Fund that he is acquiring the Bonds for their resale in respect of their original issue and if he withholds the Bonds for his own account, he shall only do so meeting the requirements of U.S. Treasury Regulation §1,163 – 5(c) (2) (i) (D) (6); and
- (iv) In respect of each subsidiary that acquires Bonds from the Underwriters and Placers to offer or sell such Bonds during the restricted period, the Underwriters and Placers (a) have repeated and confirmed the representations and covenants of sections (i), (ii) and (iii) in the name of said subsidiaries; or (b) have agreed that they will obtain from that subsidiary, for the benefit of the Gestora, representing the Fund, the representations and covenants contemplated in sections (i), (ii) and (iii).

The terms used in this section have the meanings given to them in the US Internal Revenue Code and the regulations implementing it, including Rules D.

United Kingdom

The Underwriters and Placers have represented and warranted to the Fund that (i) they have not offered or sold and, prior to the expiry of a period of six months from the Closing Date, will not offer or sell any Bonds to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) they have only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Fund; and (iii) they have complied and will

comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

The Underwriters and Placers have represented and warranted to the Fund that they have not offered or sold and will not offer or sell Bonds directly or indirectly to the public in France and have not distributed or caused the distribution of sale and will not distribute or cause the distribution of the translation of the Folleto or any other material of the offer relating to the Bonds to the public in France and that such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*), as defined in and pursuant to articles 1,411-1 and 1,411-2 of the French Code Monétaire et Financier and Décret No. 98-880 dated October 1, 1998.

Germany

The Underwriters and Placers have represented and warranted to the Fund that they will only offer and sell said Bonds (i) only for an aggregate amount per subscriber of at least 40,000 Euros (or equivalent currency) or any other minimum amount that may be established from time to time by the applicable German legislation, or (ii) in any other manner permitted by the applicable German legislation.

Italy

The Underwriters and Placers have represented and warranted to the Fund that the offering of the Bonds has not been processed by CONSOB pursuant to the Italian legislation for securities and, therefore, no Bond will be offered sold or delivered and no copy of the Translation of the Folleto or any other document relating to the Bonds will be distributed in the Republic of Italy, except:

- (a) to professional investors (*operatori qualificati*), as these are defined in article 31, second paragraph, of CONSOB Regulation no. 11522, of July 1, 1998, as it is currently worded; or
- (b) in circumstances exempt from the investment offering rules pursuant to article 100 of Legislative Decree no. 58, of February 24, 1998 (Financial Services Act) and article 33, first paragraph, of CONSOB Regulation no. 11971, of May 14, 1999, as it is currently worded; or
- (c) to a resident in Italy that makes a proposal to subscribe for Bonds not preceded by a prior offer.

Any offer, sale or delivery of the Bonds or any other distribution of copies of the Translation of the Folleto or any other document relating to the bonds in the Republic of Italy in the circumstances contemplated in sections (a) or (b) must be:

- (i) made by an investment services enterprise, bank or financial broker authorized to perform such activities in the Republic of Italy pursuant to the Financial Services Act and Legislative Decree no. 385, of September 1, 1993 (the Banking Act); and
- (ii) in compliance with article 129 of the Banking Act and the directives implementing it of the Bank of Italy, as currently worded, whereby the issue or offer of securities in the Republic of Italy may have to be preceded and followed by a notification which should be submitted to the Bank of Italy, depending, among other aspects, on the aggregate value of the securities issued and offered in the Republic of Italy and their features.

The Netherlands

The Underwriters and Placers have represented and warranted to the Fund that the Folleto will not be distributed and the Bonds may not be offered, sold, transferred or delivered as part of their initial distribution or at any time thereafter, directly or indirectly, to individuals or legal entities who are established, domiciled or have their residence in The Netherlands ("Dutch Residents") other than the following entities ("Professional Market Parties" or "PMPs"), the former provided they acquire the Bonds for their own account (or their equivalent in any other currency), and the latter provided that they trade or invest in securities in the conduct of a business or profession:

(a) banks, insurance companies, securities firms, collective investment institutions or pension funds that are supervised or licensed under Dutch law;

(b) banks or securities firms licensed or supervised in a European Economic Area member state (other than The Netherlands) and registered with the Dutch Central Bank (De Nederlandsche Bank N.V.: "DNB") or the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and acting through a branch office in The Netherlands;

(c) Netherlands collective investment institutions which offer their shares or participations exclusively to professional investors and are not required to be supervised or licensed under Dutch law;

(d) the Dutch government (de Staat der Nederlanden), DNB, Dutch regional, local or other decentralised governmental institutions, international treaty organisations and supranational organisations;

(e) Netherlands enterprises or entities with total assets of at least EUR 500,000,000 (or the equivalent thereof in another currency) according to their balance sheet at the end of the financial year preceding the date they purchase or acquire the Notes;

(f) Netherlands enterprises, entities or natural persons with a net equity (*eigen vermogen*) of at least EUR 10,000,000 (or the equivalent thereof in another currency) according to their balance sheet at the end of the financial year preceding the date they purchase or acquire the Notes and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;

(g) Netherlands subsidiaries of the entities referred to under (a) above provided such subsidiaries are subject to prudential supervision;

(h) Netherlands enterprises or entities that have a credit rating from an approved rating agency or whose securities have such a rating; and

(i) such other entities designated by the competent Netherlands authorities after the date hereof by any amendment of the applicable regulations.

Portugal

The Underwriters and Placers have represented and warranted to the Fund that (i) they have not performed any action, directly or indirectly, or offered, announced, sold or delivered any Bond and will not offer, announce, sell, resell, reoffer or deliver and Bond, directly or indirectly, without complying with the legislation applicable to the Portuguese market and conforming to the Código dos Valores Mobiliários; and (ii) they have not distributed, directly or indirectly, and will not distribute, directly or indirectly, the agreement, any other document, circular, announcement or offering material other than in compliance with all applicable laws and regulations.

GENERAL INFORMATION

- 1** The transfer of the Transferred Assets has been authorised by resolutions of the Board of Directors and Executive Board of the Originator, passed on 22/04/04.
- 2** The constitution of the Fund has been authorised by a resolution of the Board of Directors of the Gestora passed on 23/04/04.
- 3** The Gestora will apply for the Bonds to be admitted to the AIAF. It is expected that admission to trading on such market will take place within one month after the Closing Date.
- 4** The Bonds have been accepted for clearance through the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (IBERCLEAR) under their ISIN numbers. The Bonds have been accepted for clearance through Euroclear as follows:

	Serie A1 Bonds	Serie A2 Bonds	Serie B Bonds	Serie C Bonds	Series D Bonds
ISIN numbers	ES0345783007	ES0345783015	ES0345783023	ES0345783031	ES0345783049
Common Codes	19466779	19466914	19467228	19467252	19467309
WKN Codes	A0BDLK	A0BDLL	A0BDLM	A0BDLN	A0BDLP

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE PREFERRED SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the Notes, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that you are not a U.S. person; the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of such offering circular by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Bear Stearns International Ltd., J.P. Morgan Securities Ltd. nor Caixa Catalunya d'Estalvis ("Caixa Catalunya") nor any person who controls any of such underwriters nor any director, officer, employee nor agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from J.P. Morgan Securities Ltd., Bear Stearns International Ltd or Caixa Catalunya.

SUMMARY OF THE FOLLETO

NAME AND ORGANISATION OF THE ISSUER

The Issuer is called HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS (hereinafter the “**Issuer**”).

The Issuer will be established in a public deed executed after registration of this Folleto Informativo (the “**Folleto**”) and it will be subject to the legal requirements set out in (i) Royal Decree 926/1998, of 14 May, which regulates Asset Securitisation Funds and the Management Companies of Securitisation Funds (*Real Decreto sobre los Fondos de Titulización de Activos y las Sociedades Gestoras de Fondos de Titulización* – hereinafter “**Royal Decree 926/1998**”) and all regulations issued thereunder, (ii) Law 19/1992, of 7 July, regulating Real Estate Investment Companies and Mortgage Securitisation Funds (*Ley sobre Régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria* – hereinafter “**Law 19/1992**”) with respect to that which is not provided for in Royal Decree 926/1998 and is nevertheless applicable, (iii) Law 24/1988 of 28 July, on the Securities Market, for all matters to which it is applicable, as currently worded (*Ley del Mercado de Valores* – hereinafter “**Law 24/1988**”), (iv) Law 3/1994, of 14 April, pursuant to which the Spanish Legislation is adapted to the Second EU Banking Directive on Credit Institutions and certain amendments are included related to the Financial System and (v) other applicable legal and statutory regulations that are from time to time in force.

STATUS OF THE ISSUER

The Issuer will constitute a pool of assets without legal status and will be a closed fund under the provisions of sections 1 and 3 of Royal Decree 926/1998.

GESTORA

The Company establishing the Issuer is GESTIÓN DE ACTIVOS TITULIZADOS S.G.F.T., S.A. (hereinafter the “**Gestora**”). The Gestora will act as administrator and legal representative of the Issuer, in accordance with the provisions contained in Royal Decree 926/1998.

ASSETS OF THE ISSUER

The assets of the Issuer will be made up of Mortgage Participations and Mortgage Transfer Certificates (hereinafter the “**Mortgage Participations**” and the “**Mortgage Transfer Certificates**”) as these are defined below, by the balances in the treasury account open in the name of the Fund (“**Treasury Account**”), including the Reserve Fund, by the balances of the capital repayment account open in the name of the Fund (“**Repayment Account**”) and by capitalised initial expenses.

1. Mortgage Participations and Mortgage Transfer Certificates

These embody rights to incorporate in the initial drawdowns from partially securitised mortgage loans (hereinafter “**First Drawdowns**” and the “**Mortgage Loans**”, respectively), as described in Chapter IV.1 of the Folleto, all of them granted for the financing of residential properties of individuals resident in Spain.

Assignor: Caixa d' Estalvis de Catalunya (hereinafter, “**CAIXA CATALUNYA**”).

Credit rights appertaining to the Mortgage Participations and the Mortgage Transfer Certificates:

- All amounts accrued on the First Drawdowns by:
 - Repayment of principal of the First Drawdowns;
 - Ordinary interest on the First Drawdowns; and
 - Default interest on the First Drawdowns.
- And any other amounts, properties or rights given as payment of principal or interest of the Mortgage Loans, sales or operation of property adjudicated upon foreclosure, administration or temporary possession of the property undergoing foreclosure proceedings, rights or indemnification in favour of CAIXA CATALUNYA, including insurance policies and rights relating to the loan in the proportional part corresponding to the First Drawdowns, except for any and fees collected from the Mortgagors, which shall continue to be held by CAIXA CATALUNYA.

2. Other assets

The assets of the Issuer will also comprise

- o the balance in the Treasury Account;
- o the balance in the Repayment Account
- o and the capitalised initial expenses,

as stated in section III.4.1 of this Folleto.

LIABILITIES OF THE ISSUER

The liabilities of the Issuer will be basically comprised of the securitisation bonds issued by the Issuer under the Public Deed of Constitution (hereinafter the "**Securitisation Bonds**"), by the subordinated loan granted by CAIXA CATALUNYA, initially and among other purposes to fund the Reserve Fund (hereinafter the "**Subordinated Loan**") and by a liquidity line to meet certain payment needs as described in section III.4.1. of this Folleto.

Securitisation Bonds issued by the Issuer

Characteristics

- Nominal amount: 1,400,000,000 Euro in 5 Series:
 - Series A1: 160,000,000 Euro
 - Series A2: 1,148,300,000 Euro
 - Series B: 21,700,000 Euro
 - Series C: 42,000,000 Euro
 - Series D: 28,000,000 Euro
- Denomination: 100,000 Euro per Securitisation Bond.
- Issue price: 100,000 Euro per Securitisation Bond, free of taxes and subscription expenses for the subscriber.
- Redemption amount: 100,000 Euro per Securitisation Bond.
- Nominal annual floating interest rate calculated quarterly: 3 month EURIBOR for Euro plus the following margins for each Series:
 - o for Series A1 Securitisation Bonds: between 0.05 per cent and 0.10 per cent until July 15, 2005, and after such date, twice the margin applied until July 15, 2005;
 - o for Series A2 Securitisation Bonds: between 0.14 per cent and 0.19 per cent;
 - o for Series B Securitisation Bonds: between 0.25 per cent and 0.35 per cent;
 - o for Series C Securitisation Bonds: between 0.40 per cent and 0.60 per cent; and
 - o for Series D Securitisation Bonds: between 0.80 per cent and 1.05 per cent.

The margin applied to the Securitisation Bonds of each Series will be determined on the date of commencement of the Subscription Period as contemplated in section 2.10.1.b) by the Lead Managers and Joint Lead Manager, or in the absence of an agreement by the Gestora within the maximum and minimum limits above-mentioned, made available to public before the beginning of the Subscription Period in the manner provided in section III.5.3.b)b.1 of the present Folleto, and reported to the Spanish Securities Market Commission as addition information to be added to the Folleto.

- Interest and principal payment dates: quarterly on 15 January, 15 April, 15 July and 15 October of each year or, as the case may be, the following Business Day (according to the TARGET calendar, in Madrid and/or Barcelona).
- Final Repayment Date: July 15, 2036, without prejudice to the Gestora's option for the early liquidation of the Issuer envisaged in section III.8.1. The Final Repayment Date described is a date 30 months after the repayment of the last First Drawdown repaid.

Provisional ratings:

- Series A1 Securitisation Bonds: "Aaa" (Moody's Investors Service España, S.A.), "AAA" (Fitch Ratings España, S.A.U.) and "AAA" (Standard & Poor's España, S.A.).
- Series A2 Securitisation Bonds: "Aaa" (Moody's Investors Service España, S.A.), "AAA" (Fitch Ratings España, S.A.U.) and "AAA" (Standard & Poor's España, S.A.).
- Series B Securitisation Bonds: "Aa3" (Moody's Investors Service España, S.A.), "AA" (Fitch Ratings España, S.A.U.) and "AA" (Standard & Poor's España, S.A.).
- Series C Securitisation Bonds: "A2" (Moody's Investors Service España, S.A.), "A" (Fitch Ratings España,

S.A.U.) and “A+” (Standard & Poor’s España, S.A.).

- Series D Securitisation Bonds: “Baa2” (Moody’s Investors Service España, S.A.), “BBB” (Fitch Ratings España, S.A.U.) and “BBB” (Standard & Poor’s España, S.A.).

Organised secondary market to which application for listing will be made:

AIAF, Mercado de Renta Fija.

Operations to enhance the security or regularity of payment of Securitisation Bonds issued:

To consolidate the financial structure of the Issuer, increase the safety or regularity in payment of the Securitisation Bonds or cover mismatch in time between the schedule of principal and interest payment flows from the Mortgage Participations and the Mortgage Transfer Certificates the same way as for the Securitisation Bonds issued, the Gestora, representing the Issuer (i) will set up a Reserve Fund intended to reinforce certain payment obligations for the Issuer’s account, (ii) will enter into a Guaranteed Rate of Reinvestment Agreement for the Repayment Account with CAIXA CATALUNYA for the investment of amounts received by the Issuer from the Mortgage Participations and the Mortgage Transfer Certificates, inter alia, guaranteeing a specific return; (iii) will enter into a Repayment Guaranteed Interest Rate Reinvestment Agreement, pursuant to section V.3.2. hereof; and (iv) will enter into a Liquidity Line Agreement to meet certain payment obligations of the Issuer payments priority, and (v) will execute with CAIXA CATALUNYA a Swap Agreement whereby CAIXA CATALUNYA will make payments to the Issuer calculated on the basis of the rate of interest of the Securitisation Bonds and the Issuer will make payments to CAIXA CATALUNYA taking as reference the interest on the Mortgage Participations and the Mortgage Transfer Certificates, which will also have a deposit in cash made by CAIXA CATALUNYA, from which the Gestora, on behalf of the Issuer, may only draw in the event of a default of the Swap Agreement by CAIXA CATALUNYA and which will remain in effect as long as CAIXA CATALUNYA has a rating for non-subordinated and non-guaranteed debt of below A1 according to Moody’s Investors Service Spain, S.A. long-term debt ratings Poor’s.

Capital Repayment Fund. Repayment of Securitisation Bonds:

The Securitisation Bonds will be repaid against amounts existing in the Capital Repayment Fund on each Payment Date, in accordance with the repayment rules described in sections II.11.3.7. and II.11.3.8. provided in accordance with the priority of payments contemplated in section V.5.1.B) 2 of this Folleto.

The amount of the Capital Repayment Fund on a given Payment Date will be equal to the sum of the Balance of the Repayment Account and the Provision to the Capital Repayment Fund at that Payment Date, funded in accordance with the priority of payments envisaged in section V.5.1.B).2. of the Folleto. For this purpose:

- The maximum amount of the “Provision for the Repayment Fund” on a given Payment Date will be equal to the positive difference between:
 - (i) the sum of the Outstanding Principal Balance of all the Securitisation Bonds Series; plus
 - (ii) the sum of (a) the Outstanding Balance of the Mortgage Portfolio (as it is defined in section II.11.3.4 of this Folleto) and (b) the balance of the Repayment Account (or any account that may replace it), both on the immediately preceding Determination Date.

The amount of the Capital Repayment Fund on a given Payment Date will be calculated on the immediately preceding Determination Date.

General Rules for Repayment

A) Repayment of Class A Securitisation Bonds

● **Repayment of Series A1 Securitisation Bonds**

The principal of the Series A1 Bonds will be repaid in a single instalment for their full par value on July 15, 2005 (hereinafter the “**Series A1 Repayment Date**”) or, should such date not be a Banking Day, on the next Banking Day, charged to the Capital Repayment Fund, on that Payment Date, deposited in the Repayment Account. Nevertheless, should the Series A1 Capital Repayment Fund, as it is defined below, be insufficient to repay the nominal value of the Series A1 Securitisation Bonds, Series A1 Bonds shall be repaid on the Series A1 Repayment Date and on the subsequent Payment Dates, by partial repayments until their full nominal amount is paid, for the amount of the Capital Repayment Fund allocated on each Payment Date to repayment of Series A1, in accordance with the rules for Distribution of the Capital Repayment Fund contemplated in section II.11.3.7 of this Folleto, which shall be distributed pro rata among the Series A1 Bonds by reducing nominal value of each Series A1 Bond.

From the first Payment Date (October 15, 2004) to the Payment Date of the Repayment Date of Series A1, the Capital Repayment Fund shall be allocated, on each Payment Date, to provide a fund for repayment of Series A1 Bonds (hereinafter the “**Series A1 Capital Repayment Fund**”) for a maximum amount equal to the total nominal value of Series A1. The amount provided of the Series A1 Capital Repayment Fund shall remain deposited in the Repayment

Account until the Series A1 Repayment Date when it shall be allocated to repayment of Series A1 included in the Capital Repayment Funds.

Without prejudice to the contents of the above paragraphs, in any event, the final repayment of the Series A1 Bonds shall be the Final Repayment Date (July 15, 2036), without prejudice to the fact that the Gestora, for and on behalf of the Issuer, pursuant to section III.8., may prepay the Bond Issue before the Final Repayment Date

- **Repayment of Series A2 Bonds**

Series A2 Bonds shall be repaid through partial repayments on each of the Payment Dates, by pro rata reduction of the nominal amount of each Series A2 Bond, for the amount of the Capital Repayment Fund, according to the rules for Distribution of the Capital Repayment Fund contemplated in section II.11.3.7. hereof.

The first partial repayment of Series A2 Bonds shall be performed on the Payment Date of the last of the following dates: (i) the Payment Date on which the Series A1 Bonds shall be fully repaid; or (ii) the Payment Date of January 15, 2006. After the respective Payment Date, the Capital Repayment Fund shall be allocated to repay A2 Series Bonds according to the rules of Distribution for Repayment among A Series

In any event, the final repayment of Series A2 Securitisation Bonds will be made on the Final Repayment Date, July 15, 2036 or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

- **Distribution of the Capital Repayment Fund between the Class A Series**

The Capital Repayment Fund for repayment of Class A shall be allocated as follows

- Ordinary allocation, in the following order:

1.- On the Payment Dates preceding the Series A1 Repayment Date (July 15, 2005), provision of the Series A1 Repayment Fund and, after the Series A1 Repayment Date, repayment of principal of the Series A1 Bonds.

2.- On the Payment Dates preceding the Payment Date of January 15, 2006, deposit of the amounts allocated to repayment of principal of Series A2 in the Repayment Account, in the amount of the surplus of the Series A1 Repayment Fund and, after Series A1 Bonds have been fully repaid, repayment of the principal of Series A2 Bonds by pro rata reduction of the nominal amount, until it has been completed as provided for above.

- Exceptional pro rata allocation of Class A ("**Class A Pro Rata Repayment**"): The order of allocation stipulated in the above point will be interrupted if, on the Determination Date immediately preceding the Payment Date in question, the Delinquency Ratio is over 2.0%.

- In such event, on the Payment Date in question, the Capital Repayment Fund allocated to Repayment of Class A will be allocated to repay Series A1 or to provide the Series A1 Capital Repayment Fund, as appropriate, and to repay Series A2 or to deposit the amounts allocated to repayment of the principal of Series A2 in the Repayment Account, as appropriate, to be distributed between them on a pro rata basis directly proportional to (i) the Outstanding Principal Balance of Series A1 reduced by the balance, if any, of the provision of the Series A1 Capital Repayment Fund and (ii) the Outstanding Principal Balance of Series A2 reduced by the balance, if any of the amount allocated to repay principal of Series A2 deposited in the Repayment Account, at the Determination Date preceding the Payment Date in question.

B) Rules for Repayment pro rata, after repayment of Series A1 Bonds

Without prejudice to the exception rules for repayment with subordination among the various Series, pursuant to section II.11.3.8 of the Folleto, after Series A1 has been fully repaid, the Capital Repayment Fund shall be allocated on each Payment Date to repayment pro rata of the principal of the other Securitisation Bonds Series (A2, B, C and D) and without subordination among them, if on the Payment Date in question each and every one of the following conditions have been met ("Pro Rata Repayment Conditions"):

1. If the amount of the Reserve Fund is equal to the required threshold pursuant to section V.3.5 of the Folleto.
2. If the Delinquency Ratio is lower than 2.5% on the Determination Date immediately preceding the Payment Date in progress.
3. If on the Determination Date preceding the Payment Date in process, the Outstanding Principal Balance of Series B, C and D Series Securitisation Bonds represents at least 13.10% of the Outstanding Principal Balance of the Securitisation Bonds.

4. If the Outstanding Balance of the Mortgage Portfolio is higher than the Outstanding Balance of the Mortgage Portfolio on the Fund Establishment Date.

The "Delinquency Ratio" will be the ratio between (i) the Outstanding Balance of the Mortgage Participations and Mortgage Transfer Certificates with a delinquency of more than ninety (90) days (excluding the Outstanding Balance of the Mortgage Participations and of the Mortgage Transfer Certificates in arrears for more than 18 months and those the mortgages whereof have been foreclosed) and (ii) the Outstanding Balance of the Mortgage Portfolio. The calculation date of each monthly Delinquency Ratio will be each Determination Date and the last day of each calendar month, during the three months preceding the Determination Date (for the purpose of calculating the possibility of reducing the Reserve Fund).

C) Exceptional rules for repayment, with subordination among the various Series

If the Pro Rata Repayment Conditions contemplated above are not met after the Series A1 Securitisation Bonds have been fully repaid, the various series shall be repaid with subordination between series as described below.

● **Repayment of Series B Securitisation Bonds**

Once the Series A1 and Series A2 Securitisation Bonds have been repaid in full, as contemplated above, the Series B Securitisation Bonds will be repaid by deducting pro rata from the par value on each Payment Date, until it is completed, from the amount existing in the Capital Repayment Fund at that Payment Date.

The first repayment of Series B Securitisation Bonds will be made on the first Payment Date on which, after the Series A1 and Series A2 Securitisation Bonds have been repaid in full, there is a positive balance in the Capital Repayment Fund.

The final repayment of Series B Securitisation Bonds will be made on the Final Repayment Date, July 15, 2036 or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

● **Repayment of Series C Securitisation Bonds.**

Once the Series A1, A2 and B Securitisation Bonds have been repaid in full, the Series C Securitisation Bonds will be repaid by deducting pro rata from the par value on each Payment Date, until it is completed, from the amount existing in the Capital Repayment Fund at that Payment Date.

The first repayment of Series C Securitisation Bonds will be made on the first Payment Date on which, after the Series A1, A2 and B Securitisation Bonds have been repaid in full, there is a positive balance in the Capital Repayment Fund.

The final repayment of Series C Securitisation Bonds will be made on the Final Repayment Date, July 15, 2036, or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

● **Repayment of Series D Securitisation Bonds.**

Once the Series A1, A2, B and C Securitisation Bonds have been repaid in full, the Series D Securitisation Bonds will be repaid by deducting pro rata from the par value on each Payment Date, until it is completed, from the amount existing in the Capital Repayment Fund at that Payment Date.

The first repayment of Series D Securitisation Bonds will be made on the first Payment Date on which, after the Series A1, A2, B and C Securitisation Bonds have been repaid in full, there is a positive balance in the Repayment Fund.

The final repayment of Series D Securitisation Bonds will be made on the Final Repayment Date, July 15, 2036 or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

WARNINGS

Uncertainty of certain information: All information contained in the Folleto relating to payments of interest, repayment of principal, average life and returns, together with the cash flow tables are mere indications, for illustrative purposes only, of the financial structure of the issue.

Default and early repayment of the Mortgage Participations and the Mortgage Transfer Certificates: The risk of delays and defaults in payment of the partly securitised Mortgage Loans and the risk of their early repayment and

consequently of the Mortgage Participations and the Mortgage Transfer Certificates, and the risk of early repayment of the Securitisation Bonds will be borne by the Bondholders.

Other considerations: When reading the information contained in this Folleto, the considerations on implications and risks contained in section II.4.2 of this Folleto should be taken into account.

ORDER OF PRIORITY OF PAYMENTS

The order of priority of payments, set out in detail in section V.5.1.B).2. of the Folleto, is as follows:

The Gestora, on behalf of the Issuer, will on each Payment Date apply the amount available to it as described in section V.5.1.B).1 of this Folleto (hereinafter the “**Available Funds**”) to the following payments and withholdings, in accordance with the priority of payments set out below:

- 1st Payment of the ordinary and extraordinary expenses of the Issuer, whether funded or not by the Gestora and duly evidenced, including the management fee due to the latter and the remaining expenses and fees for services. In this order payments will only be made to CAIXA CATALUNYA and in relation to the management of the Mortgage Participations and the Mortgage Transfer Certificates, for expenses it has advanced or funded for the account of the Issuer and for the amounts to be reimbursed, all duly evidenced.
- 2nd Payment of fees and interest and repayment of principal accrued for the Liquidity Line
- 3rd Payment to CAIXA CATALUNYA or, as may be the case, the entity substituted for it, of the Net Swap Amount of the Securitisation Bonds and, in case of termination of such Agreement for non-performance by the Issuer, payment of the amount due by the Issuer that corresponds to the termination payment of the Swap Agreement.
- 4th Payment of interest accrued on the Series A1 and Series A2 Securitisation Bonds.
- 5th Payment of interest accrued on the Series B Securitisation Bonds, unless that payment is deferred as provided for below.
- 6th Payment of interest accrued on the Series C Securitisation Bonds, unless that payment is deferred as provided for below.
- 7th Payment of interest accrued on the Series D Securitisation Bonds, unless that payment is deferred as provided for below.
- 8th Withholding of an amount sufficient to make the Provision maintain the Capital Repayment Fund as provided for in section II.11.3.5. of this Folleto.
- 9th Withholding of a sufficient amount to maintain the Required Reserve Fund pursuant to section V.3.5. This allocation shall not be made on the last Payment Date or date of liquidation of the Issuer.
- 10th Payment of interest accrued on the Series B Securitisation Bonds, whenever this payment is deferred.
- 11th Payment of interest accrued on the Series C Securitisation Bonds, whenever this payment is deferred.
- 12th Payment of interest accrued on the Series D Securitisation Bonds, whenever this payment is deferred.
- 13th Payment of the Swap Agreement, in the event of termination of said Agreement due to default of the counterpart, payment of the amount payable by the Issuer entailing payment for settlement of said Swap Agreement.
- 14th Payment of Fixed Remuneration accrued on the Subordinated Loan.
- 15th Repayment of the principal amount of the Subordinated Loan as established in Section V.3.3. of the Folleto.
- 16th Payment of the Variable Remuneration of the Subordinated Loan.

Extraordinary rules of priority of payments by the Issuer:

- Payment of interest accrued by the Series B Securitisation Bonds on a Payment Date will move from priority 5th to priority 10th in the priority of payments established above whenever on a Determination Date: The difference between (i) the Outstanding Principal Balance of Series A1 and Series A2 Securitisation Bonds and (ii) the

positive difference between the Available Funds on a Payment Date minus the amounts necessary to meet the payment obligations established in sections 1st to 5th above is higher than the sum of the Outstanding Balance of the Mortgage Portfolio and the Repayment Account (or any account that may replace it).

- Payment of interest accrued by the Series C Securitisation Bonds on a Payment Date will move from priority 6th to priority 11th in the priority of payments established above whenever on a Determination Date the difference between (i) the sum of the Outstanding Principal Balance of Series A1 and Series A2 Securitisation Bonds and (ii) the positive difference between the Available Funds on a Payment Date and the amounts necessary to meet the payment obligations established in sections 1st to 6th above (considering the payment of interest on Series D Bonds has been deferred) is greater than the sum of Outstanding Balance of the Mortgage Portfolio and the Repayment Account. (or any account that may replace it).
- Payment of interest accrued by the Series D Securitisation Bonds on a Payment Date will move from priority 7th to priority 12th in the priority of payments established above whenever on a Determination Date the difference between (i) the sum of the Outstanding Principal Balance of Series A1, A2, B and C Securitisation Bonds, and (ii) the positive difference between the Available Funds on a Payment Date and the amounts necessary to meet the payment obligations established in sections 1st to 7th above is greater than the sum of the Outstanding Balance of the Mortgage Portfolio and the Repayment Account (or any account that may replace it).

If CAIXA CATALUNYA is substituted as administrator of the Mortgage Loans by another entity, a commission, which will be due to the third party appointed as new administrator, will take 1st place in the priority of payments referred to above, and consequently the rest of the payments on the list will be renumbered.

Additionally, if as the consequence of the drop in rating of the CAIXA CATALUNYA debt, CAIXA CATALUNYA is substituted as Calculation Agent of the Guaranty of the Swap Agreement by another entity, as described in section V.3.4. of the Folleto, a commission, which will be due to the third party appointed as the new Calculation Agent of the Guaranty, will take 8th place in the priority of payments referred to above (or 9th place if the administrator has been substituted as envisaged in the preceding paragraph) and consequently the rest of the payments on the list will be renumbered.

CLAIMS

Neither the Issuer nor the Bondholders will have claims against CAIXA CATALUNYA or against the Gestora, respectively, other than those derived from any inaccuracy in the representations and warranties described in Section IV.1.a) of this Folleto and/or the non-fulfilment of their respective functions and, therefore, never as a consequence of default or early repayment of the Mortgage Loans.

NATURE OF THIS INFORMATION

This information is a FOLLETO INFORMATIVO for the purposes of Royal Decree 926/1998 and regulations issued thereunder, and was filed at the Official Registry of the CNMV on June 7., 2004.

The Sociedad Gestora, GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A., which establishes and manages the Issuer, is responsible for the contents of the Folleto (without prejudice to the responsibility assumed by the other intervening entities).

The registration of the Folleto by the Spanish Securities Market Commission does not imply a recommendation to subscribe for the securities to which it refers or any statement in any sense about the solvency of the Issuer, or the return on the securities being issued or offered.

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CHAPTER I PERSONS RESPONSIBLE FOR THE CONTENTS OF THE FOLLETO AND REGULATORY BODIES

I.1 Persons responsible for the contents of the Folleto

I.1.1. Name, surname, national identity card number or personal identification document number and position or authority of the person or persons who, on behalf of the Gestora, are responsible for the contents of the Folleto.

Mr. CARLOS FRUNS MONCUNILL, of legal age, with I.D. Card Number 36.958.081, acting for and on behalf of GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A., as General Manager and by virtue of the powers conferred by the Board of Directors at its meeting on April 23, 2004, assumes responsibility for the contents of the Folleto.

GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A., with registered office in Fontanella, 5-7, 08010 Barcelona, with Tax Identification Number A61604955 is arranger of HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS (the "Issuer") and will be responsible for the management and legal representation of the Issuer.

I.1.2. Statement that in the opinion of such person or persons the information contained in the Folleto is accurate and that no fact has been omitted which may affect such information.

Mr. CARLOS FRUNS MONCUNILL confirms that, in his opinion, the data and information contained in this Folleto are true and that no relevant fact has been omitted or is misleading.

I.2. Regulatory bodies

The Folleto regarding the establishment of the Issuer and the issue of the Securitisation Bonds (the "Securitisation Bonds"), has been registered in the official registers of the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission – "CNMV") on June 7, 2004.

The registration of the Folleto by the CNMV does not imply any recommendation to purchase the securities described in the Folleto or any opinion in any way whatsoever on the solvency of the Issuer or the return on the securities issued or offered.

I.3. Auditors' Report

Name, registered office and qualification of the auditors who have verified the number, amount and characteristics or attributes of the assets being securitised through the Issuer.

Annex 4 of the Folleto contains the Auditors' Report (hereinafter, the "Auditors' Report") regarding a selection of the portfolio of partly securitised mortgage loans granted by CAIXA CATALUNYA, from which will be taken those used as a base to issue the Mortgage Participations and the Mortgage Transfer Certificates grouped in the Issuer. This Report has been drawn up by Deloitte España, S.L., registered with the R.O.A.C. with number S0692 and with registered office in Madrid, calle Raimundo Fernández Villaverde, 65. This audit considers both quantitative and qualitative attributes of the selected mortgage loans and, in particular,

- Identification of the first drawdown
- Address of the mortgaged property
- Date of origination of the first drawdown of the loan
- Maturity date of the first drawdown of the loan
- First drawdown of the loan
- Current balance of the first drawdown of the loan
- Initial interest rate

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- Relevant interest rate
- Use of the first drawdown of the loan
- Appraisal value
- Mortgage loan limit /appraisal value ratio
- Fire coverage
- Security interest by way of first mortgage
- Payment delay.

The Auditors' Report was performed using sampling techniques through the analysis of a number of transactions (sample) lower than the total selection of transactions (population) making it possible to draw a conclusion on that population. The verification relates to the attributes described above.

CAIXA CATALUNYA undertakes, as provided for in section IV.1.e) of this Folleto that if, despite its own checks and those made by the firm of auditors, the existence of any Mortgage Loan or First Drawdown of a Mortgage Loan is detected that does not fully comply on the Establishment Date with the representations and warranties contained in section IV.A.a) of this Folleto, it will proceed forthwith to the substitution of the respective Mortgage Participations or Mortgage Transfer Certificate or to their early repayment, as appropriate, as provided for in said section IV.1.e).

CHAPTER II
INFORMATION RELATING TO THE SECURITIES WHICH ARE ISSUED BY THE ASSET
SECURITISATION FUND

II.1 Information about the requirements and prior agreements necessary for the establishment of the Issuer and about the securities which are issued by this Issuer as well as the conditions for the Issuer to acquire the assets which are being securitised.

II.1.1. Resolutions for the issue and legal requirements.

a) Corporate resolutions

Resolution for assignment of the Mortgage Participations and the Mortgage Transfer Certificates:

The Board of Directors of CAIXA CATALUNYA resolved, in its meeting on April 20, 2004, to make an assignment of credit rights deriving from the First Drawdowns, to be instrumented through the issuance of the Mortgage Participations and the Mortgage Transfer Certificates to be fully subscribed for by the Issuer at the time of its establishment. **Annex 1** of this Folleto contains a photocopy of the Certificate of the Resolutions of the Board of Directors of CAIXA CATALUNYA.

Resolution to establish the Issuer:

The Board of Directors of the Gestora, in its meeting on April 23, 2004 resolved:

- a) The establishment of HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS.
- b) Subscription by the Issuer of the Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA ; and
- c) The issue of Securitisation Bonds by the Issuer.

Annex 2 of this Folleto contains a photocopy of the Certificate of the Resolutions of the Board of Directors of the Gestora.

(b) Registration by the Comisión Nacional del Mercado de Valores

A condition precedent for the establishment of the Issuer and the issue of the Securitisation Bonds is their registration in the official registers of the CNMV.

This Folleto regarding the establishment of the Issuer and the issue of the Securitisation Bonds has been registered by the CNMV in its official registers June 7,, 2004.

(c) Execution of the public Deed of Constitution of the Issuer.

After the date of registration by the CNMV of the Folleto and within the following seven (7) Business Days, the Gestora, together with CAIXA CATALUNYA, will execute the public Deed of Constitution of HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS, of the issue of and subscription for the Mortgage Participations and the Mortgage Transfer Certificates and of the issue of the Securitisation Bonds (the "**Deed of Constitution**" or the "**Deed**").

This Deed of Constitution will be sent to the CNMV to be included in the official registers of the CNMV prior to the commencement of the Subscription Period for the Securitisation Bonds.

II.1.2 Information relating to the conditions precedent and prior agreements for admission to the Stock Exchange or organised secondary market.

On the date of execution of the Deed of Constitution, the Gestora will apply immediately for the listing of this issue of Securitisation Bonds on the AIAF, Mercado de Renta Fija ("**Mercado AIAF**").

It is expected that the definitive admission to listing on the Mercado AIAF will occur no later than thirty (30) days from the Closing Date.

Likewise, the Gestora, for and on behalf of the Issuer, will apply for the inclusion of the Securitisation Bonds on the book-entry registry of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (hereinafter, "**Iberclear**") so that the clearing of the Securitisation Bonds is carried out in accordance with the operating rules established or approved in the future by Iberclear in respect of the securities listed on Mercado AIAF and represented by book entry.

II.2. Prior administrative authorisation for the issue.

No prior administrative authorisation is required other than the verification and registration of this Folleto relating to the establishment of the Issuer and the issue of the Securitisation Bonds by the CNMV.

The CNMV has not issued any warning or consideration in respect of the establishment of the Issuer or of the issue of the Securitisation Bonds.

II.3. Evaluation of the risk inherent in the Securitisation Bonds issued by the Issuer.

The Gestora has requested the credit risk assessment of the Securitisation Bonds from MOODY'S INVESTORS SERVICE ESPAÑA, S.A. (hereinafter "**MOODY'S**"), FITCH RATINGS ESPAÑA, S.A.U. (hereinafter "**FITCH**") and STANDARD & POOR'S ESPAÑA, S.A. (hereinafter "**S&P**") (and all three together the "**Rating Agencies**"), agencies recognised by the CNMV in accordance with the provisions of Royal Decree 926/1998 and which operate in accordance with the methodology, criteria and quality control of Moody's Investors Service, of Fitch Ratings and of Standard & Poor's, respectively.

Provisional rating assigned to the issue of the Securitisation Bonds.

On June 1, 2004, MOODY'S, FITCH and S&P respectively assigned the provisional rating of "Aaa", "AAA" and "AAA" respectively to the Series A1 and Series A2 Securitisation Bonds, the provisional rating of "Aa3", "AA" and "AA" respectively to the Series B Securitisation Bonds, the provisional rating of "A2", "A+" and "A+" respectively to the Series C Securitisation Bonds and the provisional rating of "Baa2", "BBB" and "BBB" respectively to the Series D Securitisation Bonds (the "**ratings**") and they expect to assign final ratings of "Aaa", "AAA" and "AAA" respectively to the Series A1 and Series A2 Securitisation Bonds, of "Aa3", "AA" and "AA" respectively to the Series B Securitisation Bonds, of "A2", "A" and "A+" respectively to the Series C Securitisation Bonds, and of "Baa2", "BBB" and "BBB", respectively to the Series D Securitisation Bonds, before the commencement of the Subscription Period for the Securitisation Bonds.

If before the commencement of the Subscription Period the Rating Agencies do not confirm any of the ratings granted provisionally to the Securitisation Bonds of each of the Series, this circumstance will be communicated immediately to the CNMV and will be publicly announced in the form set out in Section III.5.3.b)2).

The non-confirmation as final of the provisional ratings granted to the Securitisation Bonds in any of the Series before the commencement of the Subscription Period will give rise to the termination of the constitution of the Issuer, of the issue of and subscription for the Mortgage Participations and the Mortgage Transfer Certificates and of the issue of and subscription for the Securitisation Bonds.

Annex 3 of this Folleto contains a copy of the letters communicating the ratings from the Rating Agencies.

Considerations relating to the rating.

The rating is an opinion of the Rating Agencies regarding the credit risk level and the ability of the Issuer to make prompt payments of interest on their due date and of principal throughout the life of the issue, and in any case, before the legal maturity of the transaction. It represents an evaluation of the probability of the Bondholders' receiving the relevant payments on the due dates.

a) MOODY'S Rating

The MOODY'S rating for this transaction measures forecast loss before the Final Repayment Date. The structure measures prompt payment of interest and repayment of

principal throughout the life of the operation and in any event before the legal maturity of the operation on July 15, 2036 (defined as the Final Repayment Date). The ratings of MOODY'S Investors Service used by MOODY'S for issues of short-term and long-term debt are the following:

Long-term
Aaa
Aa
A
Baa
Ba
B
Caa
Ca
C

Short-term
Prime-1
Prime-2
Prime-3
Not Prime

The meaning given by Moody's to the long-term granted provisionally to the Securitisation Bonds and short-term ratings used in this Folleto are described below:

Long-term:

Aaa: Securitisation Bonds rated as "Aaa" are considered to have the best possible quality. They involve the lowest investment risk and are generally known as of "maximum guarantee". Payment of interest is guaranteed by a wide or an exceptionally stable margin, and the principal is safe. They are only allocated in cases where the capability to refund principal and to pay interest on financial obligations promptly is exceptionally strong.

Aa: Securitisation Bonds rated as "Aa" are considered to be high quality under all criteria. Together with group Aaa, they form what are generally known as "high degree" Securitisation Bonds. The capability to refund principal and pay interest promptly is very strong. They are rated below the best Securitisation Bonds, because their margins of protection may not be as wide as those of Aaa securities, or the variability of elements of protection may be broader, or other elements may be present meaning that the long-term risk may be to some degree higher than that of Aaa securities.

A: Securitisation Bonds rated as "A" have many favourable attributes for investment, and are considered to be Securitisation Bonds of the "medium-high degree" and the capability to refund principal and to pay interest promptly is strong. The factors providing safety to the principal and to interest payments are considered adequate, but other elements may exist to indicate that they may be apt to weaken in future.

Short-term:

P-1: Excellent capability to meet payments on the Securitisation Bonds at the short term.

P-2: Strong capability to repay the Securitisation Bonds at the short term.

MOODY'S applies the numerical modifiers 1, 2 and 3 to each long-term rating category between Aa and B, both included. Modifier 1 indicates credits which fall in the upper band of each general rating category, modifier 2 indicates credits which fall in the middle band of each rating category and modifier 3 those credits found in the lower band.

MOODY'S rating takes into account the structure of the Bond issue, the legal aspects of the issue and of the Issuer, the characteristics of the selected Mortgage Loans and the regularity and continuity of flows of the transaction.

MOODY'S ratings do not constitute a valuation of the probability that the Mortgagors make early repayments of capital, nor does it assess the extent to which such early repayments may differ from those originally envisaged. The ratings are in no way an indication of the rating of the actuarial level of income.

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

- (i) are calculated by MOODY'S on the basis of various information which it receives, the accuracy and completeness of which MOODY'S does not guarantee so that MOODY'S is in no way responsible for this information; and
- (ii) do not constitute and, therefore, cannot be interpreted in any way as an invitation, recommendation or incitement directed to investors to carry out any type of transaction involving the Securitisation Bonds or, in particular, to purchase, keep, pledge or sell the Securitisation Bonds.

The final ratings may be reviewed, suspended or withdrawn at any moment by MOODY'S on the basis of any information of which it may become aware. Such situations, which will not constitute causes of early cancellation of the Issuer, will be communicated immediately both to the CNMV as well as the Bondholders in accordance with the provisions of Section III.5.3.

In carrying out the rating process and its subsequent follow up, MOODY'S relies on the accuracy and completeness of the information which the Gestora, the auditors, the lawyers and other experts provide.

b) FITCH rating

The ratings used by FITCH for long-term and short-term debt issues are the following:

Long-term	Short-term
AAA	F1+
AA+ AA	
AA-	
A+ A	F1
A-	
BBB+	F2
BBB BBB-	F3
BB+ BB BB-	
B+ B B-	B
CCC+ CCC CCC- CC C	C
DDD DD D	D

The meaning given by FITCH to the long and short-term ratings used in this Folleto are described below:

Long-term:

AAA: Maximum credit quality. "AAA" ratings indicate the lowest expectation of credit risk. They are only allocated in cases where the capability to refund principal and to pay interest on financial obligations promptly is exceptionally strong. It is most unlikely that this capability would be negatively affected by foreseeable events.

AA: Very high credit quality. "AA" ratings indicate that there is a very low expectation of credit risk. The capability to refund principal and pay interest promptly is very strong. This capability is not very vulnerable to foreseeable events.

A: High credit quality. "A" ratings indicate a low expectation of credit risk. Capability to refund principal and to pay interest promptly is strong. However, this capability may be more vulnerable to changes in circumstances and in economic conditions in comparison with the higher ratings.

Short-term:

F1: Maximum credit quality. It indicates the strongest capability to meet the payment of obligations promptly.

F2: Good credit quality. It indicates strong capacity to meet the payment of obligations, but is more vulnerable than in the case of the highest ratings.

FITCH may add "+" or "-" to a rating to indicate a relative position within the rating categories. However, these signs may not be added to the "AAA" long-term rating, to ratings lower than "CCC" or to short-term ratings other than F1.

The FITCH rating regarding credit risk is an opinion about the ability of the Securitisation Bonds to make the prompt payment of interest and principal throughout the effectiveness of the transaction and, in any event, before its maturity pursuant to law.

This rating is based on the quality of the securitised loans, on the credit enhancement and on legal and financial aspects of the Bond issue.

The FITCH rating does not constitute an evaluation of the risk that the Mortgagors make early repayments or repay the full amount of the principal of the securitised loans. The rating in no way attempts to evaluate the rate of return received by the investors.

To carry out its analysis, FITCH has relied on the accuracy and completeness of the information provided by the Gestora, the auditors, the lawyers and other experts.

The FITCH definitive rating may be reviewed, suspended or withdrawn on the basis of any information of which it becomes aware or due to the non-availability of information or for any other reason. Such situations, which will not constitute events of early repayment of the Issuer, will be reported immediately to the CNMV and to the Bondholders, as provided for in section III.5.3.

This rating does not constitute a recommendation to purchase, sell or keep the Securitisation Bonds.

c) S&P rating

The ratings of S&P for medium- and long-term issues on the one hand and for short-term issues on the other hand are as follows:

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

AA to CC ratings for long-term debt may be modified with a + or – sign, indicating the relative position in each category.

The meaning given by S&P to the long- and short-term ratings used in this Folleto are described below.

Long Term

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- AAA** S&P Rating Services grants AAA rating to debt issues the capability of which to pay interest and to repay principal is extremely strong.
- AA** S&P grants AA rating to debt issues with a very strong capability to pay interest and to repay principal. It differs from AAA rating issues only by a minor degree.
- A** The A rating is granted to debt with a strong capability to pay interest and repay principal, although it is somewhat more susceptible to the effects of changes in circumstances and adverse economic conditions than debt in the higher categories.
- BBB** A debtor with BBB rating has an adequate capability to fulfil its financial obligations. However, it is more probable that adverse economic conditions or a change of circumstances could weaken the debtor's capacity to fulfil its financial obligations

Short term

- A-1** A debtor with "A-1" rating has strong capability to fulfil its financial obligations. It is Seriesified in the highest category of S&P Rating Services, Within this category, certain debtors are Seriesified with a plus sign (+). This means that the debtor has extremely strong capability to fulfil its financial obligations.
- A-2** A debtor with "A-2" rating has adequate capability to fulfil its financial obligations. However, it is more probable that adverse economic conditions or a change of circumstances could weaken the debtor's capability to fulfil its financial obligations.

The rating is an opinion of the agency relating to the credit risk, the capability of the Issuer to make payments of interest on each Payment Date and of the principal of the issue within the life of the transaction and always before its maturity (defined and Final Repayment Date) . It does not analyse the degree of probability that the dates of repayment of the mortgage loans may change in comparison with those initially estimated.

The rating is not a recommendation to buy, sell or keep securities. It is an opinion, and need not release the potential investors from the necessity to make their own analyses of the Bonds.

The ratings may be reviewed, suspended or withdrawn at any moment by S&P on the basis of any information of which it may become aware. Such situations, which will not constitute causes of early cancellation of the Issuer, will be communicated immediately to both the CNMV and the Bondholders in accordance with the provisions of Section III.5.3. of this Folleto.

In carrying out the rating process and its subsequent follow up, S&P relies on the accuracy and completeness of the information provided to it by the Gestora, the auditors, the lawyers and other experts.

Obligations of the Gestora.

The Gestora, on behalf of the Issuer, will periodically provide the Rating Agencies with regular information regarding the situation of the Issuer and the performance of the Mortgage Participations and the Mortgage Transfer Certificates. Also, it will provide this information whenever it is reasonably requested to do so and, in any case, when there is a change in conditions of the Issuer, the contracts entered into by the Gestora on behalf of the Issuer or other interested party.

II.4. Nature and denomination of the Securitisation Bonds which are being offered.

The aggregate nominal amount of Securitisation Bonds being issued is of 1,400,000,000 Euro divided into 14,000 Securitisation Bonds. The aggregate nominal amount will be divided into five (5) Series of Securitisation Bonds as described in section II.6 below.

II.4.1. Legal status of the securities with reference to the procedures which ensure the enforceability of the rights of the first holder and subsequent holders. Impact on the financial service of each Series of securities being issued by the Issuer of the necessary link between the calendar of payments of principal and interest of the securities and the flows of revenues and expenses arising from the assets being securitised by the Issuer.

The establishment of the Issuer and the issue of the Securitisation Bonds by the Issuer will be carried out under the provisions of Royal Decree 926/1998 and by Law 19/1992 to the extent it is applicable for all matters not contemplated in Royal Decree 926/1998.

The Bondholders will be identified as such according to the accounting records held by Iberclear, and certificates of ownership will be issued at the request and expense of the Bondholder. It is forecast that the Gestora will also request registration of the Securitisation Bonds in the Clearstream and Euroclear systems.

The Securitisation Bonds may be freely transferred in any manner permitted by law. Title to each Bond will be transferred by book-entry. The registration on the accounting records of the transfer to the purchaser will have the same effect as the delivery of the securities and from that moment the transfer will be enforceable against third parties.

To cover mismatch in time between the schedule of principal and interest payment flows from the Mortgage Participations and the Mortgage Transfer Certificates and that for the Securitisation Bonds issued, the Gestora, representing the Issuer (i) will set up a Reserve Fund intended to reinforce certain payment obligations for the Issuer's account, (ii) will enter into a Guaranteed Interest Reinvestment Agreement for the Treasury Account with CAIXA CATALUNYA for the investment of amounts received by the Issuer from the Mortgage Participations and the Mortgage Transfer Certificates, inter alia, guaranteeing a specific return; (iii) will enter into a Guaranteed Interest Reinvestment Agreement for the Repayment Account with CAIXA CATALUNYA, pursuant to section V.3.2. of this Folleto; (iv) will enter into a Liquidity Line to meet certain payment obligations of the Issuer payments priority; and (v) will execute with CAIXA CATALUNYA a Swap Agreement whereby CAIXA CATALUNYA will make payments to the Issuer calculated on the base of the rate of interest of the Securitisation Bonds and the Issuer will make payments to CAIXA CATALUNYA taking as reference the interest on the Mortgage Participations and the Mortgage Transfer Certificates, which may also have a deposit in cash made by CAIXA CATALUNYA from which the Gestora, on behalf of the Issuer, may only draw in the event of a default of the Swap Agreement by CAIXA CATALUNYA and which will remain in effect as long as CAIXA CATALUNYA has a rating for non-subordinated and non-guaranteed debt of below A1 according to MOODY'S long-term debt ratings.

II.4.2. Other implications and risks.

a) Risk of default on the Mortgage Participations and the Mortgage Transfer Certificates.

The Bondholders will bear the risk of non-payment of the Mortgage Participations and/ or the Mortgage Transfer Certificates forming the Fund. CAIXA CATALUNYA is in no way responsible for the non-payment by the Mortgagors of principal, interest or any other amount which may be due under the Mortgage Loans.

Neither will CAIXA CATALUNYA assume in any other way any responsibility for guaranteeing directly or indirectly the successful outcome of the transaction, it will not grant guarantees or sureties and it will not enter into covenants to repurchase Mortgage Participations or the Mortgage Transfer Certificates, with the exception of those that do not comply with the representations and warranties contained in section IV.1.a) of this Folleto, and in accordance with its provisions.

b) Risk of early repayment of the Mortgage Participations and the Mortgage Transfer Certificates.

The Mortgage Participations and the Mortgage Transfer Certificates forming the Issuer may be repaid early when the Mortgagors make an early repayment, on the terms envisaged in each of the

agreements of assignment of the Mortgage Loans from which the Mortgage Participations and the Mortgage Transfer Certificates derive, of the outstanding part of the capital of the First Drawdowns.

The risk entailed by early repayment will be shifted on quarterly, on each Payment Date, to the Bondholders through the partial repayment of the Securitisation Bonds, as provided for in section II.11.3 of this Folleto.

c) Other considerations:

Uncertainty of certain information

All information contained in the Folleto relating to payments of interest, repayment of principal, average life and returns, together with the cashflow tables are mere indications, for illustrative purposes only, of the financial structure of the issue.

Limited Protection

An investment in the Securitisation Bonds may be effected, inter alia, by the deterioration in general economic conditions having a negative effect on payments of the Mortgage Loans underlying the issue of Securitisation Bonds of the Issuer. If defaults in payment reach a high level, they could reduce or even restrict the limited protection provided to the Securitisation Bonds against the losses in the credit portfolio by the enhancement operations described in this Folleto.

Likewise, the degree of subordination in the payment of interest and repayment of principal of Series B Securitisation Bonds with regard to Series A Securitisation Bonds, of Series C Securitisation Bonds with regard to Series B and Series A Securitisation Bonds, and of Series D Securitisation Bonds with regard to Series C, Series B and Series A Securitisation Bonds, deriving from their positions in the order of priority of payments in the Issuer, constitutes a different mechanism of protection for each of the Series.

Limited Guarantee

The Securitisation Bonds issued by the Issuer do not represent or constitute an obligation of the Gestora or of CAIXA CATALUNYA. The cash flow generated by the Mortgage Participations and the Mortgage Transfer Certificates used to meet the obligations arising out of the Securitisation Bonds is secured or guaranteed only in the specific circumstances and up to the limits mentioned in this Folleto. With the exception of these guarantees, no other guarantees have been granted by any public or private entity, including among these CAIXA CATALUNYA, the Gestora and any affiliate or partly-owned company of either of the above.

In the Deed of Constitution, CAIXA CATALUNYA will grant a series of representations and warranties on the characteristics of the Mortgage Loans, of the First Drawdowns and of the Mortgage Participations and the Mortgage Transfer Certificates, as regards the existence of the Mortgage Loans and of the First Drawdowns and of the mortgages relating to them, on the absence of any obstacle to issue the Mortgage Participations and the Mortgage Transfer Certificates, and that these conform to the characteristics of the Mortgage Loans defined in the said Mortgage Participation. CAIXA CATALUNYA does not guarantee in any way the solvency of the Mortgagors of the Mortgage Loans. Moreover, these guarantees do not permit the Bondholders to assert against CAIXA CATALUNYA any right that they may have against the Issuer, and the Gestora is the only entity authorized to represent the Bondholders in relations with third parties or in any legal proceeding relating to the Issuer.

Limited Liquidity

There is no guarantee that the Securitisation Bonds will ever be traded on the market with a given frequency or minimum volume.

There is no undertaking that any entity will act as broker in secondary trading, giving liquidity to the Securitisation Bonds by offering a counterpart.

The Issuer will never be able to repurchase the Securitisation Bonds from the Bondholders although the Securitisation Bonds may be repaid early in full in the events of early liquidation of the Issuer described in section III.8.1 of this Folleto.

Return

Early repayment of the Mortgage Loans is influenced by a variety of geographical, economic and social factors, such as the Mortgagors' age, the season of the year, rates of interest on the market and unemployment, preventing any prediction of such early repayment.

Calculation of the internal rate of return, of the average life and of the duration of the Securitisation Bonds is subject, inter alia, to hypotheses of early repayment rates that may not occur, and to future rates of interest on the market, given the floating nature of the nominal rate of interest of each Series.

Default interest.

The existence of delay in the payment of interest or the repayment of principal to the Bondholders will never give rise to the accrual of default interest payable to them.

II.5. Form of representation, name and registered office of the entity responsible for the accounting records.

The Securitisation Bonds issued by the Issuer will be held in book entry form, with Iberclear, an institution registered in Madrid, calle Pedro Texeira, 8. In this connection, it is placed on record that the Deed of Constitution will have the effects envisaged in article 6 of Law 24/1988.

Complying with the provisions of article 6 of Royal Decree 116/1992 of 14 February, on the representation of securities by means of book-entries, the name, number of units, nominal value and other characteristics and conditions of the Bond issue represented by book entry are those that will be placed on record in the Deed of Constitution as set out in chapter II of this Folleto.

It is forecast that the Gestora will also request registration of the Securitisation Bonds on the Clearstream and Euroclear clearance systems.

II.6. Aggregate nominal amount of the securities issued by the Issuer, amount and numbering of the individual securities, in each case, identifying the Series forming the Issuer.

The aggregate nominal amount of the Securitisation Bonds will be 1,400,000,000 Euro and will be divided into 14,000 Securitisation Bonds. This aggregate nominal amount will be divided into five Series of Securitisation Bonds, distributed as set forth below:

- (i) **Class A Bonds:** ordinary Securitisation Bonds, divided in turn into two Series:
 - **Series A1**, with a total nominal amount of 160,000,000 Euro, divided into 1,600 Securitisation Bonds each with a nominal value of one hundred thousand (100,000) euro (hereinafter, the "**Series A1 Securitisation Bonds**" or the "**A1 Bonds**")
 - **Series A2**, with a total nominal amount of 1,148,300,000 Euro, divided into 11,483 Securitisation Bonds each with a nominal value of one hundred thousand (100,000) euro (hereinafter, the "**Series A2 Securitisation Bonds**" or the "**A2 Bonds**")
- (ii) **Class B Bonds:** Subordinate Securitisation Bonds, of a single Series, **Series B**, with an aggregate nominal amount of 21,700,000 Euro divided into 217 Securitisation Bonds, each with a nominal value of one hundred thousand (100,000) Euro (the "**Series B Securitisation Bonds**" or "**B Bonds**").
- (iii) **Class C Bonds:** Subordinate Securitisation Bonds, of a single Series, **Series C**, with an aggregate nominal amount of 42,000,000 Euro divided into 420 Securitisation Bonds, each with a nominal value of one hundred thousand (100,000) Euro (the "**Series C Securitisation Bonds**" or "**C Bonds**").
- (iv) **Class D Bonds:** Subordinate Securitisation Bonds, of a single Series, **Series D**, with an aggregate nominal amount of 28,000,000 Euro divided into 280 Securitisation Bonds, each with a nominal value of one hundred thousand (100,000) Euro (the "**Series D Securitisation Bonds**" or "**D Bonds**").

Subscription for or holding of Securitisation Bonds of one Series does not imply subscription for or holding of Securitisation Bonds of any other Series.

II.7. Nominal amount and issue price in Euro of each security.

The issue price of all Series of Securitisation Bonds will be one hundred thousand (100,000) Euro per Bond, free of taxes and subscription expenses for the subscriber. The Securitisation Bonds will be issued at 100 per cent of their nominal amount.

The redemption amount of the Securitisation Bonds will be one hundred thousand (100,000) Euro per Bond, equivalent to its nominal amount payable progressively on each Payment Date.

II.8. Commissions and related expenses to be borne by investors when subscribing for the securities issued by the Issuer.

The issue price in Section II.7 above is free of commissions and expenses for the subscriber.

II.9. Statement, if appropriate, of any commissions payable by the holders of the securities issued by the Issuer, necessarily represented by book entry for the inscription and maintenance of balances.

Expenses and commissions due as result of the inclusion of the Securitisation Bonds on the accounting registers of Iberclear will be charged to the Issuer, and will not be passed on to the Bondholders. However, the institutions which are members of Iberclear may charge the Bondholders, in accordance with existing legislation, commissions and expenses relating to the portfolio management. These commissions and expenses may be freely determined and must have been communicated to the Bank of Spain and/or to the CNMV as regulatory bodies of these institutions.

II.10. Interest rate section

II.10.1. Nominal interest rate

The Securitisation Bonds of each of the Series will accrue annual nominal interest at a variable rate calculated quarterly and paid quarterly on the Outstanding Principal Balance of the Securitisation Bonds in each Series, on each Payment Date provided that the Issuer has sufficient funds in the Treasury Account in accordance with the order of priority of payments for each Series set out in Section V.5.1.B).2. of the Folleto.

Withholdings, rates and taxes levied now or that may be levied in future on the capital, interest or returns of the Securitisation Bonds shall be solely for the account of the Bondholders and their amount shall be deducted, where appropriate, by the relevant entity in the manner laid down by law.

a) Accrual of interest

The term of the issue will be divided into successive Interest Periods consisting of the actual days between each Payment Date as set out in Section II.10.3 of the Folleto, including in each Interest Period the Initial Payment Date and excluding the Final Payment Date. The duration of the first Interest Period will consist of the actual days elapsed from, and including, the Closing Date (June 14, 2004), until, but excluding, the first Payment Date (October 15, 2004).

The nominal interest rate will accrue on the actual days existing in each Interest Period for which it has been calculated and interest will be calculated on the basis of a 360-day year.

b) Nominal interest rate

The nominal rate of interest accrued on each Series of Securitisation Bonds during each Interest Period will be equal to the sum of: (i) the EURIBOR reference rate for maturity at three (3) months, except for the first Interest Period, which will be the rate resulting from linear interpolation between the EURIBOR reference rate for maturity at six (6) months and the EURIBOR reference rate for maturity at three (3) months, taking into account the number of days of the first Interest Period, or in the case of this being substituted, the rate described in section (c) below, and (ii) a margin for each of the Series with the following breakdown:

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- o for Series A1 Securitisation Bonds: margin between 0.05% per cent and 0.10% per cent, both included, until July 15, 2005, and after such date, twice the margin applied;
- o for Series A2 Securitisation Bonds: margin between 0.14 per cent and 0.19 per cent, both included;
- o for Series B Securitisation Bonds: margin between 0.25 per cent and 0.35 per cent;
- o for Series C Securitisation Bonds: margin between 0.40 per cent and 0.60 per cent; and
- o for Series D Securitisation Bonds: margin between 0.80 per cent and 1.05 per cent.

converted to an equivalent rate of interest for a year of 360 days and rounded off to the nearest thousandth of a percentage point.

The margin applicable to the Securitisation Bonds of all series, stated as a percentage, shall be established by mutual agreement between the Lead Managers and the Joint Lead Manager before 10:00 (CET time) of the first day of the Subscription Period (June 9, 2004).

The final margin applicable to each of the Series of the Securitisation Bonds that may have been established shall be reported by fax to the Gestora by the Lead Managers and the Joint Lead Manager before 10:30 (CET time) on May 28, 2004.

Failing an agreement or should the Gestora fail to receive the reports from the Lead Managers and the Joint Lead Manager before the scheduled time, the Gestora shall establish the margin of the Securitisation Bonds, as set forth below:

- for Series A1 Securitisation Bonds: margin of 0-08%.
- for Series A2 Securitisation Bonds: margin of 0.17%.
- for Series B Securitisation Bonds: margin of 0.32%.
- for Series C Securitisation Bonds: margin of 0.55%.
- for Series D Securitisation Bonds: margin of 0.90%.

The Gestora shall report said margins before commencement of the Subscription Period to the Lead Managers, to the Joint Lead Manager and to the Underwriter and Placement Entities, for these to so inform the investors interested in the subscription of the Securitisation Bonds. Additionally, the Gestora shall also report this to the CNMV as additional information to the Folleto. The final margins applicable to the Securitisation Bonds shall be recorded in the Payment Certificate.

c) Interest rate determination

The reference rate of interest ("Reference Rate") to determine the nominal interest rate applicable to the Securitisation Bonds in each Series will be:

- (i) The EURIBOR rate ("EURO Interbank Borrowing Offered Rate") will be the 3 month EURIBOR rate that which is published on the "EURIBOR01" page of the REUTERS Screen (or such other page as may be substituted for it in this service), at 11.00 a.m.. C.E.T. (Brussels time, Central European Time) at the Interest Determination Time ("Momento de Fijación de Tipo"), as described in Section II.10.1.d) below. The "EURIBOR01" page on the REUTERS screen is the one which shows the contents of the "EURIBOR01" page in the REUTERS MONITOR MONEY RATES SERVICE. By way of exception, as contemplated in section II.10.1.b), the reference interest date for the first Interest Period shall be that resulting from a linear interpolation between EURIBOR rate for maturity at six (6) months and EURIBOR rate for maturity at three (3) months, taking into consideration the number of days of the First Interest Period.

To calculate the Reference Interest Rate of the first Interest Period, the following formula will be used:

$$I = [d-90]/90 \times E6 + [1-[(d-90)/90]] \times E3$$

Where:

I = Reference Interest Rate for the First Interest Period

D = Number of days of the interest Period

E6 = Reference Interest Rate EURIBOR at six (6) months

E3 = Reference Interest Rate EURIBOR at three (3) months

At present, said EURIBOR rate is the rate offered for interbank deposits at term in Euro, calculated as the daily mean of quotations supplied by a panel of 57 of the more active banks in the Euro zone. The rate is quoted on the calculation base of actual days until maturity and a 360-day year, and it is set at 11.00 h., C.E.T. time, expressed with three decimal figures.

- (ii) In the absence or impossibility of obtaining the reference interest rates set out in section (i) above, the substitute interest rate to be applied will be a rate equal to the simple arithmetic mean of the interbank interest rates offered for (non-transferable) deposits in Euro with maturity at three (3) months at the Interest Determination Time, declared by the financial institutions listed below:

- Deutsche Bank AG, London branch;
- Citibank, London branch;
- J.P. Morgan Securities Ltd.

In the event that it is not possible to apply the above substitute reference interest rate, due to the fact that one of the said institutions does not provide a continuous quotation, the interest rate to be applied will be the interest rate equal to the simple arithmetic mean of the interest rates quoted by the two remaining institutions.

If one of the two remaining institutions above ceases to provide a continuous quotation, the interest rate to be applied will be the last nominal interest rate applicable to the last Interest Period and will apply for all successive Interest Periods for as long as such circumstances continue.

If two of the institutions set out above recommence quotations, the substitute reference rate referred to above would again be applied pursuant to the preceding rules.

The Gestora will keep the contents lists from the REUTERS screen, or, as the case may be, the quotes published by the above mentioned institutions as accrediting documents for the EURIBOR rate.

d) **Interest Determination Time**

The nominal interest rate applicable to the Securitisation Bonds during each Interest Period will be set by the Gestora on behalf of the Issuer, on the second Business Day according to the TARGET (*TransEuropean Automated Real-Time Gross Settlement Express Transfer System*) calendar prior to each Payment Date, defined in Section II.10.3 below, at 11.00 a.m. (C.E.T.) on such day (the "**Interest Determination Time**") and will be applied for the following Interest Period.

The nominal rate of interest for the Securitisation Bonds during the first Interest Period will be determined as described in section (c) above, on the basis of the reference interest rate stipulated in that section, quoted at 11.00 a.m. (C.E.T.) on the second Business Day prior to the Closing Date, or on the immediately preceding Business Day if such day is not a business day according to the TARGET calendar, and it will be notified to the general public by a document issued by the Gestora to the Underwriters and Placers for these to pass on the information to investors interested in subscribing for the Securitisation Bonds. The Gestora will also so notify the CNMV, the Paying Agent, Mercado AIAF and Iberclear in the form set out in Section III.5.3.b) of the Folleto.

The applicable nominal interest rates for all Series of Securitisation Bonds for each Interest Period will be communicated to the Bondholders in the place and manner provided for in Section III.5.3.a).

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

For the purposes of this issue, "Business Days" will be considered as all those days that do not fall on:

- (i) a Saturday;
- (ii) a Sunday;
- (iii) the days which are not business days under the TARGET Calendar and which include 25 December and 1 January; and
- (iv) a public holiday in Madrid and/or Barcelona.

e) Informative table of the evolution of the reference interest rate to be used.

For illustrative purposes only, set out below are the EURIBOR rates with maturity at three months, as quoted on the dates indicated by REUTERS, "EURIBOR01" page, on certain dates corresponding to the Interest Determination Time as well as the nominal interest rates which accordingly would be applicable to the Securitisation Bonds on such dates, for an applicable margin of 0.08% for Series A1 Securitisation Bonds, 0.17% for Series A2 Securitisation Bonds, 0.32% for Series B Securitisation Bonds, 0.55% for Series C Securitisation Bonds and 0.90% for Series D Securitisation Bonds.

Interest Determination Date	Euribor 3 months	Securitisation Bonds Series A1	Securitisation Bond Series A2	Securitisation Bonds Series B	Securitisation Bonds Series C	Securitisation Bonds Series D
		8 pbs	17 pbs	32 pbs	55 pbs	90 pbs
15/04/2002	3,40800%	3,48800%	3,57800%	3,72800%	3,95800%	4,30800%
15/07/2002	3,41300%	3,49300%	3,58300%	3,73300%	3,96300%	4,31300%
15/10/2002	3,28100%	3,36100%	3,45100%	3,60100%	3,83100%	4,18100%
15/01/2003	2,80500%	2,88500%	2,97500%	3,12500%	3,35500%	3,70500%
15/04/2003	2,52000%	2,60000%	2,69000%	2,84000%	3,07000%	3,42000%
15/07/2003	2,09500%	2,17500%	2,26500%	2,41500%	2,64500%	2,99500%
15/10/2003	2,12000%	2,20000%	2,29000%	2,44000%	2,67000%	3,02000%
15/01/2004	2,05500%	2,13500%	2,22500%	2,37500%	2,60500%	2,95500%
14/04/2004	2,02500%	2,10500%	2,19500%	2,34500%	2,57500%	2,92500%
25/04/2004	2,03500%	2,11500%	2,20500%	2,35500%	2,58500%	2,93500%
25/05/2004	2,03500%	2,11500%	2,20500%	2,35500%	2,58500%	2,93500%

Euribor at six (6) months at May 25, 2004, used for interpolation in the first interest period is 2.065%

II.10.2. Reference to the ranking of interest payments on the securities issued by the Issuer in the priority of payments and precise indication of the sections and pages of the Folleto where the conditions relating to the priority of payment of the Issuer are described and specifically such conditions which affect the interest payments on such securities.

Payment of interest accrued on Series A1 and Series A2 Securitisation Bonds ranks 4th in the priority of payments as set out in section V.5.1.B).2 of the Folleto therefore without subordination in the payment of interest, between said two series of Securitization Bonds.

Payment of interest accrued on Series B Securitisation Bonds ranks 5th in the priority of payments as set out in section V.5.1.B).2 of the Folleto unless the conditions set out in that Section of the Folleto for its deferral are fulfilled, in which case it will rank 10th in the priority of payments.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

Payment of interest accrued on Series C Securitisation Bonds ranks 6th in the priority of payments as set out in section V.5.1.B).2 of the Folleto unless the conditions set out in that Section of the Folleto for its deferral are fulfilled, in which case it will rank 11th in the priority of payments.

Payment of interest accrued on Series D Securitisation Bonds ranks 7th in the priority of payments as set out in section V.5.1.B).2 of the Folleto unless the conditions set out in that Section of the Folleto for its deferral are fulfilled, in which case it will rank 12th in the priority of payments.

II.10.3. Dates, place, entities and the mechanics of the payment of interest

Interest on the Securitisation Bonds of all Series will be paid quarterly in arrear on 15 January, 15 April, 15 July and 15 October of each year (each a "**Payment Date**") until the Securitisation Bonds have been fully redeemed, in accordance with the procedure set out in section II.12 below.

In the event that any such day stated above is not a Business Day, payment of interest will be made on the immediately following Business Day and interest on the relevant Interest Period will accrue as described in section II.10.1.a), up to but excluding such Business Day.

The first interest payment for the Securitisation Bonds of all Series will take place on October 15, 2004, such interest accruing at the nominal rate stipulated in section II.10.1.b, from (and including) the Closing Date for the subscribers (June 14, 2004) as defined in section II.18.5 above, up to (but excluding) October 15, 2004.

Interest payable on each Payment Date in respect of each Interest Period will be calculated according to the following formula:

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

Where:

- I* = Interest payable on the relevant Payment Date.
- P* = Outstanding Principal Balance of the Securitisation Bonds of each Series on the first day of the Interest Period corresponding to the Payment Date.
- R* = Nominal interest rate expressed as an annual percentage.
- d* = Actual number of days elapsed during the relevant Interest Period.

Rounded to the nearest centime.

Both the interest accruing in favour of the Bondholders calculated as set out above and the amount of interest accrued and unpaid, will be notified to the Bondholders in the manner described in section III.5.3 below at least one (1) calendar day prior to each Payment Date.

Payment of interest accrued on the Securitisation Bonds will take place on each Payment Date, so long as the Issuer has sufficient resources in the Treasury Account for such payment according to the priority of payments established in section V.5.1.B).2 of this Folleto.

In the event that on any given Payment Date, the Issuer does not have enough funds to make a full or a partial payment of interest accrued on the Securitisation Bonds of any Series in accordance with the priority of payments set out in section V.5.1.B).2 of this Folleto, such amounts as the Bondholders have not received will be paid on the following Payment Date on which the Issuer has enough funds to make such payment and will be paid in accordance with said priority of payments and applied by order of maturity if it again proves impossible for them to be paid in full because of insufficiency of available funds.

The deferred amounts of interest will accrue interest, in favour of the Bondholders, at the interest rate applicable to Securitisation Bonds of their respective Series during the Interest Period(s) until the Payment Date on which they are paid, without default interest and without this implying capitalisation of the debt.

The Issuer, through the Gestora, will not be able to defer payment of interest on the Series of Securitisation Bonds until after the Final Repayment Date (July 15, 2036).

The financial servicing of the Bond issue will be carried out through a Paying Agent, and for this purpose the Gestora, for and on behalf of the Issuer, will enter into a Paying Agency Agreement with CAIXA CATALUNYA (in this capacity, also the “**Paying Agent**”).

In order to assist the subscriber in understanding the method of determination of the relevant interest rate and the amount of interest due for each Bond on each Payment Date, a worked example is contained in section II.12 herein as well as the Theoretical Tables of the Financial Servicing of the Loan.

II.11. Repayment of the securities.

II.11.1. Price of repayment, specifying the existence of premiums, bonuses, numbers of securities or any other financial benefit.

The price of repayment of the Securitisation Bonds of all Series will be one hundred thousand (100,000) Euro per Bond, equivalent to 100% of its nominal amount, payable as set out in section II.11.3 (below). Each Bond of the same Series will be redeemed in the same amount by reducing the nominal amount of each of them.

II.11.2. Reference to the ranking in the priority of payments by the Issuer of the amount withheld in order to make the Provision for the Capital Repayment Fund used for payments of the principal of the securities issued by the Issuer

The amounts withheld in order to make the Provision for the Capital Repayment Fund ranks 8th in the priority of payments set out in section V.5.1.B).2. of this Folleto.

II.11.3 Repayment.

II.11.3.1. Final Repayment Date and final repayment .

The Final Repayment Date and the final repayment of the Securitisation Bonds will take place on July 15, 2036, or if this is not a Business Day, on the following Business Day, without prejudice to the fact that the Gestora, on behalf of the Issuer and in accordance with section III.8 below, may repay the Securitisation Bonds earlier, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

The Final Repayment Date is the date of payment thirty (30) months after the payment date of the last Initial Drawdown of the Mortgage Loans.

II.11.3.2. Partial repayment dates.

Notwithstanding the above, the Issuer, through the Gestora, will partially repay the Securitisation Bonds as described below.

The partial repayment dates will coincide with the Interest Payment Dates, i.e., 15 January, 15 April, 15 July and 15 October of each year or, as the case may be, the following Business Day, until the Securitisation Bonds have been fully redeemed.

II.11.3.3. Outstanding Principal Balance of the Securitisation Bonds

The “Outstanding Principal Balance of the Securitisation Bonds” is the Outstanding Balance of all Series or, in connection with each Series, the outstanding balance of the Securitisation Bonds in that Series (i.e. the principal amount pending repayment on the Securitisation Bonds of said Series).

II.11.3.4. Outstanding Balance of the Mortgage Portfolio

The “**Outstanding Balance of the Mortgage Portfolio**” will comprise the total of the outstanding unmatured principal amount and the principal amount matured and unpaid of each one of the Mortgage Participations and the Mortgage Transfer Certificates, minus the entire amount of principal debited of Initial Drawdowns in arrears from more than eighteen (18) months or in enforcement of the mortgage security (if this enforcement process occurs provisionally before eighteen (18) months as from the commencement of delinquency

II.11.3.5. Capital Repayment Fund

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

The Securitisation Bonds will be redeemed against the amounts in the Capital Repayment Fund on each Payment Date, in accordance with the rules for redemption described in sections II.11.3.7. and II.11.3.8. provided in accordance with the priority of payments contemplated in section V.5.1.B) 2 of this Folleto.

The amount of the Capital Repayment Fund on a Payment Date will be equal to the sum of the balance of the Repayment Account (or any account that may replace it) and the Provision for the Capital Repayment Fund on that Payment Date, in accordance with the priority of payments set out in section V.5.1.B).2 of the Folleto. For this purpose:

For these purposes, the maximum amount of the “**Provision for the Capital Repayment Fund**” on a given Payment Date will be equal to the positive difference between:

- (i) the sum of the Outstanding Principal Balance of all the Series of the Securitisation Bonds; and
- (ii) the sum of (a) the Outstanding Balance of the Mortgage Portfolio (as it is defined in section II.11.3.4 of this Folleto) and (b) the balance of the Repayment Account (or any account that may replace it), both on the immediately preceding Determination Date.

The amount of the Capital Repayment Fund on a given Payment Date will be calculated on the immediately preceding Determination Date.

II.11.3.6. Determination Dates and Determination Periods

These will be the dates on which the Gestora, on behalf of the Issuer, will make the necessary calculations for determining the Outstanding Principal Balance of the Securitisation Bonds of each Series, Outstanding Balance of the Mortgage Portfolio and the other financial statistics of the Issuer, in accordance with this section of the Folleto.

The “**Determination Date**” will be the date corresponding to the fifth (5th) Business Day prior to each Payment Date, and the consecutive periods falling between two successive Determination Dates will be known as “**Determination Periods**” including in each period the first Determination Date and excluding the final Determination Date.

Exceptionally, the first Determination Period will run from the Closing Date to the first Determination Date.

II.11.3.7. General Rules for Repayment

II.11.3.7.A) Repayment of Class A Bonds

a) Repayment of Series A1 Securitisation Bonds

The principal of Series A1 Securitisation Bonds will be repaid in a single instalment for their full par value on July 15, 2005 (hereinafter the “**Series A1 Repayment Date**”) or, should such date not be a Banking Day, on the next Banking Day, charged to the Capital Repayment Fund, on that Payment Date, deposited in the Repayment Account. Nevertheless, should the Series A1 Capital Repayment Fund, as defined below, be insufficient to repay the nominal value of the Series A1 Securitisation Bonds, Series A1 Bonds shall be repaid on the Series A1 Repayment Date and on the subsequent Payment Dates, by partial repayments until their full nominal amount is paid, for the amount of the Capital Repayment Fund allocated on each Payment Date to repayment of Series A1, in accordance with the rules for Distribution of the Capital Repayment Fund contemplated in section II.11.3.7 of this Folleto, which shall be distributed pro rata among the Series A1 Bonds by reducing nominal value of each Series A1 Bond.

From the first Payment Date (October 15, 2004) to the Payment Date of Series A1, the Capital Repayment Fund shall be allocated, on each Payment Date, to provide a fund for repayment of Series A1 Bonds (hereinafter the “**Series A1 Capital Repayment Fund**”) for a maximum amount equal to the total nominal value of Series A1. The amount provided of the Series A1 Capital Repayment Fund shall remain deposited in the Repayment Account until the Series A1 Repayment Date, when it shall be allocated to repayment of Series A1 included in the Capital Repayment Funds.

Without prejudice to the contents of the above paragraphs, in any event, the final repayment of the Series A1 Bonds shall be the Final Repayment Date (July 15, 2036), without prejudice either to the fact that the Gestora, for and on behalf of the Issuer, pursuant to section III.8., may prepay the Bond Issue before the Final Repayment Date

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

b) Repayment of Series A2 Bonds

Series A2 Bonds shall be repaid through partial repayments on each of the Payment Dates, by pro rata reduction of the nominal amount of each Series A2 Bond, for the amount of the Capital Repayment Fund, according to the rules for Distribution of the Capital Repayment Fund contemplated in section II.11.3.7. hereof.

The first partial repayment of Series A2 Bonds shall be performed on the Payment Date of the last of the following dates: (i) the Payment Date on which the Series A1 Bonds shall be fully repaid; or (ii) the Payment Date of January 15, 2006. After the respective Payment Date, the Capital Repayment Fund shall be allocated to repay A2 Series Bonds according to the rules of Distribution for Repayment among A Series

In any event, the final repayment of Series A2 Securitisation Bonds will be made on the Final Repayment Date, July 15, 2036 or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

c) Distribution of the Capital Repayment Funds between the Series of Class A

The Capital Repayment Funds to repay Class A shall be allocated as set forth below:

- (c.1) Ordinary allocation, in the following order:
 - 1.- On the Payment Dates preceding the Series A1 Repayment Date (July 15, 2005), provision of the Series A1 Repayment Fund and, after the Series A1 Repayment Date, repayment of principal of the Series A1 Bonds.
 - 2.- On the Payment Dates preceding the Payment Date of January 15, 2006, deposit of the amounts allocated to repayment of principal of Series A2 in the Repayment Account, in the amount of the surplus of the Series A1 Repayment Fund and, after Series A1 Bonds have been fully repaid, repayment of the principal of Series A2 Bonds by pro rata reduction of the nominal amount, until it has been completed as provided for above.
- (c.2) Exceptional pro rata allocation of Class A ("**Class A Pro Rata Repayment**"): The order of allocation stipulated in section (c.1.) above will be interrupted if, on the Determination Date immediately preceding the Payment Date in question, the Delinquency Ratio is over 2.00%.

In such event, on the Payment Date in question, the Capital Repayment Fund allocated to Repayment of Class A will be allocated to repay Series A1 or to provide the Series A1 Capital Repayment Fund, as appropriate, and to repay Series A2 or to deposit the amounts allocated to repayment of the principal of Series A2 in the Repayment Account, as appropriate, to be distributed between them on a pro rata basis directly proportional to (i) the Outstanding Principal Balance of Series A1 reduced by the balance, if any, of the provision of the Series A1 Capital Repayment Fund and (ii) the Outstanding Principal Balance of Series A2 reduced by the balance, if any of the amount allocated to repay principal of Series A2 deposited in the Repayment Account, at the Determination Date preceding the Payment Date in question

II.11.3.7. B) Rules for Repayment pro rata, after repayment of Series A1 Bonds

Without prejudice to the exception rules for repayment with subordination among the various Series, pursuant to section II.11.3.8 of the Folleto, after Series A1 has been fully repaid, the Capital Repayment Fund shall be allocated on each Payment Date to repayment pro rata of the principal of the other Securitisation Bonds Series (A2, B, C and D) and without subordination among them, if on the Payment Date in question each and every one of the following conditions have been met ("Pro Rata Repayment Conditions"):

1. If the amount of the Reserve Fund is equal to the required threshold pursuant to section V.3.5 of the Folleto.
2. If the Delinquency Ratio is lower than 2.5% on the Determination Date immediately preceding the Payment Date in progress.
3. If on the Determination Date preceding the Payment Date in process, the Outstanding Principal Balance of Series B, C and D Series Securitisation Bonds represents at least 13.10% of the Outstanding Principal Balance of the Securitisation Bonds.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

4. If the Outstanding Balance of the Mortgage Portfolio is higher than the Outstanding Balance of the Mortgage Portfolio on the Fund Establishment Date.

The "Delinquency Ratio" will be the ratio between (i) the Outstanding Balance of the Mortgage Participations and the Mortgage Transfer Certificates with a delinquency of more than ninety (90) days (excluding the Outstanding Balance of the Mortgage Participations and of the Mortgage Transfer Certificates in arrears for more than 18 months and those the mortgages whereof have been foreclosed) and (ii) the Outstanding Balance of the Mortgage Portfolio. The calculation date of each monthly Delinquency Ratio will be each Determination Date and the last day of each calendar month, during the three months preceding the Determination Date (for the purpose of calculating the possibility of reducing the Reserve Fund).

II.11.3.8. Exceptional rules for repayment, with subordination among the various Series

If the Pro Rata Repayment Conditions contemplated in section II.11.3.7.B) above are not met after the Series A1 Securitisation Bonds have been fully repaid, the various Series shall be repaid with subordination between series as described below.

- **Repayment of Series B Securitisation Bonds**

Once the Series A1 and the Series A2 Securitisation Bonds have been repaid in full, pursuant to section II.11.3.7 above, the partial repayment of the Series B Securitisation Bonds will be made pro rata among the Securitisation Bonds in that Series by deducting from the nominal value on each Payment Date, until it is completed, an amount equal to the amount existing in the Capital Repayment Fund at that Payment Date.

The first repayment of Series B Securitisation Bonds will be made on the first Payment Date after the Class A Securitisation Bonds have been repaid in full on which a residual amount exists in the Capital Repayment Fund.

The final repayment of Series B Securitisation Bonds will be made the Final Repayment Date, July 15, 2036 or, if this is not a Business Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of this issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

- **Repayment of Series C Securitisation Bonds**

Once the Series A1, Series A2 and Series B Securitisation Bonds have been repaid in full, the partial repayment of the Series C Securitisation Bonds will be made pro rata among the Securitisation Bonds in that Series by deducting from the nominal value on each Payment Date, until it is completed, an amount equal to the amount existing in the Capital Repayment Fund at that Payment Date.

The first repayment of Series C Securitisation Bonds will be made on the first Payment Date after the Series A1, Series A2 and Series B Securitisation Bonds have been repaid in full on which a residual amount exists in the Capital Repayment Fund.

The Final Repayment of Series C Securitisation Bonds will be the Final Repayment Date, July 15, 2036 or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

- **Repayment of Series D Securitisation Bonds**

Once the Series A1, Series A2, Series B and Series C Securitisation Bonds have been repaid in full, the partial repayment of the Series D Securitisation Bonds will be made pro rata among the Securitisation Bonds in that Series by deducting from the nominal value on each Payment Date, until it is completed, an amount equal to the amount existing in the Capital Repayment Fund at that Payment Date.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

The first repayment of Series D Securitisation Bonds will be made on the first Payment Date after the Series A1, Series A2, Series B and Series C and Securitisation Bonds have been repaid in full on which a residual amount exists in the Capital Repayment Fund.

The Final Repayment of Series D Securitisation Bonds will be the Final Repayment Date, July 15, 2036 or, if this is not a Banking Day, on the following Business Day, although the Gestora, representing and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may proceed to the early repayment of the issue, in which case the Payment Date on which this occurs will be the Final Repayment Date of the Securitisation Bonds.

II.11.3.9. Notification to Bondholders.

The Gestora will notify the Bondholders, in the manner contemplated in section III.5.3.a), of the amount in the Capital Repayment Fund on each Payment Date, the actual prepayment rates of the Mortgage Loans, the amount of the Outstanding Principal Balance of the Securitisation Bonds, the estimated average residual life of the Securitisation Bonds and, where appropriate, the interest due and unpaid to the Bondholders.

II.12 Table of the servicing of the loan, including interest payments and repayment of principal amount for each of the Series of Securitisation Bonds to be issued by the Issuer.

The financial servicing of the Securitisation Bonds will be made through CAIXA CATALUNYA as Paying Agent. Both interest payment and repayment of principal will be notified to Bondholders in the cases and within the periods set out in section III.5.3.a) of the Folleto. Payment of interest and repayments will be made by entities members of Iberclear and to these in turn by Iberclear as the entity responsible for the accounting register when the legal holders of the Securitisation Bonds prove ownership with an accrediting document or against the corresponding certificate issued by the institution holding the accounting register.

A) Worked example of the nominal interest rate determination

In order to help the subscriber understand how the nominal interest rate is determined and the amount of interest to be received for each Series A1 Bond on each Payment Date, a calculation is set out below using the following example:

- EURIBOR rate maturing at three (3) months interpolated with EURIBOR at (6) MONTHS 2.046%
(assuming rates determined at May 25, 2004)
 - Margin on Series A1 Securitisation Bonds 0.08%
 - Rounded to the nearest one thousandth of a percentage point. 2.126%
 - Amount of interest per Series A1 Bond:
 - Interest accrual period per Bond from Closing Date to October 15, 2004 123 days
 - Outstanding Amount of Series A1 Bond 100,000 Euro
- $$2.126 \times \frac{123}{100} \times \frac{100,000}{360} = 726.383 \text{ Euro}$$
- Rounded to the nearest centime: 726.38 Euro

As a result, the amount of interest to be received for each Series A1 Bond would be 726.38 Euro on an Outstanding Balance of the Bond of 100,000 Euro.

The example would be identical for Series A1, B, Series C and Series D Securitisation Bonds, only having to substitute the relevant margins with regard to each Series.

Series of Securitisation Bonds	A1 Until July 15, 2005	A1 From July 15, 2005	A2	B	C	D
<i>Margin</i>	0.08%	0.16%	0.17%	0.32%	0.55%	0.90%
<i>Nominal rate of interest</i>	2.126%	2.206%	2.216%	2.366%	2.596%	2.946%

B) Tables of the financial servicing of the loan

The main characteristic of Securitisation Bonds lies in their periodical repayment and, therefore, their average maturity and duration depend fundamentally on the rate with which the Mortgagors repay the First Drawdowns subject of the issue of the Mortgage Participations and the Mortgage Transfer Certificates forming the Issuer.

Therefore the early repayments which the Mortgagors may decide to make, subject to the continuing changes and estimates in this Folleto by means of the use of the future CPR ("**Constant Prepayment Rate**"), will impact directly on the rate of repayment of the First Drawdowns and therefore on the average life and duration of the Securitisation Bonds.

Likewise, there are also other variables subject to continuing changes, which affect the average life and duration of the Securitisation Bonds. These variables and their hypothetical values used in the tables appearing in this Section are:

- Average weighted interest rate of the Mortgage Participations and the Mortgage Transfer Certificates portfolio: 3.895%;
- delinquency for more than thirty (30) days of the Mortgage Participations and the Mortgage Transfer Certificates portfolio: 0% per annum;
- defaults of the Mortgage Participations and the Mortgage Transfer Certificates portfolio: 0% per annum;
- the early repayment rate remains constant throughout the life of the Securitisation Bonds;
- the Closing Date of the Securitisation Bonds is June 14, 2004;
- We assume CPR at 8%, 10%, 12%, 14% and 16%.
- First Drawdowns in Forbearance Period: 0 % per annum.

Finally, the actual adjusted duration of the Securitisation Bonds will also depend on their floating interest rate, and in the tables appearing in this Folleto this rate is assumed to be constant at 2.126% for Series A1, 2.216% for Series A2, 2.366% for Series B, 2.596% for Series C, and 2.946 for Series D, for the first interest period, and 2.115% for Series A1, 2.205% for series A2, 2.355 for Series B, 2.585% for Series C and 2,935% for Series D, for other interest periods.



Average life, IRR Duration and Estimated Final Life according to various CPRs:					
	8%	10%	12%	14%	16%
A1					
Average life	1,08	1,08	1,08	1,08	1,08
IRR	2,16%	2,16%	2,16%	2,16%	2,16%
Duration	1,08	1,08	1,08	1,08	1,08
Estimated final life	1,08	1,08	1,08	1,08	1,08
A2					
Average life	7,69	6,73	5,95	5,33	4,80
IRR	2,25%	2,25%	2,25%	2,26%	2,26%
Duration	6,99	6,20	5,55	5,03	4,57
Estimated final life	16,60	14,84	13,35	12,09	10,84
B					
Average life	11,48	10,08	8,93	7,99	7,16

Average life, IRR Duration and Estimated Final Life according to various CPRs:					
IRR	2,41%	2,41%	2,41%	2,41%	2,41%
Duration	10,10	9,02	8,11	7,34	6,65
Estimated final life	16,60	14,84	13,35	12,09	10,84
C	8%	10%	12%	14%	16%
Average life	11,48	10,08	8,93	7,99	7,16
IRR	2,65%	2,65%	2,65%	2,65%	2,65%
Duration	9,96	8,91	8,02	7,26	6,59
Estimated final life	16,60	14,84	13,35	12,09	10,84
D	8%	10%	12%	14%	16%
Average life	11,48	10,08	8,93	7,99	7,16
IRR	3,01%	3,01%	3,01%	3,01%	3,01%
Duration	9,75	8,74	7,88	7,15	6,50
Estimated final life	16,60	14,84	13,35	12,09	10,84

The coupons for the Securitisation Bonds in each Series have been calculated in the following manner:

If the Securitisation Bond pays a three (3) month EURIBOR rate plus the corresponding margin, in this example we assume a three month EURIBOR interpolated with EURIBOR at six (6) months resulting in 2.046% for the first interest period and EURIBOR at three (3) months of 2,035% for other interest periods and margins of 0.08% for Series A1, 0.17% for Series A2, 0.32% for Series B, 0.55% for Series C, and 0.90% for Series D. The coupon appertaining to each Series of Securitisation Bonds is the result of adding the respective margin to the Reference Interest Rate. Therefore, for example, for the first Payment Date of the Securitisation Bonds in each Series this would be:

Coupon Series A1= (2.046% + 0.08%) = 2.126%
 Coupon Series A2= (2.046% + 0.17%) =2.216%
 Coupon Series B = (2.046% + 0.32%) = 2.366%
 Coupon Series C = (2.046% + 0.55%) = 2.596%
 Coupon Series D = (2.046% + 0.90%) = 2.946%

Assuming that (i) the Gestora, acting on behalf of the Issuer, proceeds to the early liquidation of the Issuer as provided for in section III.8.1. of this Folleto, (ii) none of the loans making up the initial portfolio is replaced, (iii) no amendments are made at the repayment date of any of the loans making up the initial portfolio; (iv) no delinquency arises; and (v) the conditions for the pro rata repayment of the subordinated series are met, the average life and duration of the Securitisation Bonds and the final estimated life of the Issuer at different CPRs would be the following:

These figures have been calculated using the following formulae:

Average Life of the Securitisation Bonds

$$V = \frac{\sum (P \times d)}{T} \times \frac{1}{365}$$

Where:

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- V = Average life of each Series of Bond issued stated in years.
P = Amount of Principal to be repaid on each Series of Bond on each Payment Date, in accordance with section II.11.3.7.
d = Number of days elapsed from the Closing Date to the relevant Payment Date.
T = Total nominal amount in pesetas of each Series of Bond.

Duration of the Securitisation Bonds (Macaulay formula adjusted)

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

Where:

- D = Duration of each Series of Bond stated in years.
a = Time (in years) elapsed between the Closing Date until each of the relevant Payment Dates.
VA = Actual value of each of the amounts comprising principal and gross interest, to be paid on each of the Payment Dates, discounted at the actual interest rate (IRR): 2.16% for Series A1, 2.25% for Series A2, 2.41% for Series B, 2.65% for Series C, and 3.01% for Series D.
PE = Issue price of the Securitisation Bonds, 100,000 Euro.
i = Quarterly actual interest rate (IRR) of 0.54% for Series A1, 0.56% for Series A2, 0.60% for Series B, 0.66% for Series C, and 0.74% for Series D.

Estimated final life

The estimated final life of the Issuer is calculated taking into account: (i) the period of time running from the Closing Date (June 14, 2004) until the date on which the early liquidation of the Issuer may be made as provided for in section III.8.1. of this Folleto and (ii) the pro rata repayment rules contemplated in section II.11.3.8.

Lastly, the Gestora, for and on behalf of the Issuer, expressly represents that the tables of the financial servicing of the loan which appear below are merely theoretical and for illustrative purposes only, and do not represent in any way an obligation to make a payment, noting that:

- The CPRs are assumed to be constant at 12% and 14% respectively throughout the life of the loan and as already mentioned, the actual prepayment rate is continuously changing. According to the historical data of the mortgage portfolio of CAIXA CATALUNYA, pursuant to chapter IV, it is close to said 12%
- It is assumed that repayment of the principal of the Securitisation Bonds will be made in accordance with the general rules set out in sections II.11.3.7. and II.11.3.8 of this Folleto (although rule 2 of the latter section is not applicable to this analysis, since a delinquency rate of 0% is assumed).
- The Reference Interest Rate is assumed to be 2.046% (EURIBOR rate at 3 months, interpolated with EURIBOR at six (6) months, at May 25, 2004), for the first interest period and 2.035% for other interest periods..
- The interest rates on the Securitisation Bonds are assumed to be constant at 2.126% for Series A1, 2.216% for Series A2, 2.366% for Series B, 2.596% for Series C, and 2.946% for Series D, while, for the first interest period, and of 2.115% for Series A1, 2.205% for Series A2, 2.355% for Series B, 2.585% for Series C and 2.935% for Series D, for other interest periods and, as already stated, these Series bear floating interest rates.
- In each case the hypothetical values mentioned at the beginning of this section are assumed.
- It is assumed that the Gestora, acting on behalf of the Issuer, will proceed to the early liquidation of the Issuer on October 16, 2017 (on the CPR table at 12%) and July 15, 2016 (on the CPR table at 14%), as provided in section III.8.1. of this Folleto.

no document other than the informative Prospectus (*Foglio informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- Compliance with the Pro Rata Repayment Conditions is assumed. Nevertheless, with the above hypotheses, in the following examples, the Pro Rata Repayment Conditions will not apply until October 15, 2008 (on the table for CPR at 12%) and April 15, 2008 (on the table for CPR 14%), because Series B, C and D fail to represent at least 13.10% of the Outstanding Principal Balance of the Securitisation Bonds at said dates, last Pro Rata Repayment Condition of the Securitisation Bonds met.

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER																
AMOUNTS IN EURO																
CPR=12%																
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds			
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	
15-oct-2004	0	726	726	0	757	757	0	805	805	0	887	887	0	1.003	1.003	
17-ene-2005	0	552	552	0	576	576	0	618	618	0	675	675	0	769	769	
15-abr-2005	0	517	517	0	539	539	0	576	576	0	632	632	0	717	717	
15-jul-2005	100.000	535	100.535	0	557	557	0	595	595	0	653	653	0	742	742	
17-oct-2005	0	0	0	0	576	576	0	615	615	0	675	675	0	766	766	
16-ene-2006	0	0	0	13.100	557	13.658	0	595	595	0	653	653	0	742	742	
17-abr-2006	0	0	0	3.709	484	4.193	0	595	595	0	653	653	0	742	742	
17-jul-2006	0	0	0	3.576	464	4.040	0	595	595	0	653	653	0	742	742	
16-oct-2006	0	0	0	3.448	444	3.892	0	595	595	0	653	653	0	742	742	
15-ene-2007	0	0	0	3.325	425	3.749	0	595	595	0	653	653	0	742	742	
16-abr-2007	0	0	0	3.205	406	3.611	0	595	595	0	653	653	0	742	742	
16-jul-2007	0	0	0	3.090	388	3.478	0	595	595	0	653	653	0	742	742	
15-oct-2007	0	0	0	2.979	371	3.350	0	595	595	0	653	653	0	742	742	
15-ene-2008	0	0	0	2.895	358	3.253	0	602	602	0	661	661	0	750	750	
15-abr-2008	0	0	0	2.766	338	3.104	0	595	595	0	653	653	0	742	742	
15-jul-2008	0	0	0	2.666	323	2.988	0	595	595	0	653	653	0	742	742	

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER																
AMOUNTS IN EURO																
CPR=12%																
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds			
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	
15-oct-2008	0	0	0	2.548	311	2.859	530	602	1.132	530	661	1.191	530	750	1.280	
15-ene-2009	0	0	0	2.168	297	2.465	4.092	599	4.691	4.092	657	4.749	4.092	746	4.838	
15-abr-2009	0	0	0	2.054	279	2.333	3.878	562	4.439	3.878	616	4.494	3.878	700	4.577	
15-jul-2009	0	0	0	1.996	270	2.266	3.768	545	4.313	3.768	598	4.366	3.768	679	4.447	
15-oct-2009	0	0	0	1.938	262	2.200	3.659	528	4.187	3.659	580	4.239	3.659	658	4.317	
15-ene-2010	0	0	0	1.866	251	2.117	3.523	506	4.029	3.523	555	4.078	3.523	631	4.154	
15-abr-2010	0	0	0	1.768	235	2.003	3.338	474	3.812	3.338	521	3.858	3.338	591	3.929	
15-jul-2010	0	0	0	1.717	228	1.945	3.241	460	3.701	3.241	505	3.746	3.241	573	3.814	
15-oct-2010	0	0	0	1.666	221	1.887	3.146	445	3.591	3.146	489	3.634	3.146	555	3.701	
17-ene-2011	0	0	0	1.629	216	1.845	3.075	436	3.511	3.075	478	3.553	3.075	543	3.618	
15-abr-2011	0	0	0	1.494	193	1.688	2.821	390	3.211	2.821	428	3.249	2.821	486	3.307	
15-jul-2011	0	0	0	1.475	192	1.666	2.784	387	3.170	2.784	424	3.208	2.784	482	3.265	
17-oct-2011	0	0	0	1.452	190	1.642	2.742	382	3.124	2.742	419	3.161	2.742	476	3.218	
16-ene-2012	0	0	0	1.364	175	1.539	2.575	354	2.929	2.575	388	2.963	2.575	441	3.016	
16-abr-2012	0	0	0	1.312	168	1.480	2.477	338	2.816	2.477	371	2.849	2.477	422	2.899	
16-jul-2012	0	0	0	1.263	160	1.423	2.383	324	2.707	2.383	355	2.739	2.383	403	2.787	

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FLWS FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER																
AMOUNTS IN EURO																
CPR=12%																
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds			
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	
15-oct-2012	0	0	0	1.215	153	1.368	2.293	309	2.602	2.293	340	2.632	2.293	386	2.678	
15-ene-2013	0	0	0	1.177		1.325	2.221	299	2.520	2.221	328	2.550	2.221	373	2.594	
15-abr-2013	0	0	0	1.112	148 139	1.251	2.100	279	2.379	2.100	307	2.407	2.100	348	2.448	
15-jul-2013	0	0	0	1.077	134	1.210	2.032	270	2.302	2.032	296	2.329	2.032	336	2.369	
15-oct-2013	0	0	0	1.042	129	1.171	1.966	261	2.227	1.966	286	2.253	1.966	325	2.291	
15-ene-2014	0	0	0	1.001	123	1.125	1.890	249	2.139	1.890	273	2.163	1.890	310	2.200	
15-abr-2014	0	0	0	948	115	1.063	1.790	232	2.022	1.790	255	2.045	1.790	290	2.080	
15-jul-2014	0	0	0	919	111	1.030	1.734	224	1.959	1.734	246	1.980	1.734	280	2.014	
15-oct-2014	0	0	0	890	107	997	1.679	216	1.896	1.679	237	1.917	1.679	270	1.949	
15-ene-2015	0	0	0	855	102	957	1.613	206	1.819	1.613	226	1.839	1.613	257	1.870	
15-abr-2015	0	0	0	809	95	904	1.527	192	1.719	1.527	211	1.738	1.527	240	1.766	
15-jul-2015	0	0	0	783	92	874	1.477	185	1.663	1.477	203	1.681	1.477	231	1.708	
15-oct-2015	0	0	0	757	88	845	1.429	178	1.607	1.429	196	1.625	1.429	222	1.651	
15-ene-2016	0	0	0	727	84	811	1.372	170	1.541	1.372	186	1.558	1.372	212	1.583	
15-abr-2016	0	0	0	693	79	772	1.308	160	1.468	1.308	175	1.483	1.308	199	1.507	
15-jul-2016	0	0	0	665	75	741	1.256	152	1.408	1.256	167	1.422	1.256	189	1.445	

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER																
AMOUNTS IN EURO																
CPR=12%																
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds			
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	
17-oct-2016	0	0	0	651	74	725	1.229	149	1.378	1.229	164	1.393	1.229	186	1.415	
16-ene-2017	0	0	0	612	68	680	1.155	137	1.292	1.155	151	1.305	1.155	171	1.326	
17-abr-2017	0	0	0	587	65	651	1.107	130	1.238	1.107	143	1.250	1.107	162	1.270	
17-jul-2017	0	0	0	562	61	624	1.061	124	1.185	1.061	136	1.197	1.061	154	1.216	
16-oct-2017	0	0	0	10.451	58	10.510	19.729	117	19.847	19.729	129	19.858	19.729	146	19.876	
	100.000	2.330	102.330	100.000	13.315	113.315	100.000	21.335	121.335	100.000	23.419	123.419	100.000	26.588	126.588	

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER															
AMOUNTS IN EURO															
CPR=14%															
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds		
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow
15-oct-2004	0	726	726	0	757	757	0	805	805	0	887	887	0	1.003	1.003
17-ene-2005	0	552	552	0	576	576	0	618	618	0	675	675	0	769	769
15-abr-2005	0	517	517	0	539	539	0	576	576	0	632	632	0	717	717
15-jul-2005	100.000	535	100.535	0	557	557	0	595	595	0	653	653	0	742	742
17-oct-2005	0	0	0	0	576	576	0	615	615	0	675	675	0	766	766
16-ene-2006	0	0	0	16.504	557	17.061	0	595	595	0	653	653	0	742	742
17-abr-2006	0	0	0	4.078	465	4.543	0	595	595	0	653	653	0	742	742
17-jul-2006	0	0	0	3.908	443	4.351	0	595	595	0	653	653	0	742	742
16-oct-2006	0	0	0	3.745	421	4.166	0	595	595	0	653	653	0	742	742
15-ene-2007	0	0	0	3.589	400	3.989	0	595	595	0	653	653	0	742	742
16-abr-2007	0	0	0	3.438	380	3.818	0	595	595	0	653	653	0	742	742
16-jul-2007	0	0	0	3.294	361	3.655	0	595	595	0	653	653	0	742	742
15-oct-2007	0	0	0	3.156	342	3.498	0	595	595	0	653	653	0	742	742
15-ene-2008	0	0	0	3.049	328	3.378	0	602	602	0	661	661	0	750	750
15-abr-2008	0	0	0	2.812	308	3.119	1.032	595	1.628	1.032	653	1.686	1.032	742	1.774
15-jul-2008	0	0	0	2.408	292	2.701	4.546	589	5.135	4.546	647	5.193	4.546	734	5.280

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER																
AMOUNTS IN EURO																
CPR=14%																
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds			
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	
15-oct-2008	0	0	0	2.326	282	2.608	4.391	568	4.959	4.391	624	5.015	4.391	708	5.099	
15-ene-2009	0	0	0	2.226	269	2.495	4.203	542	4.745	4.203	595	4.798	4.203	675	4.878	
15-abr-2009	0	0	0	2.095	251	2.346	3.955	505	4.460	3.955	555	4.509	3.955	630	4.584	
15-jul-2009	0	0	0	2.024	242	2.265	3.820	487	4.308	3.820	535	4.355	3.820	607	4.428	
15-oct-2009	0	0	0	1.953	233	2.186	3.688	470	4.157	3.688	516	4.203	3.688	585	4.273	
15-ene-2010	0	0	0	1.869	222	2.091	3.528	448	3.975	3.528	491	4.019	3.528	558	4.086	
15-abr-2010	0	0	0	1.758	207	1.965	3.319	417	3.736	3.319	458	3.777	3.319	520	3.839	
15-jul-2010	0	0	0	1.697	199	1.897	3.204	402	3.606	3.204	441	3.645	3.204	501	3.705	
15-oct-2010	0	0	0	1.637	192	1.829	3.091	387	3.478	3.091	425	3.516	3.091	482	3.573	
17-ene-2011	0	0	0	1.591	187	1.778	3.004	376	3.380	3.004	413	3.417	3.004	469	3.473	
15-abr-2011	0	0	0	1.447	166	1.614	2.732	335	3.067	2.732	368	3.100	2.732	418	3.150	
15-jul-2011	0	0	0	1.421	164	1.585	2.682	330	3.013	2.682	363	3.045	2.682	412	3.094	
17-oct-2011	0	0	0	1.392	161	1.553	2.627	325	2.952	2.627	356	2.984	2.627	405	3.032	
16-ene-2012	0	0	0	1.298	148	1.446	2.449	299	2.748	2.449	328	2.777	2.449	372	2.822	
16-abr-2012	0	0	0	1.240	141	1.381	2.342	284	2.626	2.342	312	2.653	2.342	354	2.696	
16-jul-2012	0	0	0	1.186	134	1.320	2.238	270	2.509	2.238	297	2.535	2.238	337	2.575	

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER															
AMOUNTS IN EURO															
CPR=14%															
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds		
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow
15-oct-2012	0	0	0	1.133	127	1.261	2.139	257	2.396	2.139	282	2.421	2.139	320	2.459
15-ene-2013	0	0	0	1.091	122	1.214	2.060	247	2.307	2.060	271	2.331	2.060	308	2.368
15-abr-2013	0	0	0	1.025	114	1.138	1.934	229	2.163	1.934	252	2.186	1.934	286	2.220
15-jul-2013	0	0	0	986	109	1.095	1.861	220	2.081	1.861	242	2.102	1.861	275	2.135
15-oct-2013	0	0	0	948	105	1.053	1.790	212	2.001	1.790	232	2.022	1.790	264	2.053
15-ene-2014	0	0	0	905	100	1.005	1.709	201	1.909	1.709	220	1.929	1.709	250	1.959
15-abr-2014	0	0	0	851	92	944	1.607	186	1.793	1.607	205	1.811	1.607	232	1.839
15-jul-2014	0	0	0	820	89	908	1.547	179	1.726	1.547	196	1.743	1.547	223	1.770
15-oct-2014	0	0	0	789	85	874	1.489	172	1.660	1.489	188	1.677	1.489	214	1.702
15-ene-2015	0	0	0	753	81	833	1.421	163	1.583	1.421	178	1.599	1.421	203	1.623
15-abr-2015	0	0	0	707	75	782	1.335	151	1.485	1.335	165	1.500	1.335	188	1.522
15-jul-2015	0	0	0	680	72	752	1.284	144	1.428	1.284	159	1.442	1.284	180	1.463
15-oct-2015	0	0	0	653	69	722	1.234	138	1.372	1.234	152	1.385	1.234	172	1.406
15-ene-2016	0	0	0	623	65	688	1.176	131	1.307	1.176	144	1.320	1.176	163	1.339
15-abr-2016	0	0	0	590	61	651	1.114	122	1.236	1.114	134	1.248	1.114	153	1.266
15-jul-2016	0	0	0	10.304	57	10.362	19.451	116	19.567	19.451	127	19.579	19.451	144	19.596

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FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER															
AMOUNTS IN EURO															
CPR=14%															
Dates of payment	Series A1 Securitisation Bonds			Series A2 Securitisation Bonds			Series B Securitisation Bonds			Series C Securitisation Bonds			Series D Securitisation Bonds		
	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow	Amortised notional	Interest (gross)	Total flow
	100.000	2.330	102.330	100.000	11.923	111.923	100.000	19.070	119.070	100.000	20.933	120.933	100.000	23.766	123.766

II.13. Actual interest payable by the borrower, taking into account the characteristics of the issue, specifying the method of calculation used and the anticipated expenses related to the real nature.

In the case that the annual nominal floating interest rates applicable to the Securitisation Bonds in Series A1, A2, B, C and D, calculated on a quarterly basis, remain constant during the life of the loan at rates of 2.126% for Series A1, 2.216% for Series A2, 2.366% for Series B, 2.596% for Series C and 2.946% for Series D, for the first interest period, and at 2.115% for Series A1, 2.205% for series A2, 2.355% for Series B, 2.585% for Series C and 2.935% for Series D for other interest periods, respectively, these rates would provide an annual Internal Rate of Return (“IRR”) for the borrower of 2.16% (Series A1), 2.25% (Series A2), 2.41% (Series B), 2.65% (Series C), and 3.01% (Series D), respectively, regardless of whether the CPR is 12% or 14%, given the impact of the quarterly payments of interest, calculated as an internal rate of return without considering the tax impact and assuming in all cases the figures and hypotheses given in the aforementioned section (the equivalent quarterly IRR are 0.54% for Series A1, 0.56% for Series A2, 0.60% for Series B, 0.66% for Series C, and 0.74% for Series D).

The calculation of the IRR has been carried out using the following formula:

$$\left[100,000 = \sum_{i=1}^N A_i (1+r)^{-\left(\frac{nd}{365}\right)} \right]$$

Where:

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

A_i = Total amounts of repayments and interest payable to investors.
(*A₁,.....A_N*)

nd = Number of days elapsed from the Closing Date of the issue up to, but excluding, January 15, April 15, July 15 and October 15 of each year

NOTE FOR THE INVESTOR.

The information provided in the above tables and examples is merely illustrative and the amounts given do not represent any specific obligation of the Issuer to pay third parties on the respective dates or periods to which they refer. The data have been prepared on hypotheses (delinquency and early repayment rates, etc...) that are subject to continued change. Consequently, any investor interested in knowing the forecast payment schedule of the Issuer on each specific date should apply for the relevant information to the institutions authorized to distribute it, the Gestora, Mercado AIAF and CNMV.

II.14. Actual interest payable by the Issuer at the time of issue of the securities taking into account all expenses of structuring and placement incurred, specifying the method of calculation.

The actual annual internal rate of return (IRR) has been calculated using the IRR formula of section II.13 above, on the following hypotheses:

- (i) the floating nominal interest rate of the Securitisation Bonds will remain constant throughout the life of the loan at a rate of 2.126% for Series A1, 2.216% for Series A2, 2.366% for Series B, 2.596% for Series C, and 2,946% for Series D, for the first interest period, and of 2.115% for Series A1, 2.205% for Series A2, 2.355% for Sereis B, 2.585% for Series C and 2.935% for Series for the rest of the interest periods.
- (ii) the hypotheses mentioned in section II.12 will be assumed;
- (iii) the forecast constitution and issue expenses will be deducted from the nominal value of the issue of the Securitisation Bonds.

In this way, the annual actual rates (IRR) would be 2.71% and the equivalent quarterly IRR would be 0.67 %.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

The anticipated expenses are the following:

a) Establishment Expenses of the Issuer (Expenses of documentation, publicity and fees)	Euro
● CNMV fees (0.014% on total of Securitisation Bonds (issue) and 0.003% on total of Securitisation Bonds (listing))	80,278
● Mercado AIAF fees (0.005% + VAT)	52,200
● IBERCLEAR fees (0.003% + 275 per Series + VAT)	1,271
● Others (legal advisers, press, printers, notary, auditor and rating agencies)	878,000
Subtotal	1,011,749
b) Bond Issue Expenses	
● Placing and Underwriting Commissions	510,475
Subtotal	510,475
Total expenses	1,522,224

II.15. Existence or otherwise of any guarantees over the Mortgage Participations and the Mortgage Transfer Certificates which form the Issuer or over the securities issued, given by any of the institutions intervening in the securitisation described in this Folleto.

There are no guarantees granted by the CAIXA CATALUNYA as Originator over the Mortgage Participations and the Mortgage Transfer Certificates which form the Issuer or over the Securitisation Bonds issued against said Mortgage Participations and the Mortgage Transfer Certificates, with the exception of the representations and warranties made by CAIXA CATALUNYA in respect of the characteristics and terms of the First Drawdowns, of the Mortgage Loans and of the Mortgage Participations and the Mortgage Transfer Certificates as stated in section IV.1.(a) of the Folleto.

II.16. Transferability of the securities.

There are no restrictions on the free transferability of the Securitisation Bonds, which may be made subject to the applicable legal requirements and sections II.4.1 and II.17 of this Chapter.

II.17. Admission to listing of the securities being issued.

On the date of execution of the Deed of Constitution, the Gestora will immediately apply for the inclusion of this issue of Securitisation Bonds on Mercado AIAF, which is recognised as an official secondary market.

The Gestora expressly states that it is aware of the requirements and conditions regarding the admission to, the maintaining on and the exclusion of the securities from Mercado AIAF according to the current legislation and the requirements of the regulatory bodies and the Issuer, through the Gestora, agrees to comply with these requirements.

Should the Securitisation Bonds not be admitted to listing on Mercado AIAF within thirty (30) days after the Closing Date, the Gestora will immediately inform the CNMV and the Bondholders of this fact as well as the reasons therefore, in accordance with the provisions of section III.5.3. of this Folleto, without prejudice to the possible liability that the Gestora could incur.

II.18. Solicitation to Subscribe or Purchase Securitisation Bonds.

II.18.1. Group of potential investors to which the securities will be offered, indicating the reasons therefore.

The placement of the Securitisation Bonds is addressed to institutional investors, including, but not limited to, Pension Funds, Insurance Companies, Credit Institutions, Securities Broker and Dealer Houses, Investment Companies, Investment Funds and Entities authorised under articles 64 and 65 of the Law 24/1988 to manage third party securities portfolios. The potential investor also has available to it, complementing its own analysis on

no document other than the informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

the quality of the Securitisation Bonds which are being offered for subscription in this Folleto, the evaluations made by the Rating Agencies set out in section II.3 of the Folleto.

In the case of entities authorised to manage securities portfolios, such managing entities will make solicitations for subscription and acquisition on behalf of the investors who will previously have entered into the appropriate securities portfolio management contracts with those entities.

Once the issue has been fully placed and the Securitisation Bonds are admitted for trading on Mercado AIAF, the Securitisation Bonds may be freely acquired on that market in accordance with its trading rules.

II.18.2. Legal status of the Securitisation Bonds.

The Securitisation Bonds to be issued by the Issuer, once they have been admitted to trading on Mercado AIAF, have the following legal status for the purpose of subscription by certain investors,:

- (i) The Securitisation Bonds are suitable for purchase by insurance companies in compliance with their obligations of technical provisions, in accordance with the Regulation of the System and Supervision of Private Insurance passed by Royal Decree 2486/1998, of November 20th.
- (ii) The Securitisation Bonds are suitable for purchase by Sociedades de Garantía Recíproca (Mutual Guarantee Companies) in accordance with Law 1/1994 of March 11th regarding the legal regime of Sociedades de Garantía Recíproca and Royal Decree 2345/1996 of November 8th relating to rules for the administrative authorisation and solvency requirements of the Sociedades de Garantía Recíproca.
- (iii) The Securitisation Bonds are suitable for investment by Pension Funds in accordance with Royal Decree 1307/1998 of September 30th which passed the Regulation of Pension Plans and Funds.
- (iv) The Securitisation Bonds are suitable for the purposes of calculating the investment ratios of Collective Investment Institutions, in accordance with the Regulations implementing Law 46/1984 of December 26th regulating Collective Investment Institutions, passed by Royal Decree 1393/1990 of November 2nd, as currently worded.

II.18.3. Subscription or Acquisition Date or Period for the Securitisation Bonds.

The subscription period (the “**Subscription Period**”) will last for one (1) hour, between 11.00 and 17.00 hours (Barcelona time) on the same Business Day on which the announcement of the establishment of the Issuer and of the issue of Securitisation Bonds is made, in the form set out in section III.5.3.b).1. of this Folleto. Said publication will be made on June 9, 2004.

II.18.4. Applications to subscribe for the Securitisation Bonds.

The applications for subscription will be made in any way permitted by law during the Subscription Period set out above at the offices specified for the Underwriters and Placers in section II.19.1 below.

The subscription for and holding of Securitisation Bonds in one Series does not imply the subscription for and holding of Securitisation Bonds in the other Series.

II.18.5. Form and Date of Payment.

The investors who have been allocated Securitisation Bonds must pay to the relevant Underwriter on June 14, 2004 (the “**Closing Date**”) before 12.00 hours (Barcelona time), same day value, the corresponding issue price (100% of the nominal amount) for each Bond allocated.

II.18.6. Form and period of delivery of the Subscription Receipts or provisional receipts to subscribers, specifying their transferability and validity.

The Underwriters and Placers will deliver to the subscribers of the Securitisation Bonds, within six (6) days of the Closing Date, a document verifying their subscription for the Securitisation Bonds allocated and the amount which has been paid for such subscription. The verifying document will not be considered a negotiable security and its validity will be limited up to the date when the book entry is made in the corresponding accounting register.

II.19. Placement and allocation of the securities.

Each Series consists of a single placement tranche:

The Underwriters and Placers will freely accept or reject the subscription applications received, ensuring in any event that there is no discriminatory treatment amongst applications having similar characteristics. However, the Underwriters and Placers may give priority to those clients to whom they consider it most appropriate to do so.

The Underwriters and Placers are committed jointly to subscribe for on their own behalf, at the end of the Subscription Period, the amount of Securitisation Bonds necessary to complete the figure representing their respective underwriting commitments in accordance with the following section.

The above notwithstanding, the Underwriters and Placers shall be released from their underwriting undertaking and CAIXA CATALUNYA shall be obliged to underwrite the entire issue of the Securitisation Bonds if JPMORGAN and BEAR STERNS notify the Lead Manager and CAIXA CATALUNYA in writing, before 13:00h. (CAT time) of the day preceding the Closing Date, of the decision adopted by both the parties to terminate the underwriting undertaking due to occurrence of any of the events contemplated to such effect in the Underwriting and Placement Agreement in the issue of Securitisation Bonds.

CAIXA CATALUÑA has no intention to underwrite any of the Securitisation Bonds, apart from its underwriting commitment according to the provisions set out in section II.19.1. below, without prejudice to the contents of the preceding paragraph.

II.19.1. Entities which are involved in the placement or the selling mentioning their different commitments, with a precise description of each. Total amount of commissions agreed between the different placing agents and the Gestora.

The following Underwriters and Placers will carry out the placement in the following amounts:

Underwriters and Placers	Series A1 Securitisation Bonds	Series A2 Securitisation Bonds	Series B Securitisation Bonds	Series C Securitisation Bonds	Series D Securitisation Bonds
JPMorgan	67.200.000	482.300.000	0	31.500.000	21.000.000
Bear Stearns	40.000.000	287.100.000	0	10.500.000	7.000.000
CAIXA CATALUNYA	24.000.000	172.100.000	21.700.000	0	0
BBVA	24.000.000	172.300.000	0	0	0
Nomura	4.800.000	34.500.000			
Totales	160.000.000	1.148.300.000	21.700.000	42.000.000	28.000.000

The Underwriters and Placers of the Securitisation Bonds will receive an underwriting and placement commission for a total amount of 510,475 Euros (so that each Underwriter and Placer of the Securitisation Bonds will receive (i) 0.025% of Series A1 and A2 and (ii) 0.200% of Series B, C and D of the nominal amount of each of the Bonds of each Series underwritten by it under the Underwriting and Placement Agreement described in paragraph V.4.1. of the Folleto.

The payment of the commission will be made by the Issuer.

II.19.2. Lead Managers of the issue.

J.P. Morgan Securities Ltd. ("**JPMorgan**") and Bear Stearns International Limited ("**Bear Stearns**") have been designated by the Gestora as lead managers of the International Tranche and of the Domestic Tranche (the "**Lead Managers**") for placement of the Securitisation Bonds and reproduced below are the representations signed by the persons with the necessary authority which are also contained in Annex V.

"Mr. Arturo Miranda Martín, for and on behalf of J.P. Morgan Securities Ltd., with registered office in London, at 125 London Wall, EC2Y 5AJ, duly authorised for this purpose and in relation to the establishment of HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS for the amount of 1,400,000,000 Euro, in compliance with Article 20 of Royal Decree 291/1992 of March 27th, relating to issues and public offerings of securities, as amended y Royal Decree 2590/1998, of December 7.

REPRESENTS

- I. *That the necessary checks have been carried out regarding the quality and the adequacy of the information contained in the Folleto.*
- II. *That there are no circumstances, in accordance with these checks, which contradict or modify such information neither is any relevant fact omitted or misleading.*
- III. *That this statement does not include and does not refer to information subject of the auditors report which is included in this Folleto.*

And so that it is made known, to whom it may concern, I issue this statement in London, on May 28, 2004 .

J.P. MORGAN SECURITIES LTD.

B.p.

Mr. Arturo Miranda Martín"

“Mr. Michel Pérétié, for and on behalf of Bear Stearns International Limited, with address for notification purposes at One Canada Square E14 SAD, London, United Kingdom, duly authorised for this purpose and in relation to the establishment of HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS, in compliance with Article 20 of Royal Decree 291/1992 of March 27th, relating to issues and public offerings of securities, as restated.

REPRESENTS

- I. That the necessary checks have been carried out regarding the quality and the adequacy of the information contained in the Folleto.*
- II. That, in accordance with these checks, there are no circumstances that contradict or modify the information contained in the Folleto neither is any relevant fact omitted or misleading.*
- III. That this statement does not include and does not refer to information subject of the auditors report which is included in this Folleto, in respect of the selected mortgage loans.*

And so that it is made known, to whom it may concern, I issue this statement in London on June 1, 2004.

BEAR STEARNS INTERNATIONAL LIMITED

B.p.

Mr. Michel Pérétié”

CAIXA CATALUNYA has been designated by the Gestora as co-lead manager of the Domestic Tranche (the “Co-Lead Manager”) for the placement of the Securitisation Bonds and reproduced below is a representation signed by the person with the necessary authority which is also contained in Annex V:

“Mr. José María Alentorn Torras, for and on behalf of CAIXA D’ESTALVIS DE CATALUNYA., with registered office in Barcelona, Plaza de Antoni Maura, no 6, duly authorised for this purpose and in relation to the establishment of HIPOCAT 7 FONDO DE TITULIZACIÓN DE ACTIVOS, for the amount of 1,400,000,000 Euro, in compliance with Article 20 of Royal Decree 291/1992 of March 27th, relating to issues and public offerings of securities, as restated,

REPRESENTS

- I. That the necessary checks have been carried out regarding the quality and the adequacy of the information contained in the Folleto.*
- II. That there are no circumstances, in accordance with these checks, which contradict or modify such information neither is any relevant fact omitted or misleading.*
- III. That this statement does not include and does not refer to the information subject of the Auditors Report which is included in this Folleto.*

And so that it is made known, to whom it may concern, I issue this statement in Barcelona on June 1, 2004.

CAIXA D’ESTALVIS DE CATALUNYA

Bp Mr. José María Alentorn Torras"

II.19.3. Entities which are underwriting the issue, describing the characteristics of the relationship or the Underwriting Agreement, guarantees requested from the issuer or offeror, types of risk assumed, type of consideration demanded from the underwriter in case of non-performance, and other relevant facts.

On the date of the establishment of the Issuer, the Gestora will, for and on behalf of the Issuer, enter into an Underwriting and Placement Agreement for the issue of the Securitisation Bonds with JPMorgan, Bear Stearns, CAIXA CATALUNYA, Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") and Nomura International plc. ("**Nomura**") (hereinafter, the "**Underwriters and Placers**") by virtue of which the Underwriters and Placers will freely allocate the Securitisation Bonds for the price determined for each of them in said Agreement and jointly undertake to subscribe for, on their own behalf, the number of Securitisation Bonds which remain outstanding in accordance with their respective underwriting commitments once the Subscription Period has closed.

The Underwriters and Placers will assume the obligations contained in the Underwriting and Placement Agreement, and which basically are the following: (1) joint commitment to subscribe for the Securitisation Bonds which remain outstanding once the Subscription Period has closed, up to the amounts agreed upon; (2) payment to the Paying Agent before 13:00 hours (Madrid time) on the Closing Date, same day value, the amount placed and as may be the case subscribed for its own account by each of them, after deduction of their commission; the Paying Agent will proceed to pay the Issuer, before 14:00 hours (Madrid time) on the same day, same day value, the total amount of the subscription for the issue, after deduction of the total placement and underwriting commission; (3) commitment to pay the default interest as agreed in the Agreements in the case there is a delay in the payment of the due amounts; and (4) delivery to the subscribers of subscription receipts.

The above notwithstanding, the Underwriters and Placers shall be released from their underwriting undertaking and CAIXA CATALUNYA shall be obliged to underwrite the entire issue of the Securitisation Bonds if JPMORGAN and BEAR STERNS notify the Lead Manager and CAIXA CATALUNYA in writing, before 13:00h. (CAT time) of the day preceding the Closing Date, of the decision adopted by both the parties to terminate the underwriting undertaking due to occurrence of any of the events contemplated to such effect in the Underwriting and Placement Agreement in the issue of Securitisation.

II.19.4. Prorata allocation, its mechanics, date, publication and, if relevant, the return to the investors of any amounts in excess of the price of the securities allocated, and interest thereon

Not applicable.

II.20 Expected period and form of delivery to Subscribers of the certificates or other documents evidencing the subscription to the securities

The Securitisation Bonds, as securities represented by book entry, will be constituted as such by virtue of their registration in the corresponding book entry register in accordance with the provisions of Royal Decree 116/1992, following the usual procedures and terms of the entity responsible for the clearing and liquidation of the Securitisation Bonds, Iberclear or any other entity that may replace it.

II.21 Law under which the securities are issued and competent Courts

The establishment of the Issuer and the issue of the Securitisation Bonds (in relation to their terms and conditions) are subject to Spanish law and specifically to the provisions of Royal Decree 926/1998, of May 14. The Issuer is governed by (i) the Deed of Establishment of the Issuer; (ii) Royal Decree 926/1998 and the provisions implementing it; (iii) Law 19/1992, of July 7, on Real Estate Investment Funds and Companies and on Mortgage Securitisation Funds, for any matters not contemplated in Royal Decree 926/1998, to the extent applicable, (iv) Law 44/2002 or December 22, on Measures to Reform the Financial System ("**Law 44/2002**"), (v) Law 24/1988, or July 28, Securities Market Act, as restated, as regards its supervision, inspection, penalty and any matters to which it may apply; and (vi) other legal provisions and regulations in force that may be applicable from time to time.

Any questions, disputes, discrepancies and claims which may arise from the establishment, administration and representation of the Issuer that may arise during its operative or its liquidation and from the issue of the Securitisation Bonds by the Issuer in accordance with the terms of the Deed of Constitution (in relation to the terms and conditions), will be made known to and resolved by the Courts and Tribunals of the Kingdom of Spain, the parties having waived any other forum that could otherwise be competent.

Neither the Issuer nor the Bondholders will have claims against the Issuer of the Mortgage Participations and the Mortgage Transfer Certificates or against the Gestora, respectively, other than those derived from any of the non-fulfilment of their respective functions and, therefore, never as a consequence of default or early repayment.

II.22 Taxation on the interest from the securities being offered, distinguishing between resident and non-resident subscribers

A brief extract of the applicable fiscal regime for investments derived from this offer is provided, to which effect only the present state legislation and the general aspects which could affect the investors are taken into account; the investors must consider their possible special tax circumstances and the rules of territoriality together with the legislation existing at the moment of accrual and recognition of the relevant revenues.

Since it is proposed that this offer will be represented by book entry and that admission to trading on a Spanish official secondary securities market will be applied for, these being relevant circumstances when determining taxation, it has been assumed that these conditions will be fulfilled. It has also been considered that the Securitisation Bonds at the time of their issue will be considered financial assets with explicit income, where this Seriesification has relevance for tax purposes.

Withholdings, rates and taxes established now or henceforth on the capital, interest or returns of the Securitisation Bonds will be for the account of the Bondholders and their amount will be deducted by the Gestora.

II.22.1 Individuals or legal entities resident in Spain

(a) Personal Income Tax

Income received by holders of Securitisation Bonds acquired, as may be the case, on the secondary market, who are subject to Personal Income Tax, both in terms of interest earned and capital gains arising from the transfer, redemption or repayment of the Securitisation Bonds, will be deemed income earned from the assignment to third parties of own funds in accordance with article 23.2 of Royal Legislative Decree 3/2004, of March 5, approving the consolidated text of the Law regarding Personal Income Tax and other Taxation Rules (*Ley del Impuesto sobre la Renta de las Personas Físicas y otras Normas Tributarias*).

As regards income derived from the accrual of the coupons of the Securitisation Bonds, the gross income will be determined by the amount of the interest received including the withholding made on account of Individual Income Tax, as may be the case.

In the event of transfer, redemption or reimbursement of the Securitisation Bonds, the difference between the transfer, redemption or reimbursement value (reduced by the ancillary transfer expenses) and the acquisition or subscription value (increased by the ancillary acquisition expenses) will be deemed as investment income. The ancillary transfer and acquisition expenses shall be properly justified.

Losses derived from the Securitisation Bonds, when the taxpayer has acquired any other homogeneous bonds within two months before or after such transfer will be integrated to the extent that the Securitisation Bonds remaining as assets of the taxpayer are transferred.

The net investment income will be determined by deducting the administration and deposit expenses of the Securitisation Bonds from the gross income. The income derived from the transfer, redemption or reimbursement of the Securitisation Bonds remaining as assets of the investor for a period exceeding two years will be reduced in a 40%.

This income will be subject to withholding on account of Individual Income Tax in accordance with the terms of Royal Decree 214/1999 of February 5th which passed the Individual Income Tax Regulations regarding withholdings and payments on account, of which it is worth noting:

- Investment income arising from the assignment of own funds to third parties is subject, in general, to withholding at the rate of 15%.
- However, there is no obligation to withhold on income derived from the transfer or reimbursement of financial assets bearing a determinable rate of return and which fulfil the following requirements (as is envisaged in this issue):
 - a) which are represented by book entry;
 - b) which are traded on an official Spanish secondary securities market.

The financial entities involved in the transfer, redemption or reimbursement of such financial assets will be obliged to calculate the return allocable to the Bondholder and to report on the same both to the Bondholder and to the Tax Authorities, which shall also be provided with information regarding the individuals or legal entities involved in the transactions mentioned above.

- The part of the price equal to the accrued interest in transfers of financial assets made within thirty (30) days immediately before maturity of the coupon will be subject to withholding where the following requirements are met:
 1. The purchaser is a person or entity that is not resident in the Spanish territory or that is a Corporate Income Tax taxpayer.
 2. The explicit income obtained from the securities transferred is excepted from the obligation to withhold in connection with the purchaser.

(b) Corporation Income Tax

Income on the Securitisation Bonds derived by entities which pay Corporation Income Tax will be added to the taxable income for Corporation Income Tax purposes in the form set out in Title IV of Royal Legislative Decree 4/29004, of March 5, approving the consolidated text of the Corporation Income Tax Law (*Ley del Impuesto sobre Sociedades*).

Such income will be subject to withholding on account of Corporation Income Tax in accordance with the provisions of Chapter II of Title IV of Royal Decree 537/1997 of April 14th which passed the Corporation Income Tax Regulations. However, Royal Decree 537/1997 establishes that this income will be exempt from withholding provided that the following requirements are fulfilled (as is envisaged in this issue) and in accordance with the procedure established by the Ministry of Economy and Finance, regulated at the date of verification of this Folleto in the Ministerial Order dated December 22nd, 1999 (Official State Gazette of December 20th, 1999):

- 1) That the Securitisation Bonds are represented by book entry.
- 2) That the Securitisation Bonds are traded on an official Spanish secondary securities market.

The financial entities involved in the transfer, redemption or reimbursement of such financial assets will be obliged to calculate the return allocable to the Bondholder and to report on the same both to the Bondholder and to the Tax Authorities, which shall also be provided with the information regarding the individuals or legal entities involved in the transactions mentioned above.

II.22.2 Individuals or legal entities not resident in Spain

Income derived by Bondholders subject to Non-Resident Income Tax, either as interest or as a result from a transfer, redemption or reimbursement of the Securitisation Bonds, will be

considered as income obtained in Spain, with or without a permanent establishment, in accordance with Article 13 of Royal Legislative Decree 5/2004, of March 5, approving the consolidated text of the Law on Non-Resident Income Tax and Tax Rules (*Ley del Impuesto sobre la Renta de No Residentes y Normas Tributarias*).

(a) Income derived through permanent establishment

Income on the Securitisation Bonds derived through a permanent establishment in Spain will be assessed for tax in accordance with the rules of Chapter III of Royal Legislative Decree 5/2004, without prejudice to the provisions in double taxation treaties entered into by Spain, which may determine there is no taxation on the income or that the taxation rate is reduced. This income will be exempt from withholding on account of Non-Resident Income Tax in the cases set out above for the Spanish Corporation Income Tax payers.

(b) Income derived without the use of a permanent establishment

Income from the Securitisation Bonds derived by individuals or entities not resident in Spain who do not carry on business, for tax purposes, through a permanent establishment will be assessed for tax in accordance with the provisions of Chapter IV of Royal Legislative Decree 5/2004 and other regulations thereunder in which the following points are worth noting, notwithstanding the provisions in the double taxation treaties entered into by Spain which may determine there is no taxation on the income or that the taxation rate is reduced:

- The taxable income will be the gross amount of the income received, calculated in accordance with the provisions of Royal Legislative Decree 3/2004, without applying any of the deductions contained in the Act. In the case of a transfer, redemption or reimbursement the ancillary expenses of acquisition and sale will be taken into account for calculating the income, if they are sufficiently evidenced. Each total income accrual or partial income accrual will be assessed for tax separately and compensation between the assessments will not be possible.
- Tax will be calculated applying a general rate of tax of 15% to the taxable base.
- This income will be subject to withholding on the account of Non-Resident Income Tax except where the payment of tax or an exemption is evidenced. The withheld amount will be equal to the tax payable in accordance with the abovementioned criteria.

The income derived on the Securitisation Bonds by individuals or entities not resident in Spain who do not carry on business, for tax purposes, through a permanent establishment will be exempt when the recipient is resident in another Member State of the European Union. This exemption will not be available when the income is obtained through countries or territories defined in the regulations as tax havens.

Likewise, income deriving from the transfer of the Securitisation Bonds on official Spanish secondary securities markets will be exempt, if derived by non-resident individuals or entities without permanent establishment in Spanish territory who are resident in a State which is party to a double taxation treaty with Spain with an exchange of information clause. The exclusion of withholding on such income will be subject to the procedure laid down by the Spanish Ministry of Economy and Finance, at present contained in the Order of the Ministry of Economy and Finance dated April 13th, 2000.

Nevertheless, the income derived by investors not resident in Spain who do not carry on business, for tax purposes, through a permanent establishment and derived from the transfer of the Securitisation Bonds will be subject to withholding when the transfer of such Securitisation Bonds takes place within 30 days immediately previous to the maturity of the coupon in favour of a non-resident individual or entity or in favour of a taxpayer of the Corporate Income Tax and there is no obligation to withhold on the coupon paid to the mentioned acquirers.

In any event the gross payments made by the Paying Agent on the coupons will be subject to the legislation from time to time in force. Specifically, at the date of verification of this Folleto, a special rule is in force which was passed in accordance

with the Order of the Ministry of Economy and Finance of April 13th 2000, and which sets out the procedures to operate withholdings on non-residents income at the applicable rate at the time or otherwise to exclude the withholding when financial entities domiciled or represented in Spain, acting as depositories or managing the payment of interest on the securities, are involved in the payment process.

In accordance with this rule, at the time of paying the interest, the payer will operate a withholding tax on account of Individual and Corporation Income Tax at the general rate (currently 15%) and will transfer the net amount to the depository entities. The depository entities that are entitled, in the manner described above, to apply reduced withholding rates to their clients or to exclude withholding tax will receive, for the payment to the same, the surplus amount of tax withheld.

c) Indirect Taxation on the transfer of Securitisation Bonds

The transfer of securities will be exempt from Transfer Tax, Stamp Duty and Value Added Tax.

d) Wealth Tax

The Bondholders at December 31st of each year who are individuals resident in Spain subject to taxation must include the Securitisation Bonds, at their nominal value, in their Wealth Tax return, which will be levied in accordance with the general rules. In the case that the relevant securities are listed on an organised securities market, as is the case in this instance, the Wealth Tax will be calculated using the average listed value of the securities for the final quarter of each year.

Non-resident individuals who are subject to tax on their assets in Spain will similarly be charged Wealth Tax subject to the terms of the applicable double taxation treaty. In any event residents of other countries in the European Union will be exempt from Wealth Tax where the interest payments under the Securitisation Bonds are exempt under the Non-Resident Income Tax, in the terms expressed above.

e) Inheritance Tax

The transfer of Securitisation Bonds to individuals by reason of inheritance or gift is subject to the general rules of the Inheritance and Gift Tax. If the beneficiary is a company, the income obtained is subject to tax in accordance with the Corporation Income Tax or Non-Resident Income Tax rules, as the case may be.

II.23 Use of net proceeds of the issue

The net proceeds of the issue of the Securitisation Bonds will be used in their entirety for purchasing the Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA which form the assets of the Issuer.

II.24 Entities which, if applicable, are obliged to intervene in secondary trading for stabilisation purposes, indicating the nature and form of intervention

No entity has undertaken to guarantee the liquidity of the Securitisation Bonds in secondary trading.

II.25 Individuals or legal entities which have participated in a relevant manner in structuring and assisting on the establishment of the Issuer, as referred to in any of the significant information contained in the Folleto, including if necessary the underwriting:

II.25.1 List of individuals and legal entities

- (iv) GESTIÓN DE ACTIVOS TITULIZADOS SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN HIPOTECARIA S.A. as Gestora of the Issuer.
- (v) CAIXA CATALUNYA as the Issuer of the Mortgage Participations and the Mortgage Transfer Certificates deriving from the Mortgage Loans and as the Co-Lead Manager and Underwriter of the placement.

no document other than the informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- (vi) JPMORGAN as adviser in relation to the financial structuring of the Issuer as well as Lead Manager, as the entity responsible for keeping the book of orders for subscription of the Bonds (bookrunner) and Underwriter of the placement.
- (vii) BEAR STEARNS acts as the Lead Manager, as the entity responsible for keeping the book of subscription orders for the Bonds (bookrunner) and Underwriter of the placement
- (viii) BBVA and NOMURA acts as the Underwriters of the Placement
- (ix) J&A GARRIGUES, S.L. as legal advisers in relation to the structure of the transaction and legal advisor to the Managers and Underwriters on aspects of Spanish Law.
- (x) DELOITTE ESPAÑA, S.L., as auditor of the Mortgage Loans.

II.25.2 Representation of the person responsible for the Folleto on behalf of the Gestora, including the existence of any link (e.g., political, employment or family rights) or of any economic interests of such experts, advisers, and any other intervening entity including the Gestora and the original owners of the assets acquired by the Issuer

“Mr. Lluís Gasull Moros, for and on behalf of GESTIÓN DE ACTIVOS TITULIZADOS, Sociedad Gestora de Fondos de Titulización Hipotecaria S.A. with registered office in Fontanella 5 – 7, 08010 Barcelona and in relation to the constitution of HIPOCAT 7 FONDO DE TITULIZACIÓN DE ACTIVOS for the amount of 1,500,000,000 Euro, in accordance with the provisions of Section II.25.2 of Circular 2/1994, of March 16th of the Comisión Nacional del Mercado de Valores which sets out regulations under Royal Decree 291/1992 of March 27th,

DECLARES

That 100% of the share capital of the Gestora belongs to GRUPO CAIXA CATALUNYA .

There is no other link or economic interest of the experts who have participated in the structuring of or advised on the establishment of the Issuer, including the underwriting, described in Section II.25.1 of the Folleto Informativo or with the Gestora or with the Issuer of the Mortgage Participations and the Mortgage Transfer Certificates.”

II.25.3. Representation of the Originator of the Mortgage Participations and the Mortgage Transfer Certificates

“Mr. José María Alentorn Torras, for and on behalf of CAIXA D'ESTALVIS DE CATALUNYA, with registered office in Plaza de Antoni Maura, 6, Barcelona, relating to the establishment of HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS, for the amount of 1,400,000,000 Euro,

DECLARES

- (i) *That the necessary checks have been carried out to verify the truth, entirety, quality and adequacy of the information contained in the Folleto referring to CAIXA CATALUNYA and to the Mortgage Participations and the Mortgage Transfer Certificates to be issued by CAIXA CATALUNYA and to be subscribed for by the Issuer.*
- (ii) *He also declares that no circumstances have come to light during these checks that contradict or alter the information contained the Folleto and that the Folleto does not omit any significant facts or data that could be relevant for the investor.”*

The letter from CAIXA CATALUNYA as Originator of the Mortgage Participations and the Mortgage Transfer Certificates containing these declarations is appended hereto as **Annex 6**.

CHAPTER III GENERAL INFORMATION RELATING TO THE ASSET SECURITISATION FUND

III.1 Legal background and purpose of the Issuer.

The establishment of the Issuer and the issue of the Securitisation Bonds are made pursuant to, and under the provisions contained in Royal Decree 926/1998 and will be subject to the legal requirements set out in (i) the Deed of Constitution and in this Folleto (ii) Royal Decree 926/1998 and all regulations issued thereunder, (iii) Law 19/1992, of 7 July, on all matters that are not provided for in Royal Decree 926/1998, to the extent it is applicable, (iv) Law 24/1988, as it is currently worded, for all matters to which it is applicable, (v) Law 44/2002, and (vi) other applicable legal and statutory regulations in force.

The Issuer, closed as regards both its assets and its liabilities, will be formed to serve as a vehicle for the subscription and grouping of Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA, and for the issuance of Series A1, Series A2, Series B, Series C and Series D Securitisation Bonds against them.

III.2 Full name of the Issuer, and, if necessary, the expected abbreviated or commercial name for the identification of the Issuer or its securities in the Secondary markets.

The name of the Issuer is HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS, and for its identification the following names may be also used:

- o HIPOCAT 7 FTA
- o HIPOCAT 7 F.T.A.

III.3 Management and representation of the Issuer and of the holders of the securities issued by the Issuer.

III.3.1 Description of the functions and responsibilities assumed by the Gestora in the management and legal representation of the Issuer and of the holders of the securities.

The management and the legal representation of the Issuer is undertaken by the Gestora, pursuant to Royal Decree 926/1998 and applicable legislation, without prejudice to the rules laid down in the Deed of Constitution and in this Folleto. The organization of the Gestora was authorized by the Ministry of Economy and Finance on February 13th 1998 and it is entered on the special register of the CNMV under number 9. The information on the Gestora is set out in chapter VI of this Folleto.

It is also the responsibility of the Gestora, as a portfolio manager, to represent and defend the interests of the Bondholders. Consequently, the Gestora will at all times protect the interests of Bondholders and abide by the rules put in place to protect those interests. The Bondholders will have no cause of action against the Gestora of the Issuer, except for a breach of either the imposed legal obligations or the Deed of Constitution.

III.3.1.1. Responsibilities of the Gestora

The responsibilities of the Gestora in its administrative and legal representative role of the Issuer are as follows (the following are illustrative and without prejudice to other responsibilities contained in the Folleto):

- (i) to exercise the rights relating to the ownership of the Mortgage Participations and the Mortgage Transfer Certificates subscribed for by the Issuer and, in general, to carry out such acts of management and sale which are necessary in the carrying out of the management and the legal representation of the Issuer;
- (ii) to ensure that the revenues received by the Issuer correspond to the amounts which the Issuer expects to receive in accordance with the conditions of each Mortgage Participation or Mortgage Transfer Certificate and any other contracts, asserting the causes of action in court and out of court that, as may be the case, are necessary or desirable for the protection of the rights of the Issuer and of the Bondholders;

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- (iii) to verify and control the information which is received from the Administrator (as defined in section IV.2.1 of the Folleto) relating to the First Drawdowns both with regard to the payments of the ordinary instalments, and with regard to early repayments of principal, payments received in relation to overdue instalments and the status and control of overdue amounts;
- (iv) to calculate the Available Funds and the flows of funds which will be made once they are applied in accordance with the corresponding priority of payments, ordering the transfer of amounts between asset and liability accounts and the relating payment instructions, including those relating to the servicing of the Securitisation Bonds;
- (v) to calculate and settle all sums which are to be either received or paid by way of interest and commission through the various asset and liability accounts, and all commissions to be paid for the various financial services agreed and the amount which corresponds to each Series of Securitisation Bonds by way of repayment of principal and payment of interest;
- (vi) to carry out the calculations set out in the Folleto and in the relevant contracts relating to the establishment of the Issuer as described in sections V.3 and V.4 of the Folleto;
- (vii) to monitor the acts of the Administrator for the recovery of outstanding amounts giving instructions to initiate enforcement proceedings and, where applicable, the procedures for the auction of property. To commence appropriate proceedings where the circumstances so require;
- (viii) to keep the accounting records of the Issuer separately from those of the Gestora, to render accounts and to perform the duties under tax laws or other legal duties imposed on the Issuer;
- (ix) to make available to the Bondholders and the CNMV all information and notices required under the relevant legislation and particularly those set out in the Folleto;
- (x) in order to allow the start of operations of the Issuer within the periods determined in the Deed of Constitution, in the Folleto and in the relevant regulations, to extend or amend all contracts entered into on behalf of the Issuer, to substitute any entity providing services to the Issuer and, if necessary, to enter into additional contracts, all subject to the relevant legislation, the prior authorisation, where necessary, of the CNMV or any other competent administrative body and the relevant notification to the Rating Agencies, where such actions are not prejudicial to the interests of the Bondholders;
- (xi) to appoint and substitute, where necessary, the auditor of the annual accounts of the Issuer, with the prior approval, if necessary, of the CNMV;
- (xii) to prepare and submit to the CNMV and all other competent bodies, all the documents and information which must be submitted according to the relevant legislation, the Deed of Constitution and the Folleto, or which are requested from it and to prepare and make available to the Rating Agencies the information which they reasonably request; and
- (xiii) to make the necessary decisions in relation to the liquidation of the Issuer, including the early redemption of the Securitisation Bonds and the liquidation of the Issuer, in accordance with the Deed of Constitution and with the Folleto.

III.3.1.2. Substitution of the Gestora

The Gestora will be substituted in its administrative and legal representative role of the Issuer in accordance with applicable legislation. In any event, the substitution of the Gestora will be carried out in accordance with the procedure detailed below, where such proceedings are not contrary to the applicable legislation:

- (i) where it considers it appropriate the Gestora may resign from its role and voluntarily request its replacement in writing to the CNMV, remitting a copy of that notice to CAIXA CATALUNYA as Administrator of the Mortgage Loans and depository of the Mortgage Participations and the Mortgage Transfer Certificates. Such notice will be accompanied by notice of the new gestora which will be authorised and registered

with the CNMV, and in which the new gestora accepts such role and requests the relevant authorisation therefore. The resignation of the Gestora and the appointment of a new entity as gestora of the Issuer must be approved by the CNMV. The Gestora will only be discharged from its role after all relevant authorisations are obtained and its successor can take on the role in relation to the Issuer. The Gestora may not resign from its role if the rating assigned to any Series of the Securitisation Bonds would decrease as a result of its substitution. The Gestora will pay all the expenses in relation to its substitution, failing which, the expenses will be paid by the new gestora;

- (ii) upon the occurrence of any of the events which may lead to dissolution of the Gestora under Section 1 of Article 260 of the Corporations Law, the Gestora will be substituted. The occurrence of any such event will be communicated by the Gestora to the CNMV. In this event, the Gestora will be obliged to comply with sub-section (i) above prior to its liquidation;
- (iii) in the event that the Gestora goes into administration or bankruptcy or its license is revoked, a new gestora must be appointed. The substitution will take effect within four months from the date on which the relevant event occurs. If the Gestora is unable to find another gestora willing to take over the administration and legal representation of the Issuer or if the CNMV rejects the proposal, the CNMV may appoint another entity to take over such responsibility. If after four months from the event leading to the substitution, neither the Gestora nor the CNMV have appointed a new gestora, there will follow an early liquidation of the Issuer and the redemption of the Securitisation Bonds in accordance with section III.8.1 of the Folleto;
- (iv) the substitution of the Gestora and the appointment of the new gestora approved by the CNMV, in accordance with the above provisions, will be communicated to the Rating Agencies and published, within fifteen (15) days, in the Daily Bulletin of Mercado AIAF. The expenses caused by the substitution will be for the account of the resigned Gestora and may not be imputed to the Issuer.

The Gestora will make available all public and private documents which are necessary to proceed with its substitution by another gestora in accordance with the above paragraphs of this section. The new gestora will be subrogated in the rights and obligations corresponding to the Gestora in relation to the Deed of Constitution and to this Folleto. Moreover, the Gestora will hand over to the new gestora all documents and accounting and computer records in its possession relating to the Issuer.

III.3.2 Remuneration of the Gestora for carrying out its activities.

In consideration for the carrying out of its functions, the Issuer will pay to the Gestora an administration fee equal to 0.065 per cent per annum, with a minimum payment of 9,000 Euro per quarter, which will accrue on the actual number of days elapsed in each Interest Period, and will be payable quarterly on each Payment Date of the Securitisation Bonds, calculated on the sum of the Outstanding Principal Balances of the Securitisation Bonds on the First Day of the Determination Period prior to the relevant Payment Date. The fee accrued from the date of the establishment of the Issuer until the first Payment Date of the Securitisation Bonds will be adjusted pro rata to the days elapsed between both dates, calculated on the total amount of the Securitisation Bonds issued.

Said fee will be gross, in the sense that it will include any direct or indirect tax or withholding that may be levied on it.

The calculation of the fee payable on any specific Payment Date will be carried out in accordance with the following formula:

$$C = B \times \frac{(0.065)}{100} \times \frac{d}{360}$$

Where:

C = Fee to be paid on the relevant Payment Date.

B = Sum of the Outstanding Principal Balances of all the Series of Securitisation Bonds on the first day of the Determination Period prior to the Payment Date.

d = Number of days elapsed during the relevant Interest Period.

If on a Payment Date the Issuer does not have sufficient resources in the Treasury Account to pay the required fee, the amount due will accrue interest equal to that of the Series A2 Securitisation Bonds, which will be paid on the following Payment Date of the Securitisation Bonds in accordance with the priority of payments set out in section V.5.1.B)2 of the Folleto.

III.4 Net worth of the Issuer and description of the assets and liabilities which determine such net worth on the date of establishment and once the Fund starts operations. Expenses of establishment. Periodical expenses of the Issuer and revenues derived from its activities.

The Issuer is a separate and closed pool of assets without legal status, comprised at the date of its establishment, as for its assets, of the Mortgage Participations and the Mortgage Transfer Certificates, the Balances in the Treasury Account (including the Reserve Fund described in section V.3.5. of the Folleto), the Balances of the Repayment Account and the capitalised initial expenses, and as for its liabilities, of the Securitisation Bonds and the Subordinated Loan described in Section V.3.3 so that the net worth of the Issuer is zero.

III.4.1 Net Worth of the Issuer.

Assets

a) On establishment.

On the date of the Deed of Constitution, the Issuer will have as its principal assets:

- (i) The nominal amount of the Mortgage Participations and the Mortgage Transfer Certificates subscribed and consolidated in the Issuer. Each Mortgage Participation or Mortgage Transfer Certificate refers to a participation of 100 per cent on the principal, interest, both ordinary and default interest and other rights attached to the First Drawdowns, except for any fees collected from the mortgagor, which shall continue to be owned by CAIXA CATALUNYA.
- (ii) The Balances in the Treasury Account (including the Reserve Fund).
- (iii) Capitalised initial expenses.
- (iv) The amount receivable from the disbursement of the underwritten subscription for the Securitisation Bonds of all the Series.

b) As a consequence of the activities of the Issuer.

From the Closing Date, the Issuer will have as its principal assets:

- (i) Outstanding Balance of the Mortgage Portfolio as a result of the sums accrued by way of the repayment of principal of the First Drawdowns as from the Date of Constitution. In the event of early repayment by the Mortgagors, the early repayment fees which are payable will belong to CAIXA CATALUNYA.
- (ii) The ordinary nominal interest of the Mortgage Participations and the Mortgage Transfer Certificates calculated at the nominal interest rate of the First Drawdowns.
- (iii) The default nominal interest of the Mortgage Participations and the Mortgage Transfer Certificates, calculated at the default interest rate applied to the First Drawdowns.
- (iv) The sum obtained under the Subordinated Loan granted by CAIXA CATALUNYA which is described in section V.3.2 of this Folleto.
- (v) The Net Swap Amounts to be paid, as the case may be, under the Interest Rate Swap Agreement described in section V.3.3. of this Folleto.
- (vi) Any amounts or assets received by the foreclosure (judicial or notarial) of the Mortgage Loans or by the sale or operation of property adjudicated to the Issuer upon the foreclosure of the mortgages, or upon the temporary

administration or possession of the property (undergoing foreclosure proceedings), purchase at the auction price or the sum determined by the court. Also, all possible rights and indemnities in favour of CAIXA CATALUNYA, including amounts derived from rights ancillary to the First Drawdowns except for any commissions collected from the mortgagors, which shall continue to be owned by CAIXA CATALUNYA.

- (vii) The sums corresponding to the Issuer relating to the insurance contracts assigned by CAIXA CATALUNYA to the Issuer in the Deed of Constitution and those deriving from any right attached to the First Drawdown in question.
- (viii) The balance of the Reserve Fund.
- (ix) The remaining balances in the Treasury Account described in section V.3.1 of this Folleto plus the interest accrued thereon.
- (x) The balance of the Repayment Account described in section V.3.2. of this Folleto plus the respective accrued interest.
- (xi) Capitalised initial expenses.

Liabilities.

(ii)a) On establishment.

On the execution date of the Deed of Constitution, the Issuer will have the following principal liabilities:

- (i) The sums to be paid for the subscription of the Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA .
- (ii) The nominal amount of the Securitisation Bonds of all the Series, as established in chapter II of this Folleto.
- (iii) The Subordinated Loan granted by CAIXA CATALUNYA which is set out in section V.3.3 of this Folleto.

(ii)b) As a consequence of the activities of the Issuer.

From the Closing Date, the Issuer will have the following principal liabilities:

- (i) The Outstanding Principal Balance of the Series A1 Securitisation Bonds, the Series A2 Securitisation Bonds, the Series B Securitisation Bonds, the Series C Securitisation Bonds, and the Series D Securitisation Bonds, as discussed in Chapter II of this Folleto.
- (ii) The outstanding balances of the Subordinated Loan.
- (iii) The Net Swap Amounts payable, as the case may be, under the terms of the Interest Swap Agreement described in section V.3.4.
- (iv) The balances drawn and not repaid of the Liquidity Line.
- (v) The interest, fees and other expenses, due and unpaid, set out in the various transaction agreements, as well as any other incurred by the Issuer.

III.4.2 Income of the Issuer derived from its activities.

The Issuer will have the income deposited in the Treasury Account and in the Repayment Account.

The income apt to be used to meet payment obligations of the Issuer on a given Payment Date, under this Folleto shall be those set forth below:

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- a) The sums received in relation to the repayment of the principal of the Mortgage Participations and the Mortgage Transfer Certificates in the preceding Determination Period.
- b) The ordinary and default interest, payable on the Mortgage Participations and the Mortgage Transfer Certificates calculated at the ordinary or default interest rate applicable to each First Drawdown, as also those deriving from any right attached thereto and received in the preceding Determination Period, in the part proportional to the First Drawdowns, except for any commissions collected from the mortgagors, which shall continue to be owned by CAIXA CATALUNYA.
- c) The income received in the preceding Determination Period on account of the amounts deposited in the Treasury Account and in the Repayment Account as set out in sections V.3.1 and V.3.2. of this Folleto.
- d) Any other amounts which may be received by the Issuer including those resulting from the sale of property adjudicated to the Issuer.
- e) The Net Swap Amount to be received, as the case may be, under the terms of the Interest Rate Swap Agreement described in section V.3.4 or, in the event of a breach by CAIXA CATALUNYA, the termination payment under the Swap.
- f) The Maximum Available Amount of the Liquidity Line, which shall only be available in the events described in section V.3.6 of this Folleto.

III.4.3 Expenses of the Issuer.

The Gestora will pay and charge to the Issuer, being reimbursed subject to the priority of payments set out in section V.5.1.B)2 of this Folleto, all the expenses necessary for its activities. For illustrative purposes, the following expenses, both initial, periodical and extraordinary, will be paid:

- all those expenses relating to the establishment of the Issuer and which relate to the mandatory verification, registration and administrative authorisation requirements;
- expenses relating to official and commercial publications for the subscription offering of the Securitisation Bonds;
- expenses relating to the preparation and execution of the Deed of Constitution, the Folleto and the Agreements, and the commissions and expenses set out therein;
- fees due to the Rating Agencies relating to the ratings of the Securitisation Bonds and for their continued evaluation;
- expenses relating to the issue and the repayment of the Securitisation Bonds;
- expenses relating to the accounting registration of the Securitisation Bonds on account of their representation in book-entry form and their admission to trading on Mercado AIAF;
- expenses relating to the sale of Mortgage Participations and the Mortgage Transfer Certificates and the remaining assets of the Issuer for the liquidation of the Issuer;
- expenses necessary for the foreclosure of the Mortgage Loans, in the proportional part corresponding to the First Drawdowns;
- expenses relating to the administration of the Issuer and expenses relating to the administration of the Mortgage Loans, in the proportional part corresponding to the First Drawdowns;
- expenses of the announcements and notices relating to the Issuer and/or the Securitisation Bonds;
- auditing and legal expenses; and

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- in general, any other expenses incurred by the Issuer or by the Gestora on its behalf.

The estimated expenses of the initial establishment of the Fund are described in section II.14 of the Folleto.

III.5 Preparation, verification and approval of the annual accounts and other accounting records of the Issuer. Name of the auditors responsible for the audit of the Issuer.

III.5.1 Obligations and deadline for the preparation, verification and approval of the annual accounts and management report.

The annual accounts of the Issuer will be verified and reviewed annually by the auditors.

The Gestora will present to the CNMV the annual accounts of the Issuer, together with the auditors report thereon and a report on the management of the Issuer, within four (4) months after the end of the Issuer's fiscal year, which will coincide with the calendar year (i.e., before April 30th of each year).

The Gestora will appoint Auditors for minimum periods of three (3) years to audit the annual accounts of the Issuer and will notify such appointment to the CNMV.

III.5.2 Obligations and deadline to make available to the public and file with the CNMV, the periodical information on the economic and financial status of the Issuer.

The Gestora, in its capacity as manager and administrator of the Issuer, undertakes to file with the CNMV quarterly, with all due diligence, the following information (except for the information set out in sub-section (e), which will be submitted annually) in relation to the Securitisation Bonds, the Mortgage Participations and the Mortgage Transfer Certificates, early repayments, and the economic and financial status of the Issuer.

The Gestora will make available to the public all the necessary documentation and information in accordance with the Deed of Constitution and this Folleto.

a) In relation to each of the Series of Securitisation Bonds:

1. Outstanding Principal Balances and the proportion which each of them represents over the initial nominal amount of each Series.
2. Interest accrued and paid.
3. Interest accrued and unpaid.
4. Redemption amounts due and paid.
5. Estimated average life of the Securitisation Bonds in each of the Series, in the event that the Early Repayment Rate of the Mortgage Loans remains constant as determined by sub-section (d) below.

b) In relation to the Mortgage Participations and the Mortgage Transfer Certificates:

1. Outstanding Balance of the Mortgage Portfolio.
2. Interest accrued and paid.
3. Amount in arrear relating to the First Drawdowns at the date of such information.

c) In relation to the economic and financial status of the Issuer:

Information on the origin and application of the Available Funds in accordance with the priority of payments described in section V.5.1.B)2 of this Folleto.

d) In relation to the early repayment of the First Drawdowns:

Illustrative table of the actual Average Prepayment Rate of the First Drawdowns.

e) In relation to the Annual Accounts of the Issuer:

Balance sheet, profit and loss account, annual report, management report and auditors' report within four (4) months of the end of each fiscal year.

III.5.3 Obligations to communicate relevant information.

The Gestora, representing and on behalf of the Issuer, will provide the following notices:

a) Periodic ordinary notices

- 1) In the period between the Interest Determination Time and no later than three (3) Business Days following each Payment Date, the Issuer will communicate to the Bondholders the applicable nominal rates of interest for each of the Series of Securitisation Bonds for the following Interest Period in accordance with section II.10.1.
- 2) In accordance with sections II.10.3 and II.11.3.9, quarterly, and at least one (1) calendar day prior to each Payment Date, communicate to the Bondholders the interest payable in respect of each of the Series of Securitisation Bonds and repayment of the same, as the case may be, and:
 - (i) the actual prepayment rates of the First Drawdowns on the Determination Date prior to the Payment Date;
 - (ii) the estimated average residual life of the Securitisation Bonds, on the assumption that such actual prepayment rate is maintained in accordance with section III.8.1 of the Folleto; and
 - (iii) the Outstanding Principal Balance of the Securitisation Bonds after the repayment due on each Payment Date with respect to each Series of Bond, and the proportion which such Outstanding Principal Balance represents over the initial nominal amount of each Securitisation Bonds.

The Bondholders, as the case may be, will be notified of the interest accrued on the Securitisation Bonds and unpaid due to insufficient Available Funds, in accordance with the priority of payments referred to in section V.5.1.B)2 of this Folleto.

The above notices will be given in accordance with sub-section (c) below. The above information will be communicated to Iberclear, CNMV and Mercado AIAF no later than two (2) Business Days prior to each Payment Date.

b) Extraordinary notices

- b.1 In relation to the establishment of the Issuer and the issue of the Securitisation Bonds, and once the Deed of Constitution is executed, the Gestora will notify, in accordance with sub-section (c) below, the establishment of the Issuer and the issue of the Securitisation Bonds, as well as the nominal interest rates of each of the Series of Securitisation Bonds fixed for the first Interest Period, which will run between the Closing Date and October 15, 2004, in accordance with sections II.18.3 and II.10.1 of this Folleto.

- b.2. Others

The Issuer, through its Gestora, will notify the Bondholders and the Rating Agencies of any relevant event which may occur in relation to the Mortgage Participations and the Mortgage Transfer Certificates, the Securitisation Bonds, the Issuer or the Gestora itself which may have a significant impact on the trading of the Securitisation Bonds and, in general, any material changes to the assets and liabilities of the Issuer. The Gestora will notify the Bondholders and the Rating Agencies of any decision to redeem the Securitisation Bonds early for any of the causes set out in this Folleto; such notice will be given in accordance with sub-section (c) below with at least thirty (30) days prior notice.

c) Procedure

Notices to the Bondholders by the Gestora as set out above will be given as follows:

- Ordinary periodical notices will be published in the Daily Gazette of AIAF, Mercado de Renta Fija or any other publication that replaces it in future or another of similar characteristics, or in a daily newspaper of general circulation in Spain, of a general or an economic - financial nature.
- The notice referred to in section b.1. above will be served by a document in writing from the Gestora to the Underwriters and Placers for these so to inform investors interested in subscribing for the Securitisation Bonds. The Gestora will also notify it in writing to the CNMV, to the Paying Agent and to Iberclear. Finally, it will be published in the Daily Bulletin of AIAF, Mercado de Renta Fija or any other publication that may replace it in future or another with similar characteristics.
- The notices referred to in sub-section b.2. will be published in a daily newspaper of general circulation in Spain, of a general or an economic-financial nature.

Any such notice to Bondholders will be deemed to have been given on the date of such publication.

Any such notice to the Rating Agencies to be made by the Gestora as provided for in the preceding sections may be served in writing or given by telephone.

d) Information to be given to the CNMV

The Gestora will notify the CNMV immediately of any notice, of a periodic ordinary nature or extraordinary nature, which is published in accordance with the above sub-sections and any other information which is requested.

III.6 Taxation of the Issuer.

The following is a brief extract of the general tax regulations applicable to the Issuer and which are to be applied without prejudice to the territorial exceptions and regulations which may apply on receipt or granting of the relevant income.

The tax regulations applicable to Asset Securitisation Funds are largely contained in Royal Legislative Decree 4/2004, of March 5, approving the consolidated text of the Corporation Tax Law and its implementing regulations, with the specific provisions of Law 19/1992, dated July 7th, regarding the regulations governing Property Investment Companies and Funds and Mortgage Securitisation Funds, Law 3/1994 of April 14th and Royal Decree 926/1998, dated May 14th, for rules relating to the regulation of asset securitisation funds and management companies for securitisation funds, which in summary highlight the following fundamental principles:

- 1) Asset Securitisation Funds are individually liable to Corporation Tax, subject to the general provisions for determination of the tax base, as well as to the standard tax rate of 35% and common standards relating to tax deductions, loss carry-forwards and other relevant elements of the tax.
- 2) The income on the marketable securities of the Securitisation Fund is subject to the general withholding tax provisions on account of Corporation Tax, except that section 57.k of the regulations passed by Royal Decree 537/1997 dated April 14th states that "income from mortgage participations, mortgage loans and other credit rights which constitute income of Securitisation Funds" will not be subject to withholding. Consequently, according to the criterion expressly stated by the Tax Authority (*Administración Tributaria*), in addition to the returns of the Mortgage Participations and the Mortgage Transfer Certificates direct subject of the securitisation, the returns on the Mortgage Loans are not subject to withholding, insofar as such instruments are involved in the business activities of such funds.
- 3) Article 5.10 of Law 19/1992 establishes that the establishment of mortgage securitisation funds is liable to but exempted from the tax on "corporate transactions" ("*operaciones societarias*").

Article 16 of Royal Decree-Law 3/1993 authorised the Government to “extend the regulations relating to the securitisation of mortgage participations (...) to the securitisation of other mortgage loans and credit rights”, which authorisation was confirmed and extended by the Fifth Addendum to Law 3/1994 (*Disposición Adicional Quinta de Ley 3/1994*).

In the same way, Royal Decree 926/1998 provides that for matters not contemplated therein, the provisions of Law 19/1992 will apply to mortgage securitisation funds to the extent they are applicable, bearing in mind their specific nature.

The transfer to the Issuer of the Mortgage Participations and the Mortgage Transfer Certificates, as envisaged in the Deed of Constitution in the manner set out above, is a transaction subject to and exempt from Value Added Tax, in accordance with Article 20.one.18.e) of Law 37/1992 of December 28th.

The granting and assignment of guarantees is subject to the tax regulations without exceptions.

- 4) As regards Value Added Tax, the Issuer will be subject to the general VAT regulations, with the only exception that the services rendered by the Gestora will be exempt from VAT.
- 5) The issue of the Securitisation Bonds will be exempt from Value Added Tax (article 20.One.18 of the Value Added Tax Act), from Transfer Tax and from Stamp Duty (article 45-I.B number 15 of the Transfer Tax and Stamp Duty Royal Decree, confirmed by Judgement of the Supreme Court in 3 November 1997).

III.7 Exceptional circumstances for amending the Deed of Constitution.

The Deed of Constitution, under Royal Decree 926/1998, will essentially: (i) define the Mortgage Participations and the Mortgage Transfer Certificates, (ii) define precisely the content of the Securitisation Bonds to be issued, (iii) establish the transactions which the Gestora may carry out, representing the Issuer, to increase the regularity and certainty of payments relating to the Securitisation Bonds and to cover the mismatch between the schedule of flows of principal and interest of the Mortgage Participations and the Mortgage Transfer Certificates and that of the Securitisation Bonds and (iv) define the rules that will govern the liquidation of the Issuer. To this effect, the Deed of Constitution will contemplate that the Issuer, through its Gestora, will enter into the agreements set out in sections V.3 and V.4 of this Folleto.

The Deed of Constitution of the Issuer may only be amended in exceptional circumstances when permitted by existing legislation, under the legally established conditions, although it may be remedied at the request of the CNMV.

III.8 Liquidation and termination of the Issuer.

III.8.1 Early Liquidation of the Issuer.

The Gestora is authorised, after giving notice to the CNMV and to the Rating Agencies, to carry out the early liquidation of the Issuer and with it the early repayment of the issue of Securitisation Bonds if at any time Outstanding Balance of the Mortgage Portfolio falls below 10 per cent (10%) of the initial balance of the Mortgage Participations and the Mortgage Transfer Certificates

Before proceeding to the early liquidation of the Issuer, the following conditions must be met:

- (a) all the payment obligations arising from the Securitisation Bonds can be met and cancelled by the Issuer in accordance with the priority of payments set out in section V.5.1.B). 2 of this Folleto.

On the date of early liquidation of the Issuer, the Outstanding Principal Balance at that date together with accrued and unpaid interest from the last Payment Date until that date will always be deemed payment obligations under the Securitisation Bonds, less tax withholdings if any, and such amounts will in any event be deemed to be legally due and payable on that date;

- (b) the Bondholders must be given at least fifteen (15) Business Days notice of the decision of the Gestora to proceed to the early liquidation of the Issuer in accordance with section III.5.3 of this Folleto.

Such notice, which will have been communicated to the CNMV, must include a description (i) of the event or events which lead to the early liquidation of the Issuer, (ii) the relevant procedure to effect it, and (iii) the manner in which the payment obligations relating to the Securitisation Bonds will be met and cancelled in accordance with the priority of payments set out in section V.5.1.B).2 of this Folleto.

III.8.2 Termination of the Issuer

In addition to the cause of early liquidation contemplated in the preceding section, the termination of the Issuer will also take place for the causes provided in Royal Decree 926/1988 and those expressly envisaged in the Deed of Constitution, and particularly:

- (a) When the Mortgage Participations and the Mortgage Transfer Certificates are redeemed in full
- (b) When the Securitisation Bonds are redeemed in full.
- (c) When, because of any event or circumstance of any kind outside the progress of the Issuer itself, any material change occurs, in the opinion of the Gestora, or when the financial balance of the Issuer becomes permanently impaired. Such events include: the passing of amendments to existing legislation or the imposing of withholding obligations that may affect such balance.
- (d) If the Gestora goes into administration ("*suspensión de pagos*") or is declared bankrupt, or if its authorisation is revoked and a new gestora is not designated to replace it within the statutory term provided (or in the absence of such a term, within four (4) months), in accordance with the provisions of section III.3.1. of this Folleto.
 - (e) If a payment is defaulted indicating a serious and permanent imbalance in the opinion of the Gestora in connection with any of the securities issued or if the occurrence of such an imbalance is foreseen. In this case, the Gestora, after reporting to the CNMV, will proceed to the orderly liquidation of the Issuer in accordance with the rules laid down in the Deed of Constitution of the Issuer, described in section V.5.1.B) 2 of this Folleto.

In order for the Issuer, through its Gestora, to proceed to the early liquidation of the Issuer and the early redemption of the Securitisation Bonds in the events set out in this section and, specifically, so that the Issuer has sufficient resources to meet its payment obligations, the Gestora will, on behalf of the Issuer, carry out any or all of the following acts:

- (i) sell the Mortgage Participations and the Mortgage Transfer Certificates for an amount which is not less than the market price. The Gestora may obtain the reports of appraisal that it deems necessary in order to set the sales price. CAIXA CATALUNYA will have a right of first refusal to acquire said Mortgage Participations and the Mortgage Transfer Certificates upon the conditions set by the Gestora. CAIXA CATALUNYA will have a term of five (5) Business Days in which to exercise said right of first refusal, as from the date on which the Gestora notifies it of the conditions for the disposal of the Mortgage Participations and the Mortgage Transfer Certificates. The right of first refusal in no event entails any covenant or representation relating to the repurchase of the Mortgage Participations and the Mortgage Transfer Certificates by CAIXA CATALUNYA;
- (ii) cancel those contracts which are unnecessary for the liquidation of the Issuer;
- (iii) arrange a credit facility which will be used only and immediately to meet the early redemption of the Securitisation Bonds. The repayment of this credit facility will be guaranteed only by the flows of interest and principal derived from the Mortgage Participations and the Mortgage Transfer Certificates to be repaid and the proceeds from the sale of the assets which remain in the Issuer; and
- (iv) if the above acts are insufficient or if there are remaining assets, the remaining assets of the Issuer will be sold. The Gestora will be authorised to accept any offer, which in its judgement, covers the market value of the asset

in question and ensure that it is paid for in cash. In order to fix a market value, the Gestora may obtain the appropriate valuations.

The Gestora, once the appropriate provision for final termination expenses is effected, will immediately apply all sums which it receives through the sale of the assets of the Issuer to the payment of the different obligations, in the respective form, amount and order of priority, in accordance with section V.5.1.B).2 of this Folleto, and except for the requirement to maintain the Reserve Fund and except for the sums, if any, drawn from the credit facility arranged as referred to in section (iii) above, which will be used exclusively for the early redemption of the Securitisation Bonds.

If any surplus remains after the Issuer has been liquidated and all payments envisaged in said section of the Folleto have been made, that surplus will be paid to CAIXA CATALUNYA. If the surplus is not liquid because it corresponds to Mortgage Participations and Mortgage Transfer Certificates for which the settlement of judicial or notarial proceedings is awaited, instituted because of default by the Mortgagor of the First Drawdown as envisaged in section IV.1.d) below, both the continuation of such proceeding and the proceeds obtained from its settlement will be in favour of CAIXA CATALUNYA.

If on the Closing Date the Gestora, acting on behalf of the Issuer, is unable to pay the Mortgage Participations and the Mortgage Transfer Certificates subscribed for by the Issuer because of the termination of the Underwriting Agreement for the Securitisation Bonds, the Issuer will be liquidated by returning the Mortgage Participations and the Mortgage Transfer Certificates to their Originator CAIXA CATALUNYA, settling the respective establishment and issue expenses and repaying the Subordinated Loan referred to in sub-section V.3.3 of this Folleto.

In any event, the Gestora, acting on behalf of the Issuer, will not terminate the Issuer and cancel its relevant administrative registrations until it has liquidated the residual assets of the Issuer and distributed the Available Funds of the Issuer, in accordance with the priority of payments, with the exception of the obligation to withhold the Reserve Fund, set out in section V.5.1B)2 of this Folleto and with the exception of the constitution of an appropriate reserve to account for the expenses of termination.

Six (6) months after the liquidation of the residual assets of the Issuer and the distribution of the Available Funds, the Gestora will execute a Notarial Certificate declaring (i) the termination of the Issuer, and the causes of such termination as set out in the Deed of Constitution and this Folleto, (ii) the procedures for giving notice to the Bondholders, the CNMV and the Rating Agencies which were carried out, and (iii) the distribution that was made of the available funds of the Issuer in accordance with the priority of payments set out in section V.5.1.B)2 of this Folleto. This information will be communicated by a notice published in a national newspaper. Any other necessary administrative acts will be carried out. The Notarial Certificate will be submitted by the Gestora to the CNMV.

CHAPTER IV INFORMATION ON THE CHARACTERISTICS OF THE ASSETS SECURITISED THROUGH THE ISSUER

IV.1 Description of the Mortgage Participations and the Mortgage Transfer Certificates forming the Issuer.

CAIXA CATALUNYA is the owner of the credit rights derived from a portfolio of credit facilities which are noted in credit accounts with a mortgage guarantee over the customary residence, called as "Crédito Total Primera Vivienda" or "Crédito Total", through which CAIXA CATALUNYA grants to individuals resident in Spain (hereinafter, all the "Mortgagors", and any of them, the "Mortgagor") up to a certain limit and date (hereinafter the "Mortgage Loans"). The Mortgage Loans are part of a selection of mortgage loans whose characteristics are described in section IV.4 of this Chapter.

By virtue of the Constitution Deed, the credit rights which will form the asset of the Issuer through the issue by CAIXA CATALUNYA of the Mortgage Participations and the Mortgage Transfer Certificates and their subscription by the Gestora in the name and on behalf of the Issuer, will only be the credit rights owned by CAIXA CATALUNYA arising in its favour from the first or initial amounts drawn against said loans by each of the Mortgagors (the "First Drawdowns").

The Mortgage Participations and the Mortgage Transfer Certificates forming the Issuer will be represented by registered certificates issued in the name of the Issuer.

The total nominal value of the issue of Mortgage Participations and Mortgage Transfer Certificates will be at least equal to the total nominal amount of the Bond issue. Each Mortgage Participation or Mortgage Transfer Certificate represents one hundred per cent of the principal and of the (ordinary or default) interest to be repaid and accrued, respectively.

The outstanding balance of the first drawdowns of the selected mortgage loans included in the provisional portfolio at May 6, 2004 was 1,611,122 Euro, arising from 16,415 Initial Drawdowns. Of said provisional portfolio, 5,359 are for Initial Drawdowns that at said date are apt for the issue of Mortgage Participations and 11,156 are for Initial Drawdowns on which the Mortgage Transfer Certificates will be issued, representing 488,115,007 Euro and 1,123,007,689 Euro, respectively

The initial drawdowns of the provisional portfolio include loans that meet all the requirements established in Section II of Law 2/1981, and Chapter II of Royal Decree 685/1982, with the coverage of which the Mortgage Participations will be issued. The Mortgage Transfer Certificates shall be established on those loans that do not meet all the requirements established in Section II of Law 2/1981, and in Chapter II of Royal Decree 685/1982, all the foregoing pursuant to Additional Provision 5 of Law 3/1994, as restated by article 18 of Law 44/2002.

In particular, notwithstanding the specific representations in section (a) below, the First Drawdowns to be assigned to the Issuer fulfil the requirements demanded for the issue of Mortgage Participations and Mortgage Transfer Certificates and have the following main features:

- (i) the purpose of the First Drawdown to be securitised through the issue of the corresponding Mortgage Participation or Mortgage Transfer Certificate is to buy a main residence;
- (ii) all drawdowns made, including the First Drawdown, are secured by a first mortgage over the acquired residence, which is valid and in effect and not subject to any limitations, and the various drawdowns have *pari passu* ranking;
- (iii) the Mortgage Loans are secured by first priority mortgages and the making of the First Drawdowns is recorded in the deeds granting the mortgages which are registered with the corresponding Property Register;
- (iv) the Mortgagors of the Mortgage Loans may, on up to five occasions and never for a period exceeding 12 months or in the aggregate 36 months, apply for periods of grace for the repayment of principal and interest on the First Drawdowns ("**Forbearance Periods**"), provided that all the drawdowns of the Mortgage Loan are up to date in payment, (as appropriate, with the limits and requirements stipulated in the respective Mortgage Loans), so that there may be First Drawdowns that do not give rise to the payment of interest or repayment of principal during a period of time ("**First Drawdowns in the Forbearance Period**"). Interest accrued during the Forbearance Period is capitalized at the end of the Forbearance Period. The maximum initial amount of the Mortgage Loan may never be

exceeded as the consequence of the interest capitalized during the Forbearance Period. If after the Forbearance Period is granted, an increase in the reference rate of interest gives rise to an excess over the maximum amount of the Mortgage Loan, the duration of the Forbearance Period will be reduced for the time necessary to avoid the excess over the initial maximum amount;

- (v) the maximum limit of each Mortgage Loan whose First Drawdown is securitised by the Mortgage Participations is up to 80% of the assessed value of the mortgaged residence or its sale price, if lower. In case of First Drawdown securitised by Mortgage Transfer Certificates, the maximum limit of the corresponding Mortgage Loans is up to 100% or of its sale price if lower. If, according to the aforementioned, the maximum limit of the Mortgage Loans whose First Drawdowns are securitised by Mortgage Transfer Certificates exceeds 80% of the assessment or of the sales price if lower, CAIXA CATALUNYA may request additional personal guarantees from several sureties, who may be conditional or unconditional, as a guarantee to complement the mortgage throughout the life of the Mortgage Loan.

In addition to the First Drawdowns, the Mortgagor is authorised to make successive drawdowns on terms different from those of the First Drawdown (term, use, instalments, equivalent annual rate (EAR), receipts or repayment schedule), for different maturity periods, with the possibility of making use of the funds which have been repaid and those of which use has not been made before the maturity of the Mortgage Loan. Successive drawdowns are not granted automatically but are subject to checking by CAIXA CATALUNYA of the following particulars: (i) non-existence of defaulted instalments of drawdowns already made or other defaults of the Mortgage Loan, and (ii) the total outstanding risk, taking the additional drawdown requested into account, should not exceed 80% of the appraised value of the residence or of the sale price, if lower, even when the First Drawdown was granted for an appraised value of over 80%. The grant of additional drawdowns may also be denied if the applicant's debt/income ratio exceeds 40% as the result of the additional drawdown requested. During the last four (4) years of the term of the Mortgage Loan, the additional drawdowns requested may not only not exceed the maximum amount of the Mortgage Loan but also their maximum amount will be obtained in accordance with the following formula:

New Limit = Number of months until maturity x (Limit agreed for Subsequent Drawdowns/48)

The new limit of the maximum amount of the Mortgage Loan will only affect the additional drawdowns requested, even if the Mortgagor exceeds the new limit as the result of previous drawdowns.

The maximum term of the successive drawdowns, always without exceeding the maturity date of the Mortgage Loan, will be (i) up to 30 years if used to buy a residence, as is the case of the First Drawdowns, and (ii) 10 years for any other use, although it is recommended that the maturity of transactions intended for consumption should be adapted to the useful life of the goods acquired. The maximum term of the Mortgage Loan may not exceed 35 years the First Drawdown not to exceed 30 years.

The credit rights deriving from the subsequent amounts lent under the Mortgage Loan other than the First Drawdown are not part of the Mortgage Participations and the Mortgage Transfer Certificates forming the Issuer.

The repayment of each drawdown (including the First Drawdown) will be made in equal instalments (French system), consisting of capital and interest calculated on the basis of such amount and period, which will vary in accordance with any changes to the interest rate.

Payments made by the Mortgagors are imputed to matured instalments in order of time in arrear, giving priority to the payment of the interest over the principal of each instalment.

a) Representations and Warranties.

CAIXA CATALUNYA, as the holder of the Mortgage Loans and of the First Drawdowns, represents and warrants to the Gestora, representing the Issuer, and the Underwriters and Placers of the Securitisation Bonds, as follows:

- (1) That CAIXA CATALUNYA is a credit institution duly organised under existing legislation and is registered on the Companies Register. CAIXA CATALUNYA is authorised to participate in the mortgage market.

- (2) That CAIXA CATALUNYA has never been and is not as at the date of the Folleto in the situation of insolvency, administration or bankruptcy, or other arrangement with creditors or in any event, that giving rise to liability, may lead to the revocation of the authorization as a credit institution.
- (3) That CAIXA CATALUNYA is in possession of audited accounts for the last three financial years and has at least the Auditors' unqualified favourable opinion in the last financial year and that it has filed the annual accounts for the last tax year with the CNMV.
- (4) That it has obtained all the necessary administrative authorizations necessary from third parties and the administrative bodies of CAIXA CATALUNYA have validly adopted all the resolutions necessary to assign the First Drawdowns, to issue the Mortgage Participations and the Mortgage Transfer Certificates, and to execute validly the Deed of Constitution of the Issuer and the ancillary contracts.
- (5) That the Mortgage Participations and the Mortgage Transfer Certificates are issued in market conditions and in accordance with Law 2/1981, Royal Decree 685/1982, Law 19/1992 and other applicable legislation and meet all requirements established therein. The Mortgage Transfer Certificate are also issued in accordance with the Fifth Addendum to Law 3/1994, as restated by article 18 of Law 44/2002.
- (6) That the Mortgage Loans whose First Drawdowns are securitised, in which the Issuer will participate through the subscription of the Mortgage Participations, meet all the requirements laid down in Section II of Law 2/1981.
- (7) That the Mortgage Loans whose First Drawdowns are securitised from the Mortgage Loans, in which the Issuer will participate through the subscription of the Mortgage Transfer Certificates do not comply with all the requirements laid down in Section II of Law 2/1981. Specifically, the First Drawdowns may reach up to a maximum of 100% of the appraisal value of the mortgaged residences or of the sale price if it is lower, or there may not be valid damages insurance that covers the appraisal value of the residences.
- (8) That the Mortgage Loans and their First Drawdowns exist and have been made, and that they are valid and enforceable pursuant to the applicable legislation.
- (9) That CAIXA CATALUNYA has full title to all the Mortgage Loans and of the underlying property mortgages and there is no impediment for the issue of the Mortgage Participations and the Mortgage Transfer Certificates for an amount equal to the respective First Drawdowns as contemplated in Article 61 of Royal Decree 685/1982 of March 17th.
- (10) That the information on the Mortgage Participations and the Mortgage Transfer Certificates, the First Drawdowns and, in general, the Mortgage Loans included in the Deed of Constitution and its Annexes will faithfully and accurately, save for involuntary error or omission, reflect the position of the First Drawdowns, Mortgage Loans and Mortgage Participations and Mortgage Transfer Certificates and said information will be complete and accurate and will not induce to error.
- (11) That each one of the Mortgage Loans is secured by a first priority mortgage over full ownership of each and every one of the properties in question and none of the mortgaged properties is subject to prohibitions on disposal, conditions subsequent or any other limitation of ownership and that, as a consequence of the assignment of the First Drawdowns, co-ownership is constituted over the mortgage.
- (12) That all of the Mortgage Loans are formalised in a public deed which records the first drawdown made by the mortgagor from the borrowed funds and giving rise to the First Drawdown; that all the Mortgages are duly constituted and registered in the corresponding Property Registers in which the drawdown of the First Drawdown will also be stated. The registration of the mortgaged properties is in force and unchallenged and is not subject to any right ranking higher than the mortgage in accordance with applicable legislation.
- (13) The Mortgagors have the option of applying to CAIXA CATALUNYA for additional drawdowns up to the limit of the Mortgage Loan, provided that the outstanding balance of all drawdowns at that time does not exceed 80% of the appraised value of

- the mortgaged residence or of the sale price, if lower, even though the first drawdown was granted for an amount higher than 80% of the appraised value.
- (14) That in accordance with the terms of the Mortgage Loans, the payments made by the Mortgagors are credited to the overdue instalments according to time in arrear.
 - (15) That all the Mortgagors are individuals resident in Spain on the date of the constitution of the mortgage.
 - (16) That the First Drawdown arising from a Crédito Total or Crédito Total Primera Vivienda has been granted to finance, secured by a mortgage on the property, the purchase, building or renovation of the usual residence located in Spain.
 - (17) That the mortgages are granted over properties which are under the full ownership of and belong to the respective borrowers, and CAIXA CATALUNYA is not aware of any litigation relating to the ownership of the properties which may have adverse effects on the mortgages.
 - (18) That all the mortgaged residential properties have been appraised by appraising entities duly registered in the official register of the Bank of Spain and approved by CAIXA CATALUNYA, and the appraisal has been accredited through the corresponding appraisal certificate. The appraisals fulfil all the requirements established from time to time by the legislation relating to the mortgage market.
 - (19) That all the properties on which the mortgage security has been granted and that are transferred to the Fund by the issuance of Mortgage Participations are covered on the date of execution of the deed of constitution of the respective mortgage, with an insurance for damages, which sum insured covers the appraised value of the properties, excluding elements that are not insurable by nature. The information initially included relating to the insurance contracted by the Mortgagors is complete and accurate. For mortgaged properties of Mortgage Loans that are transferred to the Fund by the issuance of Mortgage Participations for which such insurance is lacking due to expiration, cancellation or any other cause, CAIXA CATALUNYA has entered into an insurance policy, as the taker, for damages which insured amount covers the inexistence of such insurances.
 - (20) That all the properties mortgage to secure the Mortgage Loans and that are transferred to the Fund by the issuance of Mortgage Transfer Certificates are covered on the date of execution of the deed of constitution of the respective mortgage, by an insurance for damages, the insured amount of which covers the appraised value of the properties, excluding elements that are not insurable by nature. The information initially included relating to the insurance taken by the Mortgagors is complete and accurate. In the case of mortgaged properties that are transferred to the Fund by the issuance of Mortgage Transfer Certificates for which, such insurance is lacking due to expiration, cancellation or any other cause, CAIXA CATALUNYA will assume liability towards the Issuer for the economic consequences that may arise from the absence of insurance.
 - (21) That the Mortgage Loans are not represented by any securities whether registered, bearer or to order, other than the Mortgage Participations and the Mortgage Transfer Certificates which will be issued for their grouping in the Issuer.
 - (22) That as from the date of issue of the Mortgage Participations and the Mortgage Transfer Certificates, the Mortgage Loans will not be subject to any issues of Securitisation Bonds or Mortgage Participations and Mortgage Transfer Certificates.
 - (23) That on the Establishment Date none of the Mortgage Loans will have payments more than one (1) month overdue.
 - (24) That CAIXA CATALUNYA is not aware, at the date of execution of the Deed of Constitution that any of the Mortgagors of the Mortgage Loans has any credit rights against CAIXA CATALUNYA which may confer the right to seek set off.
 - (25) That the information contained in this Folleto regarding the Mortgage Participations and the Mortgage Transfer Certificates portfolio, the Mortgage Loans, the First Drawdowns and the statistical information in section IV.3.2 of the Folleto is complete and faithfully reflects reality.

- (26) That both the granting of the Securitised Mortgage Loans as well as the issue of the Mortgage Participations and the Mortgage Transfer Certificates and all the related aspects have been carried out or will be carried out at arm's length.
- (27) That CAIXA CATALUNYA has duly followed the criteria contained in the Internal Memorandum attached to the Public Deed of Establishment of the Fund in granting each of the Mortgage Loans and in accepting, if necessary, the subrogation of subsequent debtors in the position of the first borrower.
- (28) That all the deeds constituting mortgages over the residential property to which the Mortgage Loans refer are duly kept in CAIXA CATALUNYA's files, available to the Gestora for the account and on behalf of the Issuer and all the Mortgage Loans and the First Drawdowns are clearly identifiable both in computerised files and in the deeds.
- (29) That, on the day of issue, the outstanding principal balance of each one of the First Drawdowns is equal to the nominal value of the Mortgage Participation or Mortgage Transfer Certificate to which it corresponds. The total nominal value of the Mortgage Participations and the Mortgage Transfer Certificates will be at least equal to the nominal amount of the issue of the Securitisation Bonds.
- (30) That from the moment of their granting, the Mortgage Loans have been and they will be administered by CAIXA CATALUNYA in accordance with the normal established procedures.
- (31) That CAIXA CATALUNYA is not aware of any litigation of any type in relation to the Mortgage Loans which may impair their validity or may give rise to application of article 1,535 of the Civil Code or to the existence of circumstances that may give rise to the ineffectiveness of the agreement to acquire of the mortgage residence securing the Mortgage Loans.
- (32) That CAIXA CATALUNYA is not aware of the premiums accrued on the insurance which has been contracted at the beginning of the execution of the Mortgage Loans and which standard term is one year, referred to in item 19 above have been fully paid.
- (33) That the Mortgage Loans will cause the reduction in the assets of CAIXA CATALUNYA in an amount corresponding to the outstanding balance of the First Drawdown in accordance with the provisions of Circular 4/1991 of June 16th from the Bank of Spain, without prejudice to the effects that partial or full subscription for the Securitisation Bonds may have for CAIXA CATALUNYA pursuant to that Circular.
- (34) That the Mortgage Participations and the Mortgage Transfer Certificates are issued for the same term until maturity and with the same interest than each of the Mortgage Loans to which correspond, and that the final repayment dates of all the First Drawdowns are earlier than the Final Repayment Date of the Securitisation Bonds.
- (35) That on the Closing Date, none of the First Drawdowns will be in a Forbearance Period.
- (36) That at the date of execution of the Deed of Constitution, CAIXA CATALUNYA is unaware that the value of any mortgaged property has diminished by over 20% of the appraisal value.
- (37) That at the date of execution of the Deed of Constitution, CAIXA CATALUNYA has not received any notice of early repayment of the First Drawdowns.
- (38) That at the date of execution of the Deed of Constitution, nobody has any preferential right over the Issuer as holder of the Mortgage Participations and the Mortgage Transfer Certificates to collect amounts deriving from the First Drawdowns.
- (39) The real properties mortgaged under the Mortgage Loans do not have the status of assets excluded from admission as security pursuant to article 31.1.d) of Royal Decree 685/1982, neither do the Mortgage Loans meet any of the features of excluded or restricted credit facilities pursuant to article 32 of Royal Decree 685/1982.

- (40) On the date of execution of the Deed of Constitution of the Issuer, none of the Mortgage Loans contains clauses that stipulate maximum interest rates that restrict the amount of the interest rate applicable to the Mortgage Loan.
- (41) At the date of execution of the Deed of Constitution, at least three instalments of each of the Mortgage Loans have matured.
- (42) It is not aware of the existence of any circumstance that may impede enforcement of the mortgage security.
- (43) After the issue of the Mortgage Participations, the outstanding principal of the mortgage bonds issued by CAIXA CATALUNYA does not exceed 90% of the outstanding capital of the mortgage loans on its portfolio, after deducting those attached to other mortgage-backed securities.
- (44) No issue of mortgage-backed securities performed by CAIXA CATALUNYA is outstanding.

b) Subscription for the Mortgage Participations and the Mortgage Transfer Certificates.

The Mortgage Participations and the Mortgage Transfer Certificates to be issued by CAIXA CATALUNYA at the time of the establishment of the Issuer will constitute a number of Mortgage Participations and Mortgage Transfer Certificates as yet undetermined whose total nominal amount will be at least equal to the total nominal amount of this issue of Securitisation Bonds.

The Gestora, representing and for the account of the Issuer, will subscribe in full at the establishment of the Issuer the Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA.

c) Subscription price of the Mortgage Participations and the Mortgage Transfer Certificates

The Mortgage Participations and the Mortgage Transfer Certificates will be issued at par. The price which the Issuer will pay to CAIXA CATALUNYA through the Gestora on the Closing Date for subscription of all the Mortgage Participations and the Mortgage Transfer Certificates will include, in addition to (i) the nominal value of the capital of the Mortgage Participations and the Mortgage Transfer Certificates gathered in the Issuer, (ii) interest on account of the deferment of the payment of principal of the Mortgage Participations and the Mortgage Transfer Certificates calculated using as a reference EURIBOR at one week, according to REUTERS monitor, page "EURIBOR1" (or any other page that may replace it in this service), at 11:00 h. a.m., C.E.T. (Central European Time, Brussels, Central Europe time) from the day before the date of execution of the Public Deed of Constitution to the the Payment Date. REUTERS monitor, page "EURIBOR 1" is that showing the contents of the "EURIBOR1" page on the REUTERS MONITOR MONEY RATES SERVICE (iii) the ordinary interest accrued and not due and (iv) if appropriate, the due and payable ordinary interest on each of the Initial Drawdowns, at the date of issue of the Mortgage Participations and the Mortgage Transfer Certificates.

The part of the price stipulated in the above paragraph equal to the nominal value of the capital of all the grouped Participations and Certificates (heading (i) of the above paragraph), the deferral of the payment of principal of the Mortgage Participations and the Mortgage Transfer Certificates (heading (ii) of the preceding paragraph) and the due and payable ordinary interest on each of the Initial Drawdowns on the date of issue of the Mortgage Participations and the Mortgage Transfer Certificates will be paid in full before 15.00 hours (Madrid time) on the same Business Day, value that date, on which the Bond issue is fully paid (June 14, 2004) as provided in section II.18.5 of the Folleto.

The price stipulated for interest accrued and not due until the date of the Deed of Constitution shall be paid by the Issuer not being subject to the priority of payments of the Issuer within the first five banking days of the month after that of execution of the Deed.

In the event of termination of the organization of the Fund, pursuant to section III.8 of this Folleto and, therefore, of the issue of and subscription for the Mortgage Participations and of the Mortgage Transfer Certificates, (i) the payment obligations on such Participations and Certificates of the Issuer shall be extinguished, (ii) the Gestora shall be obliged to restore CAIXA CATALUNYA in any right that may have accrued for the benefit of the Issuer for the

subscription of the Participations and Certificates and (iii) CAIXA CATALUNYA shall again enter the Initial Drawdowns on the asset side of its balance sheet,.

Payment will be made by order placed by the Gestora with CAIXA CATALUNYA for the latter to charge to the Treasury Account open with CAIXA CATALUNYA in the name of the Issuer the total price of the subscription for the Mortgage Participations and the Mortgage Transfer Certificates.

The Mortgage Participations and the Mortgage Transfer Certificates will be transferable by written declaration on the certificates themselves and in general in any way admitted by Law. The transfer of any Mortgage Participation or Mortgage Transfer Certificate and the new holder's address will be notified by the purchaser to the Originator of the Mortgage Participations and the Mortgage Transfer Certificates.

CAIXA CATALUNYA, as Originator, will keep a special book on which it will record the Mortgage Participations and the Mortgage Transfer Certificates issued and the changes of address notified to it by their holders.

Said book will also contain the following data: (i) date of origination and maturity of the First Drawdown, its amount and form of settlement; and (ii) registration data of the mortgage that secures the Mortgage Loan.

d) Representation of Mortgage Participations and the Mortgage Transfer Certificates and depository entities or entities responsible for keeping their record of account in the case of book entries.

The Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA will be represented by registered certificates, which will contain the minimum references set out in article 64 of Royal Decree 685/1982 and specifically the registration particulars of the properties securing the Mortgage Loans. The Mortgage Participations and the Mortgage Transfer Certificates subscribed by the Issuer will be deposited with CAIXA CATALUNYA. Such deposit will be constituted through the execution of the Deed of Constitution for the benefit of the Issuer so that CAIXA CATALUNYA will keep the Mortgage Participations and the Mortgage Transfer Certificates on deposit in custody, following the instructions of the Gestora.

e) Description of the rights which such Mortgage Participations and Mortgage Transfer Certificate confer to their holders over the underlying Mortgage Loans

The Issuer, as holder of the Mortgage Participations and the Mortgage Transfer Certificates, will be vested with the rights recognised in the applicable legislation and in the Mortgage Participations and the Mortgage Transfer Certificates. Specifically, the Issuer will be entitled to receive all payments made in respect of the Mortgage Participations and the Mortgage Transfer Certificates for any cause by the Mortgagors of the First Drawdowns.

Specifically, the Mortgage Participations and the Mortgage Transfer Certificates confer the following rights:

- (i) all amounts accrued as repayment of principal of the First Drawdowns;
- (ii) all amounts accrued as ordinary interest on the First Drawdowns;
- (iii) all amounts accrued as default interest on the First Drawdowns;
- (iv) any amounts or assets obtained through legal or notarial foreclosure of the mortgages or from the sale or operation of properties adjudicated to the Issuer upon foreclosure of the mortgages, or in the provisional administration or possession of the property (under process of foreclosure), purchase at auction price or the amount calculated by the court, pro rata to the First Drawdown securitised; and
- (v) all other rights and indemnities which may arise in favour of CAIXA CATALUNYA, including not only those deriving from the insurance contracts assigned by CAIXA CATALUNYA to the Issuer, but also from any ancillary rights to the Mortgage Loan pro rata to the First Drawdown securitised, except for any commissions collected from the mortgagors, which shall continue to be owned by CAIXA CATALUNYA.

All the above rights will accrue in favour of the Issuer from the date of the Deed of Constitution of the Issuer.

The rights of the Issuer arising from the Mortgage Participations and the Mortgage Transfer Certificates are linked to the payments made by the Mortgagors against the First Drawdowns and are therefore directly affected by the evolution, delay, early repayment or any other circumstance affecting them.

Under section III.4.3. of this Folleto, any possible expenses that may be payable by CAIXA CATALUNYA arising from action of claim in the event of breach of their obligations by the Mortgagors, including action of foreclosure brought against the latter, shall be for the account of the Issuer.

On the date of the Deed of Constitution, CAIXA CATALUNYA will be the beneficiary of the damage insurance contracts taken out by the Mortgagors relating to the mortgaged properties up to the amounts insured. Through the Deed of Constitution, CAIXA CATALUNYA will formalise the assignment to the Issuer of the benefits to which it is entitled under these contracts arranged by the Mortgagors in the proportion corresponding to the First Drawdowns and will assume the obligation to make any notification which may be required in accordance with the terms of the insurance policies. Therefore the Issuer, as holder of the Mortgage Participations and the Mortgage Transfer Certificates, will receive all amounts which CAIXA CATALUNYA would have received for this item, pro rata according to the First Drawdowns securitised.

For mortgaged residences not covered by said insurance, due to expiry cancellation or for any other cause, and transferred to the Issuer through the issue of Mortgage Participations, CAIXA CATALUNYA has taken a general insurance policy to cover the risks of the non-existence of such insurance. For mortgaged residences with Mortgage Loans that are transferred to the Issuer through the issuance of Mortgage Transfer Certificates that are not covered by such insurance, due to expiry, cancellation or any other cause, CAIXA CATALUNYA shall be liable to the Issuer for the economic consequences that may arise from the absence of such insurance.

f) Rules for the substitution of Mortgage Participations and Mortgage Transfer Certificate initially forming the Issuer in the event of their early repayment.

a) In the event of early repayment of the Mortgage Participations or the Mortgage Transfer Certificates through the early repayment of the principal of the respective First Drawdowns, there will be no substitution of the affected Mortgage Participations or Mortgage Transfer Certificate.

b) In the event that it should be observed by CAIXA CATALUNYA or the Gestora throughout the life of the Mortgage Participations and the Mortgage Transfer Certificates, that any of them does not conform at the date of the Deed of Establishment of the Fund to the conditions and characteristics contained in section IV.1.a) herein because the respective First Drawdown and/or the relevant Mortgage Loan does not do so, CAIXA CATALUNYA will, with prior agreement of the Gestora, immediately substitute the relevant Mortgage Participation or Mortgage Transfer Certificate subject to the following:

(1) The party, either CAIXA CATALUNYA or the Gestora, that may be first aware of the existence of an unsuitable Mortgage Participation or Mortgage Transfer Certificate, will immediately inform the other. Upon such notification CAIXA CATALUNYA will inform the Gestora in writing about the characteristics of the First Drawdowns which it proposes to assign through the issue of new Mortgage Participations and/or Mortgage Transfer Certificate with similar characteristics of maturity, interest rate, outstanding principal amount and creditworthiness, in a way that neither the financial balance of the Issuer nor its ratings as provided in section II.3 of the Folleto are affected by the substitution. Once the suitability of the underlying First Drawdown it is proposed to assign has been confirmed by the Gestora and by an independent external auditor and once the Gestora has expressly agreed to the substitution, CAIXA CATALUNYA will cancel the affected Mortgage Participation or Mortgage Transfer Certificate by cancelling the corresponding certificate and will issue one or more mortgage participations or mortgage transfer certificates in its place.

- (2) Each substitution will be made by a Notarial Certificate which will contain information relating to the Mortgage Participation or Mortgage Transfer Certificate to be substituted, to the First Drawdown and to the respective Mortgage Loan, together with information relating to the new Mortgage Participation(s) or Mortgage Transfer Certificate(s) issued, providing details of the First Drawdowns and the Mortgage Loans, the reason for the substitution and the features demonstrating that both Mortgage Participations and Mortgage Transfer Certificate are of a similar character as described in the preceding paragraph. The Gestora will deliver a copy of the Notarial Document to the CNMV, Iberclear and the Governing Body of the AIAF and will notify its execution to the Rating Agencies.
- c) Should it be impossible to issue a new Mortgage Participation or Mortgage Transfer Certificate with similar characteristics and suitability established in rule 1 of section b) above because the Mortgage Loans available contain differences with respect to the Mortgage Participation or Mortgage Transfer Certificate affected which are sufficiently material to have a negative impact on the financial balance of the Issuer and the rights and interests of the Bondholders in the justified opinion of the Gestora communicated to CAIXA CATALUNYA, CAIXA CATALUNYA will make the early repayment of the Mortgage Participation or Mortgage Transfer Certificate. The early repayment will be made by cash redemption to the Issuer of the outstanding principal, accrued and unpaid interest as well as any amount which may be due to the Issuer up to that date under the Mortgage Participation or Mortgage Transfer Certificate.

g) Refund of amounts in special circumstances

CAIXA CATALUNYA warrants that should any Mortgagor hold a credit right against CAIXA CATALUNYA and decide to exercise the right by setting off the credit against the debt derived from the First Drawdown, it will so inform the Gestora and will pay to the Issuer, by crediting to the bank account designated by the Gestora or set up for this purpose, an amount equal to the amount offset to which the Issuer would have been entitled.

h) Additional undertakings

CAIXA CATALUNYA will not issue any Securitisation Bonds, mortgage participations and/or mortgage transfer certificates which could affect the portion of the Mortgage Loans that has not been the subject of the Mortgage Participations and the Mortgage Transfer Certificates assigned to the Issuer, other than with the express authorisation of the Gestora.

CAIXA CATALUNYA will not transfer to any third party, totally or partially, nor grant a security interest over the part of the Mortgage Loans not securitised, other than with the express authorisation of the Gestora.

CAIXA CATALUNYA will fulfil the contractual obligations arising from the deeds granting the Mortgage Loans, in particular, maintaining the availability of the Mortgage Loan granted to the Mortgagor. Neither will CAIXA CATALUNYA transfer its contractual position in relation to the portion of the Mortgage Loans not securitised, other than with the express authorisation of the Gestora.

i) Fees for the management and custody of the Mortgage Loans referred to in section IV.2 below

Although CAIXA CATALUNYA is not to receive a fee for the management and custody of the Mortgage Loans, in the event that CAIXA CATALUNYA is substituted in its capacity as Administrator of the Mortgage Loans, the substitute entity will have the right to receive a management fee which will rank 7th in the priority of payments as set out in section V.5.1.B).2 of this Folleto.

If on any Payment Date the Issuer, through the Gestora, does not pay the full fee due to the substitute entity because of a lack of sufficient funds in the Treasury Account, in accordance with the priority of payments established in section V.5.1.B).2 of this Folleto, the unpaid amounts will be carried over, without penalty, to the fees which are due on the following Payment Date and will be paid on such Payment Date.

CAIXA CATALUNYA, on each Payment Date, will also have the right to the reimbursement of all extraordinary expenses it may have incurred and previously justified to the Gestora in

relation to the management of the Mortgage Loans, pro rata according to the First Drawdown. Such expenses, including, inter alia, those arising in relation to mortgage foreclosures and, as appropriate, to the sale of the respective properties, will be paid provided that the Issuer has sufficient resources in the Treasury Account, and in accordance with section V.5.1.B).2 of the Folleto relating to the priority of payments.

IV.2 Brief description of the structure and of the ordinary procedure for the management and custody of the Mortgage Loans, with special reference to the procedure relating to late payments and non-payments of principal or interest, early repayment, foreclosure of the mortgage, and, if necessary, amendment and re-negotiation of the Mortgage Loans.

1. Administration

CAIXA CATALUNYA, (for these purposes the “**Administrator**”), issuer of the Mortgage Participations and the Mortgage Transfer Certificates, in accordance with article 2.2 of Royal Decree 926/1998 and article 61.3 of Royal Decree 685/1982, undertakes to act as their custodian and Administrator, devoting the same time and level of skill, care and diligence that it would apply in the management of mortgage loans for which it has not issued Mortgage Participations and Mortgage Transfer Certificate, and to provide the other services described in this Folleto and included in the Deed of Constitution.

CAIXA CATALUNYA may voluntarily be substituted in the management of the Mortgage Loans provided that this is in accordance with the legislation in force from time to time, that the Gestora authorises the substitution and that a substitute has been found to replace CAIXA CATALUNYA in the duty of administration, indemnifying, in any case, the Issuer for any damage which the substitution may cause to it.

A brief description of the structure and the ordinary procedures of management and custodianship (the “**Services**”) of the Mortgage Loans regulated by the Deed of Constitution of the Issuer are contained in the following sections.

2. Duration.

The Services will be provided by CAIXA CATALUNYA until, once all the First Drawdowns have been repaid in full, all the obligations assumed by CAIXA CATALUNYA in relation to the Mortgage Participations and the Mortgage Transfer Certificates have been extinguished.

3. Subcontracts.

CAIXA CATALUNYA may subcontract any of the Services which it has undertaken to provide to the Gestora on behalf of the Issuer, except for those that may not be delegated in accordance with current legislation. Any such subcontracting may never cause an increase of costs for the Issuer payable to CAIXA CATALUNYA for the provision of the Services or a downgrading of the rating granted to the Securitisation Bonds by the Rating Agencies.

Any such subcontract or delegation notwithstanding, CAIXA CATALUNYA will not be exempted or released by such subcontract or delegation from any of the liabilities it assumes under the Deed of Constitution.

4. Responsibility of CAIXA CATALUNYA as Administrator.

CAIXA CATALUNYA will act as custodian and Administrator of the Mortgage Loans with due diligence and will be liable to the Issuer, through the Gestora, for any damage which may arise out of its negligence.

CAIXA CATALUNYA will indemnify the Issuer, through the Gestora, for any damage, loss or expense which the Issuer may have incurred due to the breach of CAIXA CATALUNYA's custody and/or management duties in relation to the Mortgage Loans.

CAIXA CATALUNYA will assume no liability for default in payment of the Mortgage Participations and/or the Mortgage Transfer Certificates arising from default in payment by the Mortgagors of the First Drawdowns, whether of principal, of interest or of any other amount that said Mortgagors may owe under the First Drawdowns. Neither will it assume in any other way responsibility for guaranteeing directly or indirectly the successful outcome of the transaction, it will grant no guarantees nor sureties and will not enter into any agreements for the repurchase of the Mortgage Participations and/or the Mortgage Transfer

Certificates except for those that do not fulfil the representations and warranties contained in section IV.1.a) of this Folleto and in accordance with the provisions of the Folleto.

5. Delivery and deposit of the Mortgage Participations and the Mortgage Transfer Certificates.

The Mortgage Participations and the Mortgage Transfer Certificates issued by CAIXA CATALUNYA and represented by registered securities in the name of the Issuer will remain deposited in CAIXA CATALUNYA. Said deposit will be made free of charge for the benefit of the Issuer in such a way that CAIXA CATALUNYA will keep the custody of the Mortgage Participations and the Mortgage Transfer Certificates deposited following the instructions of the Gestora.

6. Custody of deeds, documents and files.

The Administrator will keep all the deeds, documents and computerised registers relating to the First Drawdowns, the Mortgage Loans and, as may be the case, the damage insurance policies formalized by the Mortgagors, in safe custody and will not part with their possession, custody or control without the prior written consent of the Gestora unless a document is requested from it to initiate proceedings for the foreclosure of a Mortgage Loan.

The Administrator will grant to the Gestora or the auditors of the Issuer, duly authorised by the Issuer for this purpose, reasonable access, at all times, to the aforesaid deeds, documents and registers. Likewise, upon the request of the Gestora, the Administrator will grant, within four (4) Business Days following such request and free of charge, a copy or photocopy of any of the aforesaid deeds and documents.

The Administrator waives in all cases any privileges which the law confers to it in its capacity as collection agent of the Issuer and depository of the Mortgage Loan agreements and the respective Mortgage Participations and Mortgage Transfer Certificates and, in particular, it waives those privileges contained in Articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

The Administrator will continue to be responsible for processing the computer files relating to the First Drawdowns, the personal data of the Mortgagors not to be included in the assignment of the Initial Drawdowns and the Issuer to be held harmless against any damages that may be caused to it for penalties under Act 15/1999, of December 13, Personal Data Protection Act, and the legislation implementing it.

7. Collection.

CAIXA CATALUNYA, as collection agent, will receive on behalf of the Issuer the amounts of principal and interest relating to the First Drawdowns paid by the Mortgagors, as well as any other item (excluding fees, which shall continue to be owned by CAIXA CATALUNYA) and the insurance contracts assigned to the Issuer and CAIXA CATALUNYA will pay into the Treasury Account amounts owed to the Issuer under section IV.1.(d), immediately and, in any case, within forty-eight (48) hours after it has received them for the account of the Issuer.

Likewise, CAIXA CATALUNYA will pay into this Account, within the same period, the amounts that it receives, as the case may be, from the Mortgagors for early repayment of the First Drawdowns that are owed to the Issuer on the terms set out in section IV.1.(d).

The Administrator will apply equal diligence and the same claim procedure for due but unpaid sums of the First Drawdowns as if other loans in its portfolio were concerned. In the event of breach of obligations by the Mortgagors, and specifically in the event of default on the payments by the Mortgagors relating to the First Drawdowns, the Administrator will apply the usual measures for such circumstances.

In addition, CAIXA CATALUNYA is obliged to inform the Gestora on a daily basis and on behalf of the Issuer of any non-payments, any early repayments and any fluctuations in interest rates and to promptly advise the Gestora of any payment requirements, judicial proceedings or other circumstances that may affect the Mortgage Loans. CAIXA CATALUNYA will also make available to the Gestora all such documentation regarding the First Drawdowns and the Mortgage Loans as the latter may request and, in particular, all documentation necessary for the initiation by the Gestora of any judicial proceedings.

a) Enforcement against the Mortgagors

The Administrator will generally commence mortgage foreclosure if, during a period of seven (7) months the Mortgagor of a First Drawdown who has defaulted its payment obligations fails to resume payments to the Administrator and the Administrator, with the consent of the Gestora, does not reach a settlement satisfactory to the interest of the Issuer. The Administrator will, in any case, commence foreclosure immediately if the Gestora, on behalf of the Issuer, considers this appropriate after analysing the specific circumstances of the case.

In the case of a breach of payment of principal or interest of a Mortgage Participation or Mortgage Transfer Certificate due to non-payment by the Mortgagor, the Gestora, acting on behalf of the Issuer, will be able to exercise the following rights contained in article 66 of Royal Decree 685/1982 amended by Royal Decree 1289/1991, and which also are applicable to the Mortgage Transfer Certificates in accordance with Article 18 of Law 44/2002:

- (i) Compel the Administrator to commence foreclosure of the mortgage.
- (ii) Share the same rights with CAIXA CATALUNYA, as issuer of the Mortgage Participations and the Mortgage Transfer Certificates, in the foreclosure which CAIXA CATALUNYA pursues against the Mortgagor, appearing for this purpose in any foreclosure proceedings commenced by CAIXA CATALUNYA and sharing in the auction price pro rata to its participation in the foreclosed Mortgage Loan.
- (iii) If CAIXA CATALUNYA does not commence foreclosure proceedings within sixty (60) calendar days from the notarial intimation demanding payment of the debt, the Gestora, for and on behalf of the Issuer, will be authorised to initiate foreclosure proceedings of the Mortgage Loan in the amount corresponding to the percentage of its participation, for both principal and interest and CAIXA CATALUNYA must issue a certificate with the existing balance of the Mortgage Loan for the purposes of article 517 of Law 1/2000 on Civil Procedures (*Ley de Enjuiciamiento Civil* – hereinafter “**LEC**”).
- (iv) Should the proceedings pursued by CAIXA CATALUNYA be suspended, the Issuer, duly represented by the Gestora, as co-owner of the mortgage right, may be subrogated in the place of CAIXA CATALUNYA and continue the foreclosure proceedings, without the need to wait for the necessary period to elapse.

In the cases in (iii) and (iv) above, the Gestora, for and on behalf of the Issuer, may request the competent Judge to initiate or continue the respective mortgage foreclosure procedure, filing together with its complaint the original Mortgage Participation or Mortgage Transfer Certificate, the notarial intimation referred to in section (iii) above and the registry certificate of inscription and existence of the mortgage.

If legally required, and for the purposes of Part IV, Book III of the LEC, CAIXA CATALUNYA will grant an irrevocable power of attorney in the Deed of Constitution, as sufficiently wide and sufficient as necessary by law, so that the Gestora, acting for and on behalf of CAIXA CATALUNYA, may demand payment of the debt, via notary, from the Mortgagor of any of the First Drawdowns.

The Gestora, for and on behalf of the Issuer, as owner of the Mortgage Participations and the Mortgage Transfer Certificates, may likewise share in the rights with CAIXA CATALUNYA in the foreclosure proceedings and thus may, in the terms contained in Part IV, Book III of the LEC, request the adjudication of the mortgaged property in payment of its credit. The Gestora will proceed with the sale of the adjudicated property as soon as possible in market conditions.

In any case, the proceeds from the foreclosure of the mortgage which secures a Mortgage Loan will be owed to the Issuer proportionately to the First Drawdown which has given rise to the corresponding Mortgage Participation or Mortgage Transfer Certificate. Thus, CAIXA CATALUNYA will recognise, if legally required, in the Deed of Constitution of the Issuer that the proceeds from a foreclosure proceeding of a Mortgage Loan corresponding to the First Drawdown will belong to the Issuer.

b) Right of action against the Administrator

The Gestora, for and on behalf of the Issuer, will have a right of action against the Administrator to enforce the maturities of the Mortgage Participations and the Mortgage Transfer Certificates for principal and interest when the breach of the payment obligations thereunder is not the result of non-payment by the Mortgagors of the First Drawdowns.

Once the First Drawdowns have been repaid, the Issuer, through the Gestora, will maintain its rights of action against the Administrator until its obligations have been fulfilled.

8. Determination of Interest Rates.

The Administrator will continue to determine the floating interest rates for the First Drawdowns in accordance with the terms established in the corresponding Mortgage Loans, and will issue the communications and notifications required for this purpose in the respective contracts.

9. Advance of Funds.

CAIXA CATALUNYA will never make an advance of any amount which has not been previously received from the Mortgagors in respect of principal, interests, early repayment or others, arising from the First Drawdowns.

10. Decrease of Appraisal Value

If at any time the Administrator has actual knowledge that, for any reason, the value of a mortgaged property that secures a Mortgage Loan has decreased by more than 20% in comparison with the initial appraisal value determined in the Mortgage Loan agreement, it may request the Mortgagor the extension of the Mortgage to other goods, so they will be sufficient to cover the required relation between the value of the said good and the loan that guaranties. If the Mortgagor, within two months after being required to extend the mortgage (i) does not do it (ii) nor refunds the part of the loan exceeding the amount calculated by means of applying to the aforementioned value the percentage applied to determine the initial amount, the Administrator may terminate the Mortgage Loan agreement in accordance with the terms of that agreement, provided that the Administrator considers that non-termination of the agreement may be detrimental to the interests of the Issuer and gives reasoned notice to that effect to the Gestora in advance.

11. Insurance of properties.

The Administrator will not do or omit to do anything that may cause the cancellation of any property insurance policy arranged by the Mortgagors or that would reduce the amount to be paid on any claim thereunder. The Administrator will use its best efforts and will always exercise the rights granted by such policies or the Mortgage Loan in order to maintain in force and with full effect each insurance for damage policy (or any other policy which provides the same cover) in relation to each Mortgage Loan and the respective property.

The Administrator, in the case of loss, must co-ordinate the process for claiming compensation under the insurance for damages policies in accordance with the terms and conditions of the Mortgage Loans and the insurance for damage policies.

12. Information.

The Administrator will periodically inform the Gestora of the compliance level of the Mortgagors with the obligations arising under the Mortgage Loans, the compliance by the Administrator with the obligation to pay in the amounts received relating to the First Drawdowns and the actions taken in the case of default and the enforcement of guarantees.

The Administrator must prepare and deliver to the Gestora any additional information relating to the First Drawdowns and the Mortgage Loans or the rights arising thereunder that the Gestora may reasonably request.

13. Subrogation of of the Mortgagor.

The Administrator will be authorised to allow substitutions of the Mortgagor under the Mortgage Loan agreements, only in those cases in which the characteristics of the new mortgagor are similar to those of the previous mortgagor and conform to the criteria contained in the Memorandum regarding the Overall Lending Policies attached as an exhibit to the Deed of Constitution and provided that the expenses arising from this modification are fully paid by the Mortgagors. The Gestora may partially or totally limit or impose conditions on this authority of the Administrator if such a substitution may negatively impact the ratings assigned to the Securitisation Bonds by the Rating Agencies.

Also, the Mortgagor may request the subrogation of CAIXA CATALUNYA in the Mortgage Loans in accordance with the terms of Law 2/1994 on Subrogation and Changes in Mortgage Loans. The subrogation of a new creditor in the Mortgage Loan and the subsequent payment of the due amount will produce the early repayment of the respective Mortgage Participation or Mortgage Transfer Certificate.

14. Authorities and acts relating to procedures to renegotiate the Mortgage Loans.

The Administrator will not be able to cancel voluntarily the mortgages subject of the Mortgage Participations and the Mortgage Transfer Certificates for any reason other than the payment of the Mortgage Loan, waive or make settlement over the mortgages, remit, either totally or partly, the First Drawdowns or extend them, nor generally do anything that may reduce the ranking, the legal validity or the economic value of the mortgage or the Mortgage Loans, although the Administrator will attend to the requests of the Mortgagors with the same diligence and procedure as if other non-securitised mortgage loans were concerned.

Notwithstanding the above, the Gestora may, in exceptional circumstances, instruct the Administrator or authorise it in advance to agree with the borrower, on the terms and conditions that it considers appropriate, a novation for the amendment of the Mortgage Loan in question. In any event, the Administrator undertakes to maintain the regularity of the instalments for repayment of capital or principal of the Mortgage Loan, also maintaining the same repayment procedure.

The Administrator, on its own initiative and without a request from the Mortgagor, will never be able to commence renegotiations of the interest rate from which a reduction of the interest rate applicable to a Mortgage Loan may ensue.

The Gestora authorises the Administrator to renegotiate the interest rate applicable to the Mortgage Loans at the Mortgagors' request, subject to the following requirements:

- (a) The Administrator will renegotiate the interest rate of the Mortgage Loans to a rate considered a market rate and not different from the rate applied by the Administrator in the renegotiation of loans and credit facilities it grants. For these purposes, a market interest rate will be considered as the interest offered by credit institutions in the Spanish market for loans and credits in an amount and other conditions which are substantially similar to those of the Mortgage Loans.
- (b) In no circumstance will the renegotiation of the applicable interest rate result in a change to a floating interest rate or index different from the interest rates or indices used by the Administrator in the mortgage credits and loans it grants.

The date of the final maturity or last repayment of the Mortgage Loans may be postponed although the Administrator may never make on its own initiative any change in that date that may extend the term. The Administrator must always act in connection with such extension considering the interests of the Issuer. In any event, the new date of final maturity or last repayment may not be later than July 15, 2033, thirty (30) months before the Final Repayment Date of the Issuer.

The Gestora, on behalf of the Issuer, may at any time cancel, suspend or modify the authorisation and the requirements for renegotiation by the Administrator which are contained in this section. In any event, any renegotiation of Mortgage Loans must be undertaken and decided taking the Issuer's interests into account, and it will only affect the Fund the consented by the Gestora

In the cases of renegotiation of the Mortgage Loan(s) or of their maturities, the Administrator will communicate punctually, electronically or in writing to the Gestora, for each Mortgage Loan, the conditions resulting from the renegotiation of the Loan.

The corresponding deeds of novation of the renegotiated Mortgage Loans will be kept in custody by CAIXA CATALUNYA in accordance with the terms of section IV.2.6 of this Folleto.

15. Notification to the Mortgagors

The Gestora and CAIXA CATALUNYA agree not to notify on the Date of Constitution the assignment to the respective Mortgagors.

Nevertheless, CAIXA CATALUNYA, in the Deed of Constitution, shall confer authorities as full as may be required by law upon the Gestora, for the latter to be able to notify the assignment to the Mortgagors, when it deems this advisable. Additionally, the Gestora shall immediately serve duly attested notification of the assignment to the Mortgagors in the following events:

- (i) Replacement of CAIXA CATALUNYA in the administration of the Credit Rights; and
- (ii) Insolvency of CAIXA CATALUNYA or, if the Gestora becomes aware of any event that may have bearing on the financial standing of CAIXA CATALUNYA

The Gestora shall inform the Rating Agencies of the notification made in compliance with this provision.

For the above purposes, CAIXA CATALUNYA undertakes to report to the Gestora, immediately and always before twenty-four hours have elapsed, the occurrence of any event or circumstance that may have effects on the financial standing of CAIXA CATALUNYA or any event of insolvency of CAIXA CATALUNYA.

CAIXA CATALUNYA shall bear the expenses for the notification to the Mortgagors, even if notification is made by the Gestora, and undertakes to cooperate with the Gestora in the notifications to the Mortgagors.

IV.3 Statistical information on the evolution of the portfolio of mortgage loans (Créditos Totales Primera Vivienda and Créditos Totales) of CAIXA CATALUNYA in relation to the following: delinquencies, prepayments in the portfolio of mortgage loans and use of forbearance periods.

The following table shows the historical evolution of delinquency (defined as a mortgage loan in default with debts in arrear for more than three months or in litigation) of the investment made by CAIXA CATALUNYA in "Crédito Total Primera Vivienda" and "Crédito Total" mortgage loans.

Delinquencies of "Crédito Total Primera Vivienda" and "Crédito Total" mortgage loans (%)

	Jan	Feb	Mar	Apr.	May	Jun	July	Aug	Sept	Oct	Nov	Dec
1997	0,00	0,00	0,02	0,03	0,18	0,24	0,19	0,19	0,23	0,27	0,26	0,29
1998	0,29	0,37	0,40	0,39	0,41	0,42	0,44	0,47	0,52	0,54	0,56	0,58
1999	0,65	0,76	0,75	0,78	0,86	0,85	0,85	0,87	0,88	0,95	0,95	0,93
2000	0,95	0,95	0,89	0,83	0,85	0,83	1,03	1,00	0,99	1,00	0,97	0,95
2001	0,98	0,96	0,92	0,90	0,87	0,88	0,97	0,99	1,01	0,99	0,99	0,90
2002	0,95	0,92	0,91	0,84	0,84	0,77	0,73	0,73	0,78	0,85	0,80	0,75
2003	0,71	0,68	0,67	0,65	0,63	0,71	0,68	0,67	0,91	0,88	0,78	0,81
2004	0,87	0,85	0,78	0,73								

Source: Caixa Catalunya

Note 1: The data include delinquency data of the set of drawdowns. Historic series

Note 2: The recoveries of the ratio correspond to the securitisations performed.

The above table includes data on the delinquency of drawdowns as a whole.

The following table shows the evolution over the last four years of the portfolio of Créditos Total Primera Vivienda and Crédito Total, stating the prepayment rate corresponding to the month on the historical maximum of the portfolio per year of origination:

Prepayment Rate per Year of Origination (Annual Percentage Rate)				
	2000	2001	2002	2003
2000-02-29	6,61%	0,00%	0,00%	0,00%
2000-03-31	2,81%	0,00%	0,00%	0,00%
2000-04-30	2,30%	0,00%	0,00%	0,00%
2000-05-31	2,31%	0,00%	0,00%	0,00%
2000-06-30	3,65%	0,00%	0,00%	0,00%
2000-07-31	3,77%	0,00%	0,00%	0,00%
2000-08-31	2,43%	0,00%	0,00%	0,00%
2000-09-30	1,91%	0,00%	0,00%	0,00%
2000-10-31	3,06%	0,00%	0,00%	0,00%
2000-11-30	2,58%	0,00%	0,00%	0,00%
2000-12-31	2,65%	0,00%	0,00%	0,00%
2001-01-31	2,12%	0,00%	0,00%	0,00%
2001-02-28	2,63%	3,73%	0,00%	0,00%
2001-03-31	5,50%	6,04%	0,00%	0,00%
2001-04-30	4,50%	3,81%	0,00%	0,00%
2001-05-31	4,60%	3,97%	0,00%	0,00%
2001-06-30	6,26%	2,88%	0,00%	0,00%
2001-07-31	5,35%	3,73%	0,00%	0,00%
2001-08-31	3,68%	1,84%	0,00%	0,00%
2001-09-30	3,56%	1,89%	0,00%	0,00%
2001-10-31	7,00%	4,54%	0,00%	0,00%
2001-11-30	7,33%	3,60%	0,00%	0,00%
2001-12-31	9,81%	3,57%	0,00%	0,00%
2002-01-31	9,67%	5,07%	0,00%	0,00%
2002-02-28	9,07%	2,74%	3,80%	0,00%
2002-03-31	9,89%	4,71%	1,00%	0,00%
2002-04-30	10,34%	4,79%	2,83%	0,00%
2002-05-31	8,61%	5,95%	1,84%	0,00%
2002-06-30	10,61%	5,52%	1,75%	0,00%
2002-07-31	11,85%	4,27%	4,14%	0,00%
2002-08-31	6,83%	5,09%	1,60%	0,00%
2002-09-30	8,50%	3,80%	1,48%	0,00%
2002-10-31	11,89%	6,16%	2,37%	0,00%
2002-11-30	10,85%	9,31%	3,65%	0,00%
2002-12-31	11,32%	7,00%	3,31%	0,00%
2003-01-31	11,03%	7,32%	3,80%	0,00%
2003-02-28	13,23%	8,69%	2,92%	6,90%
2003-03-31	14,34%	12,34%	3,90%	8,44%
2003-04-30	14,57%	12,25%	4,19%	4,84%
2003-05-31	15,22%	12,69%	4,98%	4,05%
2003-06-30	18,40%	17,59%	9,58%	10,41%
2003-07-31	19,42%	17,18%	6,82%	6,15%
2003-08-31	8,53%	7,59%	3,50%	2,22%
2003-09-30	13,78%	10,96%	7,43%	2,55%
2003-10-31	15,95%	15,32%	10,56%	4,90%
2003-11-30	20,30%	20,03%	11,00%	3,56%
2003-12-31	19,17%	20,81%	9,99%	6,84%
2004-01-31	12,34%	14,70%	9,25%	3,90%

Historical levels of use of Forbearance Periods and present situation of transactions in which it has been requested.

Forbearance Periods, as described in section IV.1 above, consist of periods of grace for the repayment of capital and payment of interest on the First Drawdowns of the Mortgage Loans. Interest accrued during forbearance periods is capitalised.

The initial maximum amount of the Mortgage Loan may not be exceeded as the result of the interest capitalised during a forbearance period. If after the forbearance period has been granted, an increase in the reference interest rate causes the maximum amount to be exceeded, then the length of the forbearance period would be reduced by the necessary time so that the maximum limit is not exceeded.

Forbearance periods may only be granted on five occasions. No forbearance period may be for more than 12 months and the total length of all the forbearance periods granted may not exceed 36 months.

CAIXA CATALUNYA will deny forbearance periods in any of the following circumstances:

- The mortgagor has not paid on maturity (without accruing default interest) the 12 repayment instalments prior to the application for the forbearance period.
- The mortgagor is in arrear with regard to any other transactions he has with CAIXA CATALUNYA or with any other entity;
- Any of the causes of termination and accelerated maturity contained in the agreement has occurred and CAIXA CATALUNYA does not terminate the loan in advance.
- The mortgaged residence is sold and the purchaser is subrogated in the loan granted.

On granting a forbearance period, CAIXA CATALUNYA will determine the amount of the new monthly invoice, considering the amount of interest capitalised during the forbearance period and the lesser number of instalments until maturity.

Number of Forbearance Periods requested: 5,034 (from June 1997).	
Number of transactions affected by Forbearance Periods:	4,506
Number of Forbearance Periods ended:	4,613
Number of Forbearance Periods existing:	421

Source: Caixa Catalunya

Comparing the volume of First Drawdowns in Forbearance Periods applied for until April 2,, 2004 with the number of transactions of the Crédito Total and Crédito Total Primera Vivienda product, the percentage of the former is 8.1% (4,506 out of 55,746 transactions).

The following table sets out the distribution of First Drawdowns in Forbearance Periods according to their length.

Length of the Forbearance Period	Number of transactions	%
One month.	311	6,18%
Two months.	886	17,60%
Three months.	1.085	21,55%
Four months	777	15,44%
Five months.	523	10,39%
Six months.	509	10,11%

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Seven months	297	5,90%
Eight months.	113	2,24%
Nine months	86	1,71%
Ten months.	75	1,49%
Eleven months.	50	0,99%
Twelve months.	322	6,40%
Total First Drawdowns in Forbearance Periods	5034	100%

Source: Caixa Catalunya

The following table provides information on the status, at the date of registration of this Folleto, of drawdowns for which the forbearance period has been granted and has ended.

Number of Forbearance Periods ended	%	Status of the First Drawdown	Objective situation
1173	36,6%	In force	No payments in arrear
755	4,2%	In force	Invoice in arrear for less than 3 months
34	0,4%	In force	Doubtful for arrears of more than 3 months
9	0,0%	In force	Doubtful for arrears of over 1 year
2,629	50,5%	Cancelled	
1	0,2%	In litigation	Amounts in arrear for more than 3 months (litigation with date of complaint)
12	0,1%	In litigation	Amounts in arrear for more than 1 year (litigation with date of complaint)
Total= 4613			

Source: Caixa Catalunya

IV.4 Description of the provisional portfolio of First Drawdowns of mortgage loans (Créditos Totales Primera Vivienda and Créditos Totales) securitised through the Mortgage Participations and the Mortgage Transfer Certificates grouped in the Issuer.

a) Number of First Drawdowns and amount pending maturity at May 6, 2004

Participations and Mortgage Transfer Certificates to be subscribed by the Issuer is made up of 16,415 first drawdowns of the same number of mortgage loans, whose outstanding balance at May 8, 2004 was 1,611,122,696 Euro.

None of the First Drawdowns of the provisional portfolio to be used as a basis for the issue of the Mortgage Participations and the Mortgage Transfer Certificates are in the Forbearance Period or will be in the Forbearance Period at the date of their inclusion in the Issuer.

b) Maximum, minimum and average value of the principal of the First Drawdowns.

The outstanding balance of the First Drawdowns at May 6, 2004 was in the range of from 25,123 to 453,630 Euro, with the average value of 117,992 Euro.

The following table shows the distribution of the outstanding balance of the First Drawdowns in intervals of fifty thousand (50,000) Euro.

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by outstanding balance						
Interval of principal (Euro)	First drawdowns	%	Original balance	%	Outstanding balance	%
1 - 50,000	1.966	11,98%	91.626.226	5,42%	78.001.859	4,84%
50,001 - 100,000	7.207	43,90%	576.599.104	34,12%	542.860.075	33,69%
100,001 - 150,000	5.603	34,13%	707.085.274	41,84%	685.745.664	42,56%
150,001 - 200,000	1.264	7,70%	219.527.178	12,99%	212.715.488	13,20%
200,001 - 250,000	253	1,54%	57.063.834	3,38%	54.915.442	3,41%
250,001 - 300,000	79	0,48%	22.034.818	1,30%	21.504.818	1,33%
300,001 - 350,000	22	0,13%	7.273.093	0,43%	7.053.621	0,44%
350,001 - 400,000	11	0,07%	4.205.889	0,25%	3.983.529	0,25%
400,001 - 450,000	8	0,05%	3.511.997	0,21%	3.437.304	0,21%
450,001 - 500,000	2	0,01%	932.500	0,06%	904.895	0,06%
Total:	16.415	100,00%	1.689.859.913	100,00%	1.611.122.696	100,00%

c) Maximum, minimum and average original balances of the First Drawdowns.

The First Drawdowns of the provisional portfolio were granted for amounts ranging from a minimum of 26,000 Euro to a maximum 480,000 Euro. The average original balance of the portfolio is 122,714 Euro.

The following table provides statistical information on the First Drawdowns in intervals of fifty thousand (50,000) Euro.

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by outstanding balance						
Interval of principal (Euro)	First drawdowns	%	Original balance	%	Outstanding balance	%
1 - 50,000	1.521	9,27%	63.282.801	3,74%	58.345.426	3,62%
50,001 - 100,000	7.082	43,14%	540.195.592	31,97%	511.185.044	31,73%
100,001 - 150,000	5.885	35,85%	723.609.201	42,82%	700.001.544	43,45%
150,001 - 200,000	1.450	8,83%	244.623.965	14,48%	233.116.862	14,47%
200,001 - 250,000	316	1,93%	68.985.825	4,08%	64.150.688	3,98%
250,001 - 300,000	105	0,64%	29.016.094	1,72%	26.132.295	1,62%
300,001 - 350,000	29	0,18%	9.243.625	0,55%	8.117.858	0,50%
350,001 - 400,000	15	0,09%	5.560.376	0,33%	5.142.439	0,32%
400,001 - 450,000	8	0,05%	3.478.374	0,21%	3.242.725	0,20%
450,001 - 500,000	4	0,02%	1.864.059	0,11%	1.687.815	0,10%
Total:	16.415	100,00%	1.689.859.912	100,00%	1.611.122.696	100,00%

d) Actual rate of interest applicable at the date of verification of this Folleto: maximum, minimum and average interest rates on the First Drawdowns.

All first drawdowns of the mortgage loans which form the provisional portfolio have a floating interest rate. The nominal interest rates applicable to the First Drawdowns of the mortgage loans on May 6, 2004 are in the range 2,502% to 6% and the weighted average nominal interest rate for the outstanding principal is 3.895%.

The following table shows the distribution of the First Drawdowns of the mortgage loans in intervals of 0.50% of the current nominal interest rate.

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by interest rate						
Intervals of interest rate (%)	First drawdowns	%	Original balance	%	Outstanding balance	%
2.51 - 3.00	800	4,87%	105.464.295	6,24%	99.358.250	6,17%
3.01 - 3.50	2518	15,34%	292.218.302	17,29%	274.099.444	17,01%
3.51 - 4.00	7.418	45,19%	745.840.972	44,14%	713.617.339	44,29%
4.01 - 4.50	3.891	23,70%	359.492.623	21,27%	342.404.850	21,25%
4.51 - 5.00	1.661	10,12%	175.664.498	10,40%	171.137.447	10,62%
5.01 - 5.50	125	0,76%	11.092.677	0,66%	10.437.551	0,65%
5.51 - 6.00	2	0,01%	86.546	0,01%	67.814	0,00%
Total:	16.415	100,00%	1.689.859.913	100,00%	1.611.122.696	100,00%

e) Indices or reference rates established for the determination of the floating rate of interest.

The interest rates for all the first drawdowns will be determined with reference to the following indexes:

- (i) **Average Rate of Savings Banks (*Cajas de Ahorro*) (IRPH Cajas)**
- (ii) **MIBOR** (interbank 1 year rate).
- (iii) **EURIBOR** (interbank 1 year reference).
- (iii) **CECA** (active reference rate of the Savings Banks "*Cajas de Ahorro*"-indicator CECA active rate).

The rates used in calculating the arithmetic averages will be the equivalent annual rates weighted by the respective principals and notified by the Savings Banks to the Bank of Spain, for each of these types of loan and these terms, in accordance with the provisions of the second rule of the Circular 8/1990 of 7 September on the transparency of transactions and the protection of clients.

This type of reference rate is published by the Bank of Spain in the Official State Gazette and corresponds to the third month prior to its application, as long as it has been published at least 20 days before the start of the new annual period. In the event that such a type of interest rate is not published sufficiently in advance, the rate in the fourth month immediately preceding the month of the application of the new rate will be used as the reference rate.

In the mortgages contracts on the initial draw downs, the annual review of the base rate of the CECA index will be carried out in accordance with the contractual provisions which deal with this matter in the deeds of the securitised mortgages, and with respect to this the following will be applicable: either (i) CECA as the effective interest rate (TAE) for Savings Banks, published in the Official State Gazette, or (ii) CECA, as the nominal interest rate, with monthly liquidation for months paid and equivalent to the published effective rate.

f) Dates of origination of First Drawdowns together with most proximate and most distant Final Repayment Dates.

Origination Date

The First Drawdowns which form the provisional portfolio were originated on dates between June 25, 1996 and December 31, 2003.

The average origination of the portfolio at May 6, 2004, is 20.35 months. Average origination is calculated as the average (weighted by the outstanding balance of each First Drawdown) of the number of months that have elapsed from the date of origination until the date of calculation (May 6, 2004).

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by original balance						
Quarter and year of origination	First drawdowns	%	Original balance	% Outstanding balance		%
2T 1996	1	0,01%	63.106	0,00%	47.191	0,00%
3T 1996	33	0,20%	2.346.201	0,14%	1.849.469	0,11%
4T 1996	61	0,37%	3.911.687	0,23%	3.089.752	0,19%
1T 1997	62	0,38%	4.054.253	0,24%	3.131.607	0,19%
2T 1997	95	0,58%	6.443.367	0,38%	5.359.610	0,33%
3T 1997	113	0,69%	7.467.407	0,44%	5.989.241	0,37%
4T 1997	143	0,87%	9.192.150	0,54%	7.753.032	0,48%
1T 1998	151	0,92%	10.452.652	0,62%	8.940.746	0,55%
2T 1998	162	0,99%	10.479.646	0,62%	9.051.843	0,56%

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First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by original balance						
3T 1998	122	0,74%	8.105.538	0,48%	6.975.798	0,43%
4T 1998	103	0,63%	6.636.977	0,39%	5.683.961	0,35%
1T 1999	65	0,40%	4.610.033	0,27%	4.098.290	0,25%
2T 1999	107	0,65%	7.783.834	0,46%	6.703.336	0,42%
3T 1999	164	1,00%	12.048.790	0,71%	10.753.147	0,67%
4T 1999	236	1,44%	17.845.101	1,06%	15.969.066	0,99%
1T 2000	252	1,54%	19.473.159	1,15%	17.584.262	1,09%
2T 2000	332	2,02%	26.323.621	1,56%	23.740.987	1,47%
3T 2000	301	1,83%	24.313.687	1,44%	22.153.064	1,38%
4T 2000	339	2,07%	26.774.260	1,58%	24.474.066	1,52%
1T 2001	315	1,92%	24.959.474	1,48%	23.105.163	1,43%
2T 2001	354	2,16%	28.623.003	1,69%	26.763.662	1,66%
3T 2001	314	1,91%	26.879.956	1,59%	25.023.813	1,55%
4T 2001	490	2,99%	45.827.719	2,71%	42.308.615	2,63%
1T 2002	495	3,02%	49.309.000	2,92%	46.203.480	2,87%
2T 2002	722	4,40%	71.206.545	4,21%	67.794.658	4,21%
3T 2002	980	5,97%	102.683.111	6,08%	98.803.832	6,13%
4T 2002	1.404	8,55%	152.622.097	9,03%	147.087.061	9,13%
1T 2003	2.619	15,95%	290.902.795	17,21%	280.692.278	17,42%
2T 2003	2.665	16,24%	306.302.605	18,13%	296.208.307	18,39%
3T 2003	1.814	11,05%	213.669.896	12,64%	207.998.731	12,91%
4T 2003	1.401	8,53%	168.548.242	9,97%	165.784.626	10,29%
Total:	16.415	100,00%	1.689.859.912	100,00%	1.611.122.696	100,00%

Final Repayment Date and residual life

The First Drawdowns which form the provisional portfolio have final repayment dates between December 31, 2005 and December 31, 2033.

The repayment of the First Drawdowns occurs over the remaining life until the total repayment, during which period the Mortgagors must pay monthly amounts comprising payment of principal and payment of interest.

At any time during the life of the mortgage loans, Mortgagors may make early repayment of all or part of the outstanding balance. As from the date of the early repayment, interest ceases to accrue on the portion repaid.

However, each drawdown from the mortgage loan, including the First Drawdown, has its own repayment schedule and its own invoice, which may be partly owed, provided there are no previous unpaid amounts from this or any other drawdown, which will have priority.

These extraordinary early repayments, together with the ordinary repayments, are passed on quarterly to the Bondholders in accordance with section II.11.3.7, so that both the average life and the duration of the Securitisation Bonds largely depend on the actual behaviour of the early repayments in the portfolio of first drawdowns of the mortgage loans.

The following table shows the distribution of the first drawdowns of the mortgage loans according to their final repayment date in quarterly intervals:

no document other than the informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

First drawdown portfolio as at May 6, 2004							
First drawdown Seriesification by final repayment date of the first drawdown							
Year of final repayment	First drawdowns	%	Original balance	%	Outstanding principal	%	
2005	1	0,01%	32.500	0,00%	27.260	0,00%	
2006	1	0,01%	300.000	0,02%	36.451	0,00%	
2007	2	0,01%	143.475	0,01%	51.937	0,00%	
2008	7	0,04%	502.557	0,03%	319.558	0,02%	
2009	9	0,05%	711.529	0,04%	336.183	0,02%	
2010	18	0,11%	1.083.841	0,06%	785.024	0,05%	
2011	32	0,19%	2.394.285	0,14%	1.581.234	0,10%	
2012	50	0,30%	3.600.341	0,21%	2.383.819	0,15%	
2013	163	0,99%	11.314.988	0,67%	9.437.673	0,59%	
2014	36	0,22%	2.564.194	0,15%	2.051.142	0,13%	
2015	87	0,53%	6.660.109	0,39%	5.588.064	0,35%	
2016	96	0,58%	7.239.359	0,43%	5.916.043	0,37%	
2017	187	1,14%	13.536.612	0,80%	10.653.481	0,66%	
2018	361	2,20%	26.701.081	1,58%	23.968.777	1,49%	
2019	96	0,58%	7.411.347	0,44%	6.097.759	0,38%	
2020	143	0,87%	12.193.399	0,72%	10.580.254	0,66%	
2021	166	1,01%	13.160.345	0,78%	11.761.771	0,73%	
2022	260	1,58%	21.358.927	1,26%	18.804.893	1,17%	
2023	704	4,29%	62.595.016	3,70%	58.842.411	3,65%	
2024	202	1,23%	16.922.058	1,00%	15.014.520	0,93%	
2025	246	1,50%	21.501.397	1,27%	19.417.704	1,21%	
2026	312	1,90%	25.117.373	1,49%	23.201.164	1,44%	
2027	587	3,58%	50.183.417	2,97%	46.802.641	2,90%	
2028	1.070	6,52%	98.106.859	5,81%	93.011.472	5,77%	
2029	440	2,68%	36.368.370	2,15%	33.605.431	2,09%	
2030	959	5,84%	80.716.889	4,78%	75.392.440	4,68%	
2031	1.149	7,00%	106.816.078	6,32%	101.364.751	6,29%	
2032	2.923	17,81%	314.777.363	18,63%	304.278.643	18,89%	
2033	6.108	37,21%	745.846.206	44,14%	729.810.196	45,30%	
Total:	16.415	100,00%	1.689.859.915	100,00%	1.611.122.696	100,00%	

Simple Average:	307,2	months	25,6	years
Weighted Average:	318,0	months	26,5	years
Closest Maturity Date (minimum):	19,02	months	1,60	years
Most distant Maturity Date (maximum):	356,1	months	29,7	years

g) Purpose of the First Drawdowns assigned through the Mortgage Participations and the Mortgage Transfer Certificates to be issued by CAIXA CATALUNYA.

The First Drawdowns of the Mortgage Loans were granted by CAIXA CATALUNYA to the Mortgagors in order to finance the purchase of the main residence located in Spain.

h) Amount of principal relating to the financing of non-residential properties.

None

i) In the case of developer companies, First Drawdowns of loans corresponding to unfinished and finished buildings.

no document other than the informative Prospectus (*Prospetto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

None

j) Maximum, minimum and average figure of First Drawdown/appraisal ratio.

The following table shows the statistical ratio between the percentage of appraisal values with respect to the number and amount on the date of origination of the first drawdowns (Loan to Value - "LTV").

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by ratio original balance / appraisal value						
Intervals original balance/appraisal value	First drawdowns	%	Original balance	%	Outstanding balance	%
0.00 - 0.09	6	0,04%	297.019	0,02%	285.319	0,02%
0.10 - 0.19	85	0,52%	4.331.409	0,26%	4.079.683	0,25%
0.20 - 0.29	235	1,43%	13.559.750	0,80%	12.861.099	0,80%
0.30 - 0.39	430	2,62%	29.663.060	1,76%	28.197.384	1,75%
0.40 - 0.49	579	3,53%	50.031.278	2,96%	47.189.666	2,93%
0.50 - 0.59	705	4,29%	67.324.657	3,98%	63.973.169	3,97%
0.60 - 0.69	844	5,14%	91.025.227	5,39%	85.603.088	5,31%
0.70 - 0.79	2.425	14,77%	255.394.937	15,11%	242.305.408	15,04%
0.80 - 0.89	2.016	12,28%	206.767.506	12,24%	196.578.366	12,20%
0.90 - 0.99	8.682	52,89%	925.343.898	54,76%	885.172.632	54,94%
1	408	2,49%	46.121.172	2,73%	44.876.882	2,79%
Total:	16.415	100,00%	1.689.859.913	100,00%	1.611.122.696	100,00%

Simple Average: 0.85

Weighted Average: 0.87

Minimum: 0.04

Maximum: 1.00

Weighted average ratio between original amount of the mortgage loans and weighted average appraisal value

As can be seen, the original amount of the mortgage loans, in weighted average terms, did not exceed 0.87% of the appraisal value of the properties.

First drawdown portfolio as at May 6, 2004							
First drawdown Seriesification by ratio mortgage credit limit / appraisal value (LOCTV)							
Mortgage credit limit over appraisal value	First drawdowns	%	Original balance	%	Outstanding balance	%	
0.00 - 0.09	3	0,02%	171.019	0,01%	166.400	0,01%	
0.10 - 0.19	38	0,23%	2.077.870	0,12%	1.928.264	0,12%	
0.20 - 0.29	135	0,82%	8.299.050	0,49%	7.890.658	0,49%	
0.30 - 0.39	282	1,72%	18.940.111	1,12%	17.818.176	1,11%	
0.40 - 0.49	464	2,83%	39.318.940	2,33%	36.775.753	2,28%	
0.50 - 0.59	608	3,70%	57.099.666	3,38%	54.076.808	3,36%	
0.60 - 0.69	883	5,38%	91.578.834	5,42%	86.172.315	5,35%	
0.70 - 0.79	2.865	17,45%	290.797.971	17,21%	276.459.512	17,16%	
0.80 - 0.89	2.040	12,43%	209.556.681	12,40%	199.246.971	12,37%	
0.90 - 0.99	8.689	52,93%	925.898.598	54,79%	885.710.956	54,97%	
1	408	2,49%	46.121.172	2,73%	44.876.882	2,79%	
Total:	16.415	100,00%	1.689.859.912	100,00%	1.611.122.696	100,00%	

no document other than the informative Prospectus (*Foglio Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by ratio mortgage credit limit / appraisal value (LOCTV)						
Mortgage credit limit over appraisal value	First drawdowns	%	Original balance	%	Outstanding balance	%
Simple Average: 0.86						
Weighted Average: 0.87						
Minimum: 0.04						
Maximum: 1.00						

Weighted average ratio between credit limit and appraisal value

As can be seen, the weighted average ratio of the credit limit/appraisal value of the properties did not exceed 0.87 %.

In addition, according to the aforementioned information, on May 6, 2004, (i) 32.65% of the first drawdowns corresponds to Mortgage Loans which limit is below 80% of the appraisal value of the mortgaged property, and therefore, subject to be participated by means of mortgage participations; and (ii) 67.35% of the first drawdowns corresponds to Mortgage Loans which limit exceeds 80% of the appraisal value of the mortgaged property and, therefore subject to be participated by means of mortgage transfer certificates.

k) Maximum, minimum and average figures of the Loan to Value ratio (LTV) at the verification date

The ratio between the outstanding amount of principal of the First Drawdowns and the appraisal value of the property relating to them which form the provisional portfolio at May 6, 2004 was between 4.33% and 100%, the average ratio weighted by the outstanding balance of each first drawdown being 0.83%.

The following table shows the distribution of the first drawdowns.

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by ratio outstanding balance of the First Drawdown / appraisal value (Current LTV)						
Intervals outstanding balance / appraisal value ratio	First drawdowns	%	Original balance	%	Outstanding balance	%
0.00 - 0.09	13	0,08%	1.513.914	0,09%	636.475	0,04%
0.10 - 0.19	112	0,68%	6.843.256	0,40%	5.209.536	0,32%
0.20 - 0.29	310	1,89%	21.132.151	1,25%	17.008.571	1,06%
0.30 - 0.39	535	3,26%	42.015.079	2,49%	36.029.002	2,24%
0.40 - 0.49	687	4,19%	62.377.432	3,69%	55.539.758	3,45%
0.50 - 0.59	851	5,18%	84.201.789	4,98%	76.723.845	4,76%
0.60 - 0.69	1.130	6,88%	115.917.250	6,86%	108.157.867	6,71%
0.70 - 0.79	2.678	16,31%	272.227.500	16,11%	260.074.388	16,14%
0.80 - 0.89	2.755	16,78%	269.340.530	15,94%	257.233.286	15,97%
0.90 - 0.99	7.344	44,74%	814.291.011	48,19%	794.509.968	49,31%
Total:	16.415	100,00%	1.689.859.912	100,00%	1.611.122.696	100,00%

Simple Average: 0.81
Weighted Average: 0.83
Minimum: 0.04
Maximum: 0.99

l) Geographical distribution by province of the First Drawdowns.

no document other than the informative Prospectus (*Foglio informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

The following table shows the geographical distribution of the First Drawdowns, according to the provinces where the mortgaged properties are located.

The table also shows the outstanding balance of the First Drawdowns secured by properties located in each of the provinces.

no document other than the informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

First drawdown portfolio as at May 6, 2004						
First drawdown Seriesification by provinces						
Province	First drawdowns	%	Original balance	%	Outstanding balance	%
Albacete	106	0,65%	6.825.554	0,40%	6.516.972,11	0,40%
Alicante	294	1,79%	21.731.158	1,29%	20.517.900,93	1,27%
Almería	33	0,20%	2.588.796	0,15%	2.383.240,79	0,15%
Ávila	16	0,10%	1.457.573	0,09%	1.379.179,74	0,09%
Badajoz	120	0,73%	8.421.574	0,50%	7.882.887,17	0,49%
Barcelona	9.656	58,82%	1.092.551.546	64,65%	1.047.623.596,52	65,02%
Bilbao	29	0,18%	3.444.929	0,20%	3.310.985,10	0,21%
Burgos	29	0,18%	3.044.159	0,18%	2.877.053,29	0,18%
Castellón	161	0,98%	12.626.796	0,75%	11.758.696,33	0,73%
Ciudad Real	34	0,21%	2.339.120	0,14%	2.208.770,64	0,14%
Cuenca	18	0,11%	1.310.562	0,08%	1.220.137,38	0,08%
Cáceres	12	0,07%	1.128.632	0,07%	1.068.648,56	0,07%
Cádiz	73	0,44%	4.809.629	0,28%	4.541.384,64	0,28%
Córdoba	55	0,34%	4.791.734	0,28%	4.536.002,89	0,28%
Gerona	672	4,09%	61.459.167	3,64%	58.581.702,90	3,64%
Granada	40	0,24%	3.017.787	0,18%	2.806.155,99	0,17%
Guadalajara	35	0,21%	3.743.799	0,22%	3.634.419,47	0,23%
Huelva	38	0,23%	2.804.053	0,17%	2.608.456,29	0,16%
Huesca	14	0,09%	1.006.164	0,06%	959.514,43	0,06%
Jaen	18	0,11%	1.311.130	0,08%	1.175.262,93	0,07%
La Coruña	35	0,21%	3.403.754	0,20%	3.130.331,47	0,19%
Las Palmas	44	0,27%	4.105.717	0,24%	3.888.265,60	0,24%
Leon	57	0,35%	4.874.811	0,29%	4.534.821,42	0,28%
Logroño	23	0,14%	2.122.132	0,13%	2.017.466,76	0,13%
Lugo	46	0,28%	3.652.555	0,22%	3.435.549,26	0,21%
Lérida	174	1,06%	15.070.758	0,89%	14.379.538,70	0,89%
Madrid	1.476	8,99%	159.629.184	9,45%	150.215.986,96	9,32%
Murcia	484	2,95%	33.666.102	1,99%	31.942.591,35	1,98%
Málaga	42	0,26%	4.137.438	0,24%	3.932.667,24	0,24%
Orense	116	0,71%	9.806.428	0,58%	9.166.073,52	0,57%
Oviedo	13	0,08%	1.251.930	0,07%	1.138.413,80	0,07%
Palencia	10	0,06%	767.763	0,05%	724.475,22	0,04%
Palma de Mallorca	77	0,47%	7.159.439	0,42%	6.870.434,37	0,43%
Pamplona	138	0,84%	16.793.622	0,99%	15.270.195,25	0,95%
Pontevedra	53	0,32%	4.336.912	0,26%	4.105.667,94	0,25%
Salamanca	32	0,19%	2.611.221	0,15%	2.240.846,75	0,14%
San Sebastián	6	0,04%	1.012.571	0,06%	984.071,54	0,06%
Santander	98	0,60%	7.825.735	0,46%	7.233.636,92	0,45%
Segovia	47	0,29%	4.089.070	0,24%	3.820.301,68	0,24%
Sevilla	162	0,99%	10.032.870	0,59%	9.486.755,74	0,59%
Sonia	47	0,29%	4.598.029	0,27%	4.282.595,77	0,27%
Sta Cruz Tenerife	51	0,31%	5.563.551	0,33%	5.120.698,50	0,32%
Tarragona	392	2,39%	38.487.902	2,28%	36.859.478,62	2,29%
Teruel	14	0,09%	1.076.132	0,06%	1.004.031,42	0,06%
Toledo	48	0,29%	4.802.697	0,28%	4.582.320,72	0,28%
Valencia	942	5,74%	68.337.529	4,04%	64.592.336,81	4,01%
Valladolid	134	0,82%	11.709.620	0,69%	10.904.832,09	0,68%
Vitoria	12	0,07%	1.613.487	0,10%	1.472.309,66	0,09%
Zamora	40	0,24%	2.422.782	0,14%	2.280.524,74	0,14%
Zaragoza	149	0,91%	14.484.313	0,86%	13.914.507,63	0,86%
Total:	16.415	100,00%	1.689.859.916	100,00%	1.611.122.696	100,00%

no document other than the informative Prospectus (*Foglio informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

m) Indication of whether any principal or interest instalments of the mortgage loans forming the provisional portfolio are in arrears

First drawdown portfolio as at May 6, 2004				
Delays of payable instalments				
Intervals	Loans	Outstanding balance	Payable balance	% total outstanding balance
From 1 to 30 days	2.287	217.558.270	332.947	0,0207%
Total	2.287	217.558.270	332.947	

The First Drawdowns to make up the final portfolio and with which the Mortgage Participations and the Mortgage Transfer Certificates will be issued shall not remain in arrears for more than thirty (30) days, as regards the outstanding debits on each one of them.

**CHAPTER V
INFORMATION ON THE ECONOMIC/FINANCIAL OPERATIVE OF THE
ASSET SECURITISATION FUND**

V.1 Synoptic table describing the various hypotheses and expected activity of the economic and financial flows of the Issuer.

At closure on the Closing Date, the Issuer has the following balance sheet:

INITIAL BALANCE SHEET OF THE ISSUER (euro)			
Assets of the Issuer		Liabilities of the Issuer	
Fixed assets	1,401,995,891	Securitisation Bonds Issue	1,400,000,000
Mortgage Participations and Mortgage Transfer Certificates (principal)	1,400,000,000	Series A1 Securitisation Bonds	160,000,000
Mortgage Participations and Mortgage Transfer Certificates (interest)	473,667	Series A2 Securitisation Bonds	1,148,300,000
Constitution Expenses	1,522,224	Series B Securitisation Bonds	21,700,000
		Series C Securitisation Bonds	42,000,000
		Series D Securitisation Bonds	28,000,000
Current assets	26,600,000	Other long-term debts	28,595,891
Cash (Initial Reserve Fund)	26,600,000	Subordinated Loan	28,595,891
Total Assets	1,428,595,891	Total Liabilities	1,428,595,891

V.1.1 Hypotheses assumed in relation to the main indexes or most probable parameters of early repayment, delinquencies and defaults with respect to the Mortgage Participations and the Mortgage Transfer Certificates within the Issuer.

The following table describes one of the possible scenarios for the Issuer and this Bond issue in relation to credits and debits to the Issuer during the lifetime of the Issuer and the Bond issue:

In order to facilitate the composition and understanding of the table and to avoid the presentation of two additional columns with the same amounts and reverse signs which would represent payments relating to interest earned by the Mortgage Participations and the Mortgage Transfer Certificates and interest paid under the Swap Agreement, respectively, the table only shows interest earned by the Issuer net of any amounts paid under the Swap Agreement, although the accounting records of the Issuer record all credits and debits relating to the Mortgage Participations and the Mortgage Transfer Certificates and the Swap.

The following table of the financial servicing of the Issuer has been drawn up based on the following assumptions:

a) First Drawdowns.

- (i) Size on May 6, 2004 of the portfolio from which the First Drawdowns subject of the Mortgage Participations and the Mortgage Transfer Certificates issue will be taken: 1,611,122,696 Euros;

- (ii) Interest rates: the initial/future weighted average nominal interest rate (extracted from the interest rates in force for each of the First Drawdowns, which, as stated in section IV.4.d) above, consist in the initial reference rate plus a margin) on the First Drawdowns is assumed as 3.895 per cent per annum.
- (iii) CPR: 12 per cent per annum, 1.059 per cent per month.
- (iv) Rate of default: 0 per cent per annum.
- (v) Rate of loss credits: 0 per cent per annum.
- (vi) First Drawdowns in Forbearance Period: 0%

b) Mortgage Participations and Mortgage Transfer Certificates.

- (i) Principal: participation of 100 per cent in the First Drawdown
- (ii) Interest: participation calculated at the same interest rate applicable to the First Drawdown.

c) Securitisation Bonds.

- (i) Amount: ONE THOUSAND FOUR HUNDRED MILLION (1,400,000,000) Euro without differentiating between each of the Series of Securitisation Bonds.
- (ii) Interest rates: weighted floating interest rate per annum, calculated and payable quarterly for balances of each of the Series of Securitisation Bonds, on the assumption that the interest rates of each Series will remain constant at 2.126% for Series A1, 2.216% for Series A2, 2.366% for Series B, 2.596% for Series C and 2.946% for Series D, for the first interest period, and 2.115% for Series A1, 2.205% for Series A2, 2.355% or Series B, 2.585% for Series C and 2.935% for Series D for the rest of the interest periods.
- (iii) It is assumed that the principal of the Securitisation Bonds will be repaid in accordance with the general rules set out in sections II.11.3.7. and II.11.3.8. of this Folleto.
- (iv) Exercise by CAIXA CATALUNYA of the option of early repayment of the Securitisation Bonds in all Series when Outstanding Balance of the Mortgage Portfolio is less than 10% of its original amount,
- (v) The final repayment date will be on July 15, 2036, thirty (30) months after the repayment of the last First Drawdown repaid.

d) Ancillary Agreements

Subordinated Loan

- Amount: Maximum of [thirty-three million] ([33,000,000]) Euro; nevertheless, in the synoptic table of hypothesis, a maximum amount of approximately 28,595,891 Euro has been assumed, to be used (i) to finance the establishment of the Issuer and issue of the Securitisation Bonds: 1,522,224 Euro, (ii) to partially finance the subscription of the Mortgage Participations and the Mortgage Transfer Certificates: 473,667 Euro, including payment of interest due and payable on each of the Initial Drawdowns, at the date of issue of the Mortgage Participations and of the Mortgage Transfer Certificates; and (iii) to allocate to the Initial Reserve Fund: twenty-six million six hundred thousand (26,600,000) Euro.
- Fixed remuneration: The Reference Interest Rate described in section II.10.1 of this Folleto which at May 25, 2004 was 2.035 %, except for the first interest period for which it will be 2.046%.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMIV, shall have any legal effect or be relied upon with regard to the Note Issue.

- Repayment: The Gestora, on behalf of the Issuer, may freely repay any part of the Subordinated Loan on each Payment Date, in accordance with the rules and priority of payments set out in section V.5.1.B)2 of this Folleto. The Subordinated Loan will mature on the date of liquidation of the Issuer.
- Variable Remuneration: A variable amount, which shall accrue and be settled quarterly on each Payment Date for an amount equal to the positive difference, if any, between the income and expenditure of the Issuer at the last day of the calendar month preceding each Payment Date and before the book closing of the month in question.

Guaranteed Rate of Reinvestment Agreement for the Treasury Account

Guaranteed interest: Reference Interest Rate, to be calculated quarterly, as described in section II.10.1.c), and payable monthly, for amounts deposited in the Treasury Account (including the Reserve Fund). The interest rate applied to calculate the financial servicing of the Issuer is 2.035 %, except for the first interest period for which it will be 2,046%.

Guaranteed Rate of Reinvestment Agreement for the Repayment Account

Guaranteed profitability: Reference Interest Rate, to be calculated quarterly, as described in section II.10.1.c), payable monthly, on the amounts deposited in the Repayment Account. The interest rate applied to calculate the financial service of the Issuer is 2.035%.

Swap Agreement

- Amount payable by the Issuer: It will be sum of all amounts of interest received from the Mortgage Participations and the Mortgage Transfer Certificates during the most recent Determination Period.
- Interest rate to be received by the Issuer: the annual interest rate resulting from applying the Reference Interest Rate of the Securitisation Bonds for the current Interest Period plus the average margin of the Securitisation Bonds on the Payment Date, weighted by the Outstanding Balance of the Securitisation Bonds in the Determination Period immediately prior to the Payment Date, plus 0.66 %. In the example of the financial servicing of the Issuer, it has been assumed that the interest rates on each Series remain constant at 2.126 % for Series A1, 2,216% for Series A2, 2.366 % for Series B, 2,596 % for Series C and 2.946 % for Series D, for the first interest period, and at 2.115% for Series A1, 2.205% for Series A2, 2.355% for Series C and 2.935% for Series D, for the rest of the interest periods.
- It is assumed in the following tables of hypotheses that, without prejudice to its existence, it will not be necessary to draw from the deposit that covers payments to be made by CAIXA CATALUNYA under the Swap Agreement.

Reserve Fund

With an initial allocation at the Closing Date of an amount equal to 1.90% of the initial nominal amount of the Securitisation Bonds, twenty-six million six hundred thousand (26,600,000)Euro (the "**Initial Reserve Fund**") The Initial Reserve Fund will be financed with the Subordinated Loan granted by CAIXA CATALUNYA to the Issuer:

Subsequently, on each Payment Date, in accordance with the priority of payments envisaged in section V.5.1.B) 2, the amount of the Reserve Fund will vary as set forth below (the "Required Reserve Fund"):

- A) If the Delinquency Ratio is lower than 3% it will be provided with the lower of the following amounts:
 1. either an amount equal to 1.90% of the initial amount of the issue of the Bonds (i.e., 26,600,000 euros);
 2. or the higher of the following amounts: (i) an amount equal to 1.30% of the initial balance of the issue (i.e., 18,200,000 euros) or (ii) an amount equal to 4% of the Outstanding Principal Balance of the Bonds

- B) If the Delinquency ratio is 3% or higher, then the lower of the following amounts shall be provided:
1. either an amount equal to 2.10% of the initial amount of the issue of the Bonds (i.e., 29,400,000 euro) (hereinafter the "Maximum Reserve Fund");
 2. or the higher of the following amounts: (i) an amount equal to 1.40% of the initial balance of the issue (i.e., 19,600,000 euro or (ii) an amount equal to 5% of the Outstanding Principal Balance of the Bonds.

"**Delinquency Ratio**" will be the ratio between (i) the Outstanding Balance of Mortgage Participations and Mortgage Transfer Certificates in arrear for over ninety (90) days (excluding the Outstanding Balance of the Mortgage Participations and of the Mortgage Transfer Certificates in arrear for more than 18 months and those on which mortgages have been foreclosed) and (ii) the Outstanding Balance of the Mortgage Portfolio. The date of calculation of each monthly Delinquency Ratio shall be each Date of Determination and the last day of each calendar month, during each of the three preceding months to the Determination Date (for the purpose of calculating the possibility of reducing the Reserve Fund provided for below).

In any event, the Initial Reserve Fund

- (i) will not be reduced until three (3) years have elapsed from the Date of Constitution of the Fund; and
- (ii) will not be reduced between two consecutive Payment Dates when on the respective Date of Determination any of the following events occurs:
 - A) If the average Delinquency ratios plus the Average Ratios of Transactions in the Forbearance Period calculated on the last calendar day of the month during the three months preceding the Determination Date is higher than 3%; or
 - B) If the Required Reserve Fund has not been provided in full on the preceding Payment Date.

For the above purposes, "**Ratio of Transactions in the Forbearance Period**" shall be the ratio between the Outstanding Balance of those Mortgage Loans that have been included in the Forbearance Period for more than ninety days and the Total Outstanding Balance of the Portfolio. Additionally, the Date of Calculation of each average Delinquency Ratio and of the Ratio of Transactions in the Forbearance Period shall be the last day of each calendar month, during each of the three preceding months to the Determination Date.

In view of the foregoing and in the hypothetical event that actual CPR of the issuer is 12%, the Initial Reserve Fund shall not be reduced until the amount of 4% of the outstanding balance of the Bonds is lower than the Initial Reserve Fund, to be reduced on said date until the minimum Reserve Fund is reduced (1.30% of the initial balance of the issue) provided that the limitations to the reduction of the amount of the Reserve Fund described above do not apply.

Liquidity Line

For purposes of the hypotheses it is understood that the Liquidity Line shall have its limit available as from the commencement of the transaction but shall not be drawn at any time throughout the duration of the transaction.

Nevertheless, an availability fee of 0.02% per annum will accrue on the lower amount of: (i) 7% of the initial nominal balance of the Securitisation Bonds and (ii) 12% of the outstanding balance of the issue of the Securitisation Bonds; deducting from (i) or from (ii), as appropriate, the amount drawn at that date, payable on each Payment Date.

no document other than the informative Prospectus (*Folleto informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

Fees

- (i) The Liquidity Line draft fee shall accrue as described above.
- (ii) Management fee of the Mortgage Loans: Although CAIXA CATALUNYA will not receive any management fee, in the case that CAIXA CATALUNYA is substituted as administrator of the Mortgage Loans, a management fee to be paid to the substitute entity will be determined.

Current Expenses.

- (i) Fee of Gestora: 0.065 per cent. per annum, with a minimum of 9,000 Euro quarterly, of the sum of the Outstanding Balances of each of the Series of Securitisation Bonds.
- (ii) Expenses of annual audits of the Issuer and publication of notices: Expenses of 6,960 Euro per annum have been estimated, including tax.
- (iii) Fees of the Paying Agent of the Securitisation Bonds: The Issuer shall pay to it on each Payment Date an actual quarterly fee of 0.05%, including tax, on the amount distributed by the Paying Agent to the Bondholders on each Payment Date.
- (iv) Fees for continued evaluation of the risk by the Rating Agencies: Fees of 23,200 euro per annum have been estimated, including tax.

V.1.2 Analysis and commentary on the impact of the possible variations in the assumptions described in the previous section and its effects on the financial equilibrium of the Issuer.

The potential interest rate risk derived from the difference between the reference interest rates applicable to the Mortgage Participations and the Mortgage Transfer Certificates on the one hand and to the Securitisation Bonds on the other is fully covered by the Swap Agreement to be entered into with CAIXA CATALUNYA as further described in section V.3.4 below.

V.1.3 Table of income and expenditure flows of the Issuer.

The numerical table set out below refers to inflows and outflows, on a cash basis, for a better understanding by the investor, although, as foreseen in section V.2 of this Folleto, the Issuer will record revenues and expenses on an accrual basis.

This table is based not only on the assumptions mentioned in section V.1.1 above, but also on the assumption that this scenario will remain constant throughout the life of the Issuer; it should be noted that the relevant variables, in particular the interest rates of the Securitisation Bonds in each of the Series as well as the actual rates of early repayment of the First Drawdowns underlying the Mortgage Participations and the Mortgage Transfer Certificates are subject to constant changes.

Hence, the following table is for illustrative purposes only.

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ISSUER'S CASH FLOWS (AMOUNTS IN EURO) CPR=12% RECEIPTS									
	08-jun-04	1.400.000.000 28.895.891 1.522.224 26.600.000	Securitisation Bonds Issuance Subordinated Loan Initial Expenses Reserve Fund						
[Balance] Reserve Fund	ortgage Participations and Mortgage Transfer Certificate (MP) Net Outstanding Balance	Date	Repayment of principal [MP]	Reduction of the Repayment Account	MP Interest Post - Swap	Reinvestment Interest Repayment and Treasury Accounts	Reduction of Reserve Fund	Total	
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
26.600.000	1.328.642.000	15-oct-04	71.358.000	0	13.843.155	185.947	0	85.387.102	
26.600.000	1.276.218.721	17-ene-05	52.423.279	0	10.036.968	520.511	0	62.980.758	
26.600.000	1.228.286.703	15-abr-05	47.932.018	0	9.050.958	748.063	0	57.731.038	
26.600.000	1.180.759.889	15-jul-05	47.526.814	112.473.186	9.032.983	1.020.129	0	170.053.112	
26.600.000	1.133.728.858	17-oct-05	47.031.031	0	8.962.908	456.121	0	56.450.060	
26.600.000	1.089.570.243	16-ene-06	44.158.615	106.271.142	8.356.465	683.493	0	159.469.715	
26.600.000	1.046.984.750	17-abr-06	42.585.493	0	7.990.998	136.831	0	50.713.322	
26.600.000	1.005.918.907	17-jul-06	41.065.842	0	7.682.590	136.831	0	48.885.263	
26.600.000	966.322.004	16-oct-06	39.596.904	0	7.385.188	136.831	0	47.118.522	
26.600.000	928.144.930	15-ene-07	38.177.074	0	7.098.424	136.831	0	45.412.328	
26.600.000	891.337.319	16-abr-07	36.807.611	0	6.821.942	136.831	0	43.766.384	
26.600.000	855.852.440	16-jul-07	35.484.879	0	6.556.378	136.831	0	42.177.088	
26.600.000	821.645.547	15-oct-07	34.206.894	0	6.298.394	136.831	0	40.642.119	
26.600.000	788.399.027	15-ene-08	33.246.520	0	6.117.155	138.335	0	39.502.010	
26.600.000	756.635.398	15-abr-08	31.763.629	0	5.809.890	136.831	0	37.710.350	
26.600.000	726.027.427	15-jul-08	30.607.972	0	5.579.856	136.831	0	36.324.658	
26.600.000	696.288.202	15-oct-08	29.739.225	0	5.417.071	138.335	0	35.294.631	
26.600.000	667.641.633	15-ene-09	28.646.568	0	5.198.793	138.335	0	33.983.696	
26.600.000	640.498.791	15-abr-09	27.142.842	0	4.876.538	135.328	0	32.154.708	
26.600.000	614.122.999	15-jul-09	26.375.792	0	4.730.264	136.831	980.048	32.222.936	
25.619.952	588.509.612	15-oct-09	25.613.387	0	4.585.312	133.238	1.055.032	31.386.969	
24.564.920	563.848.850	15-ene-10	24.660.762	0	4.394.071	127.751	1.024.535	30.207.119	
23.540.384	540.485.767	15-abr-10	23.363.083	0	4.118.422	119.762	986.430	28.587.697	
22.553.954	517.798.514	15-jul-10	22.687.253	0	3.991.640	116.018	934.523	27.729.435	
21.619.431	495.778.275	15-oct-10	22.020.239	0	3.866.111	112.433	907.490	26.906.273	
20.711.941	474.252.407	17-ene-11	21.525.868	0	3.782.170	110.055	880.810	26.298.902	
19.831.131	454.508.213	15-abr-11	19.744.194	0	3.387.021	98.649	861.035	24.090.899	
18.970.096	435.022.463	15-jul-11	19.485.750	0	3.356.671	97.583	770.096	23.710.101	
18.200.000	415.831.956	17-oct-11	19.190.506	0	3.318.679	96.708	0	22.605.893	
18.200.000	397.807.193	16-ene-12	18.024.763	0	3.071.036	93.621	0	21.189.421	
18.200.000	380.465.400	16-abr-12	17.341.793	0	2.937.918	93.621	0	20.373.333	
18.200.000	363.780.941	16-jul-12	16.684.460	0	2.809.844	93.621	0	19.587.925	
18.200.000	347.731.475	15-oct-12	16.049.466	0	2.686.625	93.621	0	18.829.712	
18.200.000	332.181.922	15-ene-13	15.549.552	0	2.596.316	94.650	0	18.240.518	
18.200.000	317.481.958	15-abr-13	14.699.964	0	2.426.298	92.593	0	17.218.855	
18.200.000	303.256.656	15-jul-13	14.225.302	0	2.344.694	93.621	0	16.663.617	
18.200.000	289.491.288	15-oct-13	13.765.368	0	2.264.247	94.650	0	16.124.265	
18.200.000	276.263.320	15-ene-14	13.227.968	0	2.161.469	94.650	0	15.484.087	
18.200.000	263.733.234	15-abr-14	12.530.086	0	2.017.862	92.593	0	14.640.541	
18.200.000	251.593.160	15-jul-14	12.140.074	0	1.947.744	93.621	0	14.181.440	
18.200.000	239.838.061	15-oct-14	11.755.098	0	1.878.505	94.650	0	13.728.253	
18.200.000	228.546.119	15-ene-15	11.291.942	0	1.790.736	94.650	0	13.177.328	
18.200.000	217.860.400	15-abr-15	10.685.719	0	1.669.329	92.593	0	12.447.641	
18.200.000	207.519.562	15-jul-15	10.340.838	0	1.608.960	93.621	0	12.043.419	
18.200.000	197.518.316	15-oct-15	10.001.246	0	1.549.432	94.650	0	11.645.328	
18.200.000	187.917.122	15-ene-16	9.601.194	0	1.474.758	94.650	0	11.170.603	
18.200.000	178.761.788	15-abr-16	9.155.334	0	1.387.821	93.621	0	10.636.777	
18.200.000	169.973.141	15-jul-16	8.788.646	0	1.320.206	93.621	0	10.202.474	
18.200.000	161.368.942	17-oct-16	8.604.199	0	1.296.683	96.708	0	9.997.590	
18.200.000	153.286.541	16-ene-17	8.082.401	0	1.191.755	93.621	0	9.367.778	
18.200.000	145.535.419	17-abr-17	7.751.122	0	1.132.064	93.621	0	8.976.807	
18.200.000	138.105.441	17-jul-17	7.429.978	0	1.074.820	93.621	0	8.598.419	
18.200.000	0	16-oct-17	138.105.441	0	940.824	93.621	18.200.000	157.339.887	
1.164.411.808,6	28.879.079.247		1.400.000.000	218.744.328	227.225.963	8.799.217	26.600.000	1.881.369.508	

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**ISSUER'S CASH FLOWS
(AMOUNTS IN EURO)
CPR=12%
PAYMENTS**

03-jun-04 1.400.000.000 Payment of acquisition of Credits
28.895.891 Subordinated Loan
1.522.224 Initial Expenses
26.600.000 Reserve Fund

Date	Current Expenses	Fees, Interest and Repayment of the Liquidity Line	Interest payable to the Bondholders	Allocation for increase of Capital Repayment Fund	Increase of Repayment Account	Repayment of Principal	Loan interest. [Initial Exp.]	Loan Repayment [Initial Exp.]	Variable Remuneration for Financial Intermediation	Total	
(2)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
15-oct-2004	574.647	19.600	10.686.155	71.358.000	71.358.000	0	199.900	126.132	2.422.669	85.387.102	
17-ene-2005	424.425	19.600	8.126.444	52.423.279	52.423.279	0	151.277	95.624	1.740.108	62.980.758	
15-abr-2005	384.463	19.600	7.607.734	47.932.018	47.932.018	0	141.146	89.103	1.556.976	57.731.038	
15-jul-2005	382.770	19.600	7.867.089	47.526.814	0	160.000.000	145.499	91.397	1.546.758	170.053.112	
17-oct-2005	380.284	19.600	7.242.844	47.031.031	47.031.031	0	150.429.757	144.810	93.658	1.532.833	56.450.060
19-ene-2006	355.446	19.600	7.011.689	44.158.615	0	150.429.757	144.547	90.169	1.418.507	159.469.715	
17-abr-2006	342.686	19.600	6.173.231	42.585.493	0	42.585.493	144.083	89.595	1.358.634	50.713.322	
17-jul-2006	330.380	19.600	5.935.870	41.065.842	0	41.065.842	143.622	89.041	1.300.907	48.885.263	
16-oct-2006	318.513	19.600	5.706.980	39.596.904	0	39.596.904	143.164	88.505	1.245.256	47.118.922	
15-ene-2007	307.071	19.600	5.486.276	38.177.074	0	38.177.074	142.709	87.988	1.191.610	45.412.328	
16-abr-2007	296.040	19.600	5.273.487	36.807.611	0	36.807.611	142.256	87.488	1.139.902	43.766.384	
16-jul-2007	285.404	19.600	5.068.330	35.484.879	0	35.484.879	141.806	87.006	1.090.063	42.177.088	
15-oct-2007	275.150	19.600	4.870.547	34.206.894	0	34.206.894	141.359	86.540	1.042.030	40.642.119	
15-ene-2008	267.874	19.600	4.731.313	33.246.520	0	33.246.520	142.462	87.004	1.007.237	39.502.010	
15-abr-2008	255.658	18.922	4.494.578	31.763.629	0	31.763.629	140.466	85.649	951.448	37.710.350	
15-jul-2008	246.480	18.159	4.317.536	30.607.972	0	30.607.972	140.026	85.228	909.259	36.324.658	
15-oct-2008	239.941	17.425	4.192.505	29.739.225	0	29.739.225	141.121	85.725	878.690	35.294.631	
15-ene-2009	231.253	16.711	4.024.387	28.646.568	0	28.646.568	140.675	85.326	838.776	33.983.696	
15-abr-2009	218.644	16.023	3.774.929	27.142.842	0	27.142.842	137.183	83.150	781.936	32.154.708	
15-jul-2009	212.921	15.372	3.661.699	26.375.792	0	26.375.792	138.280	1.037.687	781.186	32.222.936	
15-oct-2009	207.249	14.739	3.549.491	25.613.387	0	25.613.387	134.403	1.064.371	803.329	31.386.969	
15-ene-2010	199.766	14.124	3.401.452	24.660.762	0	24.660.762	128.867	1.033.527	768.621	30.207.119	
15-abr-2010	188.981	13.532	3.188.072	23.363.083	0	23.363.083	120.808	994.949	718.272	28.587.697	
15-jul-2010	184.020	12.972	3.089.929	22.687.253	0	22.687.253	117.032	942.796	695.432	27.729.435	
15-oct-2010	179.109	12.427	2.992.757	22.020.239	0	22.020.239	113.415	915.519	672.806	26.906.273	
17-ene-2011	175.825	11.899	2.927.779	21.525.868	0	21.525.868	111.016	888.658	657.859	26.298.902	
15-abr-2011	160.364	11.382	2.621.894	19.744.194	0	19.744.194	99.509	868.234	585.322	24.090.899	
15-jul-2011	159.176	10.908	2.598.400	19.485.750	0	19.485.750	98.435	777.201	580.229	23.710.101	
17-oct-2011	157.690	10.441	2.568.990	19.190.506	0	19.190.506	97.551	6.997	573.718	22.605.893	
16-ene-2012	148.000	9.980	2.377.290	18.024.763	0	18.024.763	94.401	6.572	528.414	21.189.421	
16-abr-2012	142.792	9.547	2.274.243	17.341.793	0	17.341.793	94.367	6.323	504.267	20.373.333	
16-jul-2012	137.780	9.131	2.175.101	16.684.460	0	16.684.460	94.335	6.084	481.034	19.587.925	
15-oct-2012	132.959	8.731	2.079.717	16.049.466	0	16.049.466	94.304	5.852	458.684	18.829.712	
15-ene-2013	129.426	8.346	2.009.809	15.549.552	0	15.549.552	95.309	5.670	442.407	18.240.518	
15-abr-2013	122.773	7.972	1.878.198	14.699.964	0	14.699.964	93.209	5.360	411.378	17.218.855	
15-jul-2013	119.581	7.620	1.815.028	14.225.302	0	14.225.302	94.217	5.187	396.683	16.663.617	
15-oct-2013	116.433	7.278	1.752.754	13.765.368	0	13.765.368	95.225	5.019	382.188	16.124.265	
15-ene-2014	112.412	6.948	1.673.194	13.227.968	0	13.227.968	95.199	4.823	363.544	15.484.087	
15-abr-2014	106.793	6.630	1.562.027	12.530.086	0	12.530.086	93.105	4.569	337.330	14.640.541	
15-jul-2014	104.049	6.330	1.507.749	12.140.074	0	12.140.074	94.116	4.427	324.695	14.181.440	
15-oct-2014	101.340	6.038	1.454.151	11.755.098	0	11.755.098	95.127	4.286	312.212	13.728.253	
15-ene-2015	97.906	5.756	1.386.209	11.291.942	0	11.291.942	95.105	4.117	296.293	13.177.328	
15-abr-2015	93.156	5.485	1.292.228	10.685.719	0	10.685.719	93.016	3.896	274.140	12.447.641	
15-jul-2015	90.794	5.229	1.245.497	10.340.838	0	10.340.838	94.030	3.771	263.262	12.043.419	
15-oct-2015	88.464	4.980	1.199.416	10.001.246	0	10.001.246	95.044	3.647	252.531	11.645.328	
15-ene-2016	85.543	4.740	1.141.611	9.601.194	0	9.601.194	95.025	3.501	238.989	11.170.603	
15-abr-2016	82.141	4.510	1.074.313	9.155.334	0	9.155.334	93.974	3.338	223.167	10.636.777	
15-jul-2016	79.496	4.290	1.021.972	8.788.646	0	8.788.646	93.957	3.205	210.909	10.202.474	
17-oct-2016	78.575	4.079	1.003.763	8.604.199	0	8.604.199	97.037	3.137	206.799	9.997.590	
16-ene-2017	74.470	3.873	922.538	8.082.401	0	8.082.401	93.924	2.947	187.625	9.367.778	
17-abr-2017	72.134	3.679	876.331	7.751.122	0	7.751.122	93.909	2.826	176.806	8.976.807	
17-jul-2017	69.894	3.493	832.019	7.429.978	0	7.429.978	93.894	2.709	166.432	8.598.419	
16-oct-2017	67.747	3.315	789.542	138.105.441	0	138.105.441	93.880	18.250.357	29.605	157.339.887	
	10.396.884	637.416	178.537.086	1.400.000.000	218.744.328	1.400.000.000	6.198.136	28.595.891	38.259.767	1.881.369.508	

V.1.4. Notes to the table.

a) Receipts

- (0) Balance of Reserve Fund
- (1) Outstanding Balance of the Mortgage Portfolio portfolio on the Determination Date corresponding to each Payment Date.
- (2) Payment Dates of principal and interest on the Securitisation Bonds up to their maturity date.
- (3) Amount of principal repaid in the portfolio of Mortgage Participations and Mortgage Transfer Certificates from the immediately preceding Payment Date up to the indicated Payment Date.
- (4) Reduction of the Repayment Account by payment of the principal of A Bonds.
- (5) Net interest received by the Issuer from the immediately preceding Payment Date up to the indicated Payment Date. It corresponds to interest payments received from the Mortgage Participations and the Mortgage Transfer Certificates once the Swap Agreement has been applied.
- (6) Income corresponding to (i) the Issuer's Treasury Account, due to the Guaranteed Rate of Reinvestment Agreement for the Treasury Account, as well as the income obtained from the reinvestment of the Reserve Fund and (ii) the Repayment Account, under the Guaranteed Rate of Reinvestment Agreement for the Repayment Account, as well as the income obtained from the balance of the Repayment Account.
- (7) Reduction in the Reserve Fund.
- (8) Total inflows on each Payment Date, corresponding to the sum of inflows (3), (4), (5), (6) and (7)

b) Payments

- (9) Amounts corresponding to current expenses of the Issuer.
- (10) Fees, interest and repayment of the Liquidity Line.
- (11) Interest payable to the Bondholders.
- (12) Allocation for increase of Capital Repayment Fund.
- (13) Increase of Repayment Account
- (14) Principal repayment of the Securitisation Bonds.
- (15) Fixed Remuneration payments on the Subordinated Loan.
- (16) Repayment of the Subordinated Loan .
- (17) Variable remuneration for the Subordinated Loan.
- (18) Total payments on each Payment Date, corresponding to the sum of (8), (9), (10), (11), (12), (13), (14),(15), (16) and (17).

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

V.1.5. Timing foreseen for the Issuer

a) Date of Constitution

June 8, 2004

Constitution of the Issuer, issuance of and subscription for the Mortgage Participations and the Mortgage Transfer Certificates and issuance of the securitised Securitisation Bonds.

b) Date of the Subscription Period

May 9, 2004

Publication of the legal announcement of constitution of the Issuer. Subscription Period for the Securitisation Bonds.

c) Closing Date

June 14, 2004

Payment of the Securitisation Bonds and payment of the Mortgage Participations and the Mortgage Transfer Certificates. Interest on the Securitisation Bonds begins to accrue.

d) Payment Dates of the Issuer

January 15, April 15, July 15 and October 15 or, as appropriate, the following Business Day (according to the TARGET calendar, Madrid and/or Barcelona).

The Gestora, on behalf of the Issuer, will on each Payment Date allocate the Available Funds as described in section V.5.1.B).2 of this Folleto.

e) Final Repayment Date

Thirty (30) months after the repayment of the last First Drawdown repaid, i.e. July 15, 2036, without prejudice to the options available to the Gestora for the early liquidation of the Issuer as envisaged in section III.8.1 of this Folleto.

V.2 Accounting criteria used by the Issuer.

Income and expenditure will be accounted for by the Issuer on an accrual basis, i.e., based on the actual flow represented by such income and expenditure, regardless of when collection and payment is actually made.

The Issuer's fiscal year will coincide with the calendar year.

However, by way of an exception, the first fiscal year will start on the date of establishment of the Issuer, and the last fiscal year will end on the date on which the Issuer is liquidated.

V.3 Description of the purpose or object of the financial transactions entered into by Gestora on behalf of the Issuer in order to reduce the risk, increase the reliability of payments, counter the effects of the interest rate mismatch proceeding from the Mortgage Participations and the Mortgage Transfer Certificates or in general, transform the financial characteristics of all or part of the securities.

For the purposes of consolidating its financial structure and achieving the best protection available from the risks inherent to the issue, the Gestora, acting on behalf of the Issuer, will, on the same date of the Deed of Constitution, execute the agreements and take the steps described below.

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The Gestora, so that it can undertake the operations of the Issuer on the terms determined in the Deed of Constitution and in the relevant legislation in force from time to time, acting for the account and on behalf of the Issuer, may extend or amend the agreements entered into on behalf of the Issuer, substitute each of the service providers of the Issuer and, if necessary, enter into additional agreements; all the foregoing, subject to the relevant legislation, to the previous authorisation of the CNMV, if necessary, or of the competent administrative body and to notification to the Rating Agencies, and provided that such actions are not prejudicial to the interests of the Bondholders.

V.3.1 Guaranteed Rate of Reinvestment Agreement for the Treasury Account:

The Gestora, on behalf and for the account of the Issuer, and CAIXA CATALUNYA will enter into a Guaranteed Rate of Reinvestment Agreement for the Treasury Account according to which CAIXA CATALUNYA will guarantee a return on the amounts deposited by the Issuer in an account open with such credit institution (the "**Treasury Account**").

The balances of the Treasury Account will be maintained in Euro.

Specifically, any amounts received by the Issuer as:

- (i) principal and interest of the Mortgage Participations and the Mortgage Transfer Certificates;
- (ii) any other amounts relating to the Mortgage Participations and the Mortgage Transfer Certificates grouped in the Issuer in accordance with the provisions of section IV.1.d) of the Folleto;
- (iii) the balance of the Reserve Fund, at any time (as described in section V.3.5);
- (iv) the amounts credited to the Issuer according to the Swap Agreement; and
- (v) the amounts of income earned on the balance in the Treasury Account and in the Repayment Account, pursuant to section V.3.2. below,

will be deposited in the Treasury Account, initially open in CAIXA CATALUNYA in the name of the Issuer by the Gestora.

CAIXA CATALUNYA guarantees a return for such account in accordance with the following:

- The life of the account will be divided into interest periods, each of which will end on the last day of each calendar month.
- The nominal annual interest rate, variable quarterly, applicable to each interest period will be the Reference Interest Rate referred to in section II.10.1.c) and will be applied to the calendar month in respect of said Interest Rate Determination Time and to the next two calendar months. Interest will be credited to the Treasury Account within the following five days, value date the first day after the preceding payment period. - Interest will be calculated in accordance with the Hamburg Method under Circular 8/1990, of September 7th, of Banco de España, as soon as all transactions in the Treasury Account during the period of payment have been put in order of value date, by calculating the average balance, multiplying it by the agreed nominal interest to be credited and by the number of days of the period of payment and dividing it by 36,500.
- If, while there are any Securitisation Bonds outstanding, the short-term debt rating of CAIXA CATALUNYA falls to below P-1 according to MOODY'S and/or to below F-1 according to FITCH, and/or the continuation of the Treasury Account with CAIXA CATALUNYA may cause downgrading in the S&P ratings of each of the Bond Series, the Gestora, within thirty (30) Business Days as from occurrence of such event, after consulting the Rating Agencies,

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will put into practice one of the options described below, to permit adequate security of the undertakings under the Agreement:

- a) To obtain from an institution with a minimum non-subordinated and unsecured short-term debt rating of P-1, F1 and A-1, according to MOODY's, FITCH and S&P, respectively, always subject to approval by the Rating Agencies, a guaranty on first demand to secure to the Issuer, upon mere request by the Gestora, prompt payment by CAIXA CATALUNYA of its obligation to repay the amounts deposited in the Treasury Account while CAIXA CATALUNYA's ratings are below P-1 or F1 or while its situation could cause downgrading of the S&P ratings granted to each of the Bond Series.
- b) To transfer the Treasury Account of the Issuer to an entity with a non-subordinate unsecured short-term debt rating of P-1, F1 and A-1, according to MOODY's, FITCH and S&P, respectively, and contract for the highest return rate possible for its balances, which rate may be different from that contracted for with CAIXA CATALUNYA hereunder.
- c) If options a. and b. above are impossible, to obtain from CAIXA CATALUNYA or from a third party a pledge for the benefit of the Issuer on financial assets with a credit rating not below that of the Spanish State Public Debt, in an amount sufficient to secure the undertakings assumed under this Agreement and for the rating granted to the Bonds by the Rating Agencies not to be downgraded.
- d) In addition, if the above options are not possible on the aforementioned terms, the Gestora may invest the balances, for maximum quarterly periods, in short-term fixed income assets in euro issued by entities with at least P-1, F1 and A-1 short-term debt ratings according to MOODY's, FITCH and S&P, respectively, including short-term securities issued by the Spanish State, in which case the resulting income may be different from that initially obtained with CAIXA CATALUNYA under this Agreement.
- e) In both cases, b. and d., the Gestora may transfer the balances of the Treasury Account once again to CAIXA CATALUNYA, if its short-term debt again reaches P-1, F1 above and the new situation of CAIXA CATALUNYA is unable to cause downgrading of the S&P ratings granted to each of the Bond Series.

Additionally, if until January 15, 2006, the credit rating of CAIXA CATALUNYA may cause downgrading of the S&P ratings granted to the Securitisation Bonds, the Gestora shall transfer the difference in excess of the Treasury Account and the Repayment Account on 18% of Outstanding Principal Balance of the Securitisation Bonds to an entity with an unsecured and non-subordinate short-term debt S&P rating of A-1+.

After January 15, 2006, the Gestora shall transfer the difference in excess of the sum of the balance of the Repayment Account and of the Treasury Account in excess of 18% of the Outstanding Principal Balance of the Bonds will be transferred to an account with an entity with an unsecured and non-subordinate short-term debt S&P rating of A-1+ and the maximum possible profitability shall be contracted for its balances, which may differ from that contracted for with CAIXA CATALUNYA under this Agreement.

If the short-term rating of this entity falls below A-1+ according to S&P, the Gestora shall have a term of 30 days to find an entity to replace it with an unsecured non-subordinated short-term debt with a rating of A-1+ according to S&P or a guaranty on first demand from an entity with a short-term debt rating of A-1+ according to S&P.

The Guaranteed Rate of Reinvestment Agreement for the Treasury Account mitigates the risk of time mismatch between the Issuer's cash inflows of principal and interest of the Mortgage

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Participations and the Mortgage Transfer Certificates on a monthly basis and the repayment and payment of interest on the Securitisation Bonds, made quarterly.

The Guaranteed Interest Rate Reinvestment Agreement for the treasury Account will remain in effect until July 15, 2036 (or if this is not a Business Day, until the next Business Day) or until the date of prepayment of the Issuer, if this date is earlier.

V.3.2 Guaranteed Rate of Reinvestment Agreement for the Repayment Account

The Gestora, for and on behalf of the Issuer, and CAIXA CATALUNYA shall enter into a Guaranteed Rate of Reinvestment Agreement for the Repayment Account whereby CAIXA CATALUNYA will guarantee an income on the amount deposited by the Issuer in an account open with said credit institution ("Repayment Account") in which the amount deposited for the Capital Repayment Fund that were allocated from and including the first Payment Date (October 15, 2004), to: (i) the allocation of the Fund for Repayment of Series A1 until and including the Payment Date of July 15, 2005, and (ii) repayment of Series A2 until and including the Payment Date of January 15, to be allocated, respectively, (i) to repayment of the Series A1 Bonds on the Repayment Date of Series A1 Bonds (July 15, 2005) and (ii) partial repayment of the Series A2 Bonds on their first repayment Payment Date (January 15, 2006).

The balances of the Repayment Account shall be kept in Euro.

CAIXA CATALUNYA guarantees an income on said account with the following features:

- The life of the account will be divided into interest periods, each of which will end on the last day of each calendar month.
- The nominal annual interest rate, variable quarterly, applicable to each interest period will be the Reference Interest Rate referred to in section II.10.1.c) and will be applied to the calendar month in respect of said Interest Rate Determination Time and to the next two calendar months. Interest will be credited to the Treasury Account within the following five days, value date the first day after the preceding payment period. - Interest will be calculated in accordance with the Hamburg Method under Circular 8/1990, of September 7th, of Banco de España, as soon as all transactions in the Treasury Account during the period of payment have been put in order of value date, by calculating the average balance, multiplying it by the agreed nominal interest to be credited and by the number of days of the period of payment and dividing it by 36,500.
- If, while there are any Securitisation Bonds outstanding, the short-term debt rating of CAIXA CATALUNYA falls to below P-1 according to MOODY'S and/or to below F-1 according to FITCH, and/or the continuation of the Treasury Account with CAIXA CATALUNYA may cause downgrading in the S&P ratings of each of the Securitisation Bond Series, the Gestora, within thirty (30) Business Days as from occurrence of such event, after consulting the Rating Agencies, will put into practice one of the options described below, to permit adequate security of the undertakings under the Agreement:
 - a. To obtain from an institution with a minimum non-subordinated and unsecured short-term debt rating of P-1, F1 and A-1, according to MOODY's, FITCH and S&P, respectively, always subject to approval by the Rating Agencies, a guaranty on first demand to secure to the Issuer, upon mere request by the Gestora, prompt payment by CAIXA CATALUNYA of its obligation to repay the amounts deposited in the Treasury Account while CAIXA CATALUNYA's ratings are below P-1 or F1 or while its situation could cause downgrading of the S&P ratings granted to each of the Bond Series.
 - b. To transfer the Repayment Account of the Issuer to an entity with a non-subordinate unsecured short-term debt rating of P-1, F1 and A-1, according to MOODY's, FITCH and S&P, respectively, and contract for the highest return

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rate possible for its balances, which rate may be different from that contracted for with CAIXA CATALUNYA hereunder.

- c. If options a) and b) above are impossible, to obtain from CAIXA CATALUNYA or from a third party a pledge for the benefit of the Issuer on financial assets with a credit rating not below that of the Spanish State Public Debt, in an amount sufficient to secure the undertakings assumed under this Agreement and for the rating granted to the Bonds by the Rating Agencies not to be downgraded.
 - d. In addition, if the above options are not possible on the aforementioned terms, the Gestora may invest the balances, for maximum quarterly periods, in short-term fixed income assets in euro issued by entities with at least P-1, F1 and A-1 short-term debt ratings according to MOODY's, FITCH and S&P, respectively, including short-term securities issued by the Spanish State, in which case the resulting income may be different from that initially obtained with CAIXA CATALUNYA under this Agreement.
 - e. In both cases, b. and d., the Gestora may transfer the balances of the Treasury Account once again to CAIXA CATALUNYA, if its short-term debt again reaches P-1, F1 above and the new situation of CAIXA CATALUNYA is unable to cause downgrading of the S&P ratings granted to each of the Bond Series.
- Additionally, if until January 15, 2006, the credit rating of CAIXA CATALUNYA may cause downgrading of the S&P ratings granted to the Securitisation Bonds, the Gestora shall transfer the difference in excess of the Treasury Account and the Repayment Account on 18% of Outstanding Principal Balance of the Securitisation Bonds to an entity with an unsecured and non-subordinate short-term debt S&P rating of A-1+.
 - After January 15, 2006, the Gestora shall transfer the difference in excess of the sum of the balance of the Repayment Account and of the Treasury Account in excess of 18% of the Outstanding Principal Balance of the Bonds will be transferred to an account with an entity with an unsecured and non-subordinate short-term debt S&P rating of A-1+ and the maximum possible profitability shall be contracted for its balances, which may differ from that contracted for with CAIXA CATALUNYA under this Agreement.
 - If the short-term rating of this entity falls below A-1+ according to S&P, the Gestora shall have a term of 30 days to find an entity to replace it with an unsecured non-subordinated short-term debt with a rating of A-1+ according to S&P or a guaranty on first demand from an entity with a short-term debt rating of A-1+ according to S&P.

The Guaranteed Interest Rate Account Opening Agreement for the Repayment Account will be fully terminated for legal purposes if the Rating Agencies fail to confirm, before commencement of the Subscription Period, that the ratings provisionally granted to each of the series are final. Additionally, the Repayment Account will be cancelled on the Payment Date of January 15, 2006, after it has been settled by the Gestora.

V.3.3. Subordinated Loan Agreement for a maximum amount of thirty-three million (33,000,000) Euro

a) Amount and allocation

The Gestora shall, on behalf of the Issuer, enter into a subordinated loan agreement with CAIXA CATALUNYA for the maximum amount of thirty-three million (33,000,000) Euro (the "**Subordinated Loan**") which will be used to finance the expenses of establishment of the Issuer and issue of the Securitisation Bonds, to partially finance the acquisition of Mortgage Participations and Mortgage Transfer Certificates (in particular, the amount corresponding to interest earned due to the deferment of payment of the nominal amount of the Mortgage Participations and the Mortgage

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Transfer Certificates until the Closing Date, to pay due and payable interest on each of the Initial Drawdowns, at the date of issue of the Mortgage Participations and of the Mortgage Transfer Certificates and to allocate resources to the Initial Reserve Fund.

The Subordinated Loan shall be drawn on the Repayment Date and its granting shall never be understood to guarantee satisfactory conclusion of the Initial Drawdowns assigned to the issuer through Mortgage Participations and Mortgage Transfer Certificates, to be issued by CAIXA CATALUNYA.

The remuneration on the Subordinated Loan, due precisely to its subordinated nature, relating to the rest of the obligations of the Issuer, and because its repayment depends on the development of the Mortgage Participations and Mortgage Transfer Certificates, and of the evolution of the interest rates paid to the issued Bonds, shall have two components, one set and fixed ("Fixed Remuneration") and the other variable, according to the evolution of the risks of the Issuer ("Variable Remuneration").

b) Fixed remuneration

The Fixed Remuneration shall be an annual nominal interest, variable and payable quarterly, equal to the Reference Interest described in section II.10.1.c) of this Folleto. This interest will only be credited if the Issuer has sufficient liquidity in the Treasury Account on the relevant Payment Date in accordance with the priority of payments established in section V.5.1.B).2 of this Folleto. The accrued interest to be paid on the Payment Date on which each Interest Period ends will be calculated based on: (i) the actual number of days in each Interest Period described in section II.10.1.a) of this Folleto, and (ii) one year of 365 days.

Interest accrued and unpaid on a Payment Date because the Issuer lacks liquidity in the Treasury Account in accordance with the priority of payments in section V.5.1 (B)2 will be capitalised accruing a default interest at the same rate as that of the Subordinated Loan and will be payable on the next Payment Date, provided that the Issuer has sufficient liquidity in the Treasury Account and in accordance with the priority of payments established in section V.5.1.B)2 of this Folleto.

c) Variable Remuneration

The Variable Remuneration shall consist of CAIXA CATALUNYA having also the right to receive each quarter a subordinate variable amount to be determined and accrue quarterly in arrears, including the three calendar months preceding the month of each Payment Date in an amount equal to the positive difference, if any, between the book income and the book expenditure of the Issuer, according to its books and before the closing of the months of January, April, July and October, for the last month of each quarterly period.

The Variable Remuneration that may have accrued at the closing of the months of January, April, July and October shall be settled on the Payment Date immediately following the last day of each of said months, provided that the Issuer has sufficient liquidity considering the priority of payments contemplated in section V.5.1.B).2.

The Variable Remuneration shall be subordinated to any other payment to be made by the Issuer, according to the priority of payments contemplated in section V.5.1.B).2) and shall be paid whenever the Issuer has sufficient liquidity, no arrears interest to accrue or be accumulated to the principal of the Subordinated Loan.

d) Repayment and Maturity

The Subordinated Loan will mature on the date of liquidation of the Issuer. Nevertheless the Gestora may, on behalf and for the account of the Issuer, freely repay any part of the Subordinated Loan on each Payment Date if there are Available Funds for this purpose in the Treasury Account, in accordance with the priority of payments established in section V.5.1.B).2.

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V.3.4 Interest Rate Swap Agreement

The Gestora will, on behalf and for the account of the Issuer, enter into an Interest Rate Swap Agreement with CAIXA CATALUNYA, using the standard form of the International Swap Dealers Association ("ISDA") 1992 Master Agreement – Single Currency the most important terms of which are described below.

According to the Swap Agreement, the Issuer will make payments to CAIXA CATALUNYA amounting to all the interest amounts received from the Mortgage Participations and the Mortgage Transfer Certificates during the most recent Determination Period and CAIXA CATALUNYA will make payments to the Issuer calculated on the weighted average interest rate of the Series of Securitisation Bonds, all as set out below.

Counterparty A: The Gestora, on behalf and for the account of the Issuer.

Counterparty B: CAIXA CATALUNYA

1. Amount payable by Counterparty A

It will be sum of all amounts of interest received from the Mortgage Participations and the Mortgage Transfer Certificates during the most recent Determination Period.

2. Amount payable by Counterparty B

It will be the product of the application of the Interest Rate of Counterparty B (as determined in section 2.1 below) to the Swap Notional for Counterparty B in accordance with section 2.1 below.

2.1 Interest Rate of Counterparty B

It will be the annual interest rate resulting from the application of the Reference Interest Rate of the Securitisation Bonds for the relevant Interest Period plus the average margin of the Securitisation Bonds on the Payment Date, weighted by the Outstanding Balance of the Securitisation Bonds in the Determination Period immediately prior to the Payment Date, plus 0.66 per cent.

2.2 Swap Notional for Counterparty B

It will be the sum of (a) the daily average of the expiring Determination Period of the Outstanding Balance of the Mortgage Portfolio, described in section II.11.3.4 of this Folleto, that are not in arrears for a period exceeding three (3) months, excluding the First Drawdowns in a Forbearance Period (all together from now on the Notional Outstanding of the "**Notional Balance of the Mortgage Participations and Mortgage Transfer Certificates**") and (b) the result of multiplying (i) the daily average during the expiring Determination Period of the balance of the Repayment Account by (ii) the average margin applicable to determine the Nominal Interest Rate of the Series of Securitisation Bonds weighted by the outstanding principal balance of each Series during the Interest Period in progress and by (iii) the result of dividing one by the Interest Rate of Counterparty B.

Payments (or receipts) due under the Swap Agreement will be made on each Payment Date described in section II.10.3 for their net value, i.e., for the positive (or negative) difference between the amount payable by Counterparty A and the amount payable by Counterparty B (the "**Net Swap Amount**").

If on a Payment Date the Issuer does not have sufficient liquidity in the Treasury Account to make full payment of the Net Swap Amount due to CAIXA CATALUNYA, the Swap Agreement may be terminated. In this case, the Issuer will assume liability for the liquidation

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payment due under the Agreement, all in accordance with the priority of payments included in section V.5.1.B).2. of the Folleto. Notwithstanding the above, except in the case of a permanent extreme imbalance as described above, the Gestora, acting on behalf of the Issuer, will ensure that a swap contract is always in force, provided this does not cause a financial imbalance to the Issuer.

If on a Payment Date CAIXA CATALUNYA fails to satisfy its payment obligations for the total Net Swap Amount to be paid to the Issuer, the Swap Agreement may be terminated, without prejudice to the possibility of drawing from the cash deposit described below. In that event: (i) CAIXA CATALUNYA will assume liability for the liquidation payment due under the Agreement, and (ii) the amounts to be paid by the Issuer to CAIXA CATALUNYA, in accordance with the Swap Agreement, if any, will take 12th place in the priority of payments referred in section V.5.1.B.2) of this Folleto.

The Swap Agreement will mature on the date of liquidation of the Issuer

The execution of the Swap Agreement satisfies, on the one hand, the need to eliminate the interest rate risk relating to the fact that the First Drawdowns bear a floating rate of interest with reference indices and revision and payment periods different from the floating interest fixed for each of the Series of Securitisation Bonds issued by the Issuer; and, on the other hand, the risk that, under the regulations governing the modification and subrogation of mortgage loans, the First Drawdowns may be renegotiated so that the agreed interest rate is lowered.

3. Other obligations of the Swap Agreement

Should, at any time during the life of the Securitisation Bonds, the long-term debt rating of CAIXA CATALUNYA fall to below A-1 according to MOODY'S and/or the short-term debt rating of CAIXA CATALUNYA fall to below F-1 according to FITCH's and/or if the continuation of CAIXA CATALUNYA as a counterparty to the Swap Agreement could cause a downgrading of the ratings granted by S&P to each of the Bond Series, CAIXA CATALUNYA will within a maximum of thirty (30) days from the notification of the rating decrease, (i) seek a third party with a minimum long-term debt rating of A1 according to MOODY'S, a short-term debt rating of F-1 according to FITCH and a short-term debt rating of A-1 according to S&P, which will guarantee the obligations arising from the Swap Agreement on terms which the Gestora, MOODY'S, FITCH and S&P deem appropriate and which ensure the maintenance of the ratings of the Securitisation Bonds; or (ii) assign its contractual position in the Swap Agreement to a third party on terms which the Gestora, MOODY'S, FITCH and S&P deem appropriate and which ensure the maintenance of the ratings of the Securitisation Bonds; or (iii) constitute and renew on each Payment Date, to secure the obligations under the Swap Agreement, a current account cash deposit which will be subject to Law 19/2002 of July 5th, 2002, on Security Interests ("Ley de Derechos Reales de Garantía"), of the Generalitat de Catalunya, for an amount equal to the market value of the Swap Agreement, which value will be revised and calculated weekly by a Calculation Agent of the Guaranty, authorized by the Gestora, subject to the conditions of the Rating Agencies All costs, taxes and expenses incurred in complying with the above obligations will be borne by CAIXA CATALUNYA.

Accordingly, since at the date of verification of this Folleto the long-term debt rating of CAIXA CATALUNYA is A2 according to MOODY'S ratings, CAIXA CATALUNYA will, as from the Date of Constitution of the Issuer, make a deposit in a current account open for the Issuer (the "**Deposit Account**"), from which the Gestora, acting on behalf of the Issuer, may only draw in the event of the default of the Swap Agreement by CAIXA CATALUNYA.

The amount in cash to be deposited by CAIXA CATALUNYA in said current account will be determined weekly by the Calculation Agent of the Guaranty in accordance with the following rules:

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- (i) As long as CAIXA CATALUNYA has a long-term debt rating of below A1 according to MOODY'S, the amount of the deposit in cash in said Deposit Account will be equal to 102% of the market value of the Swap Agreement, or,
- (ii) As long as CAIXA CATALUNYA has a long-term debt rating of below A2 and/or a short-term debt rating of below P-1 according to MOODY'S, the amount of the deposit in cash in said Deposit Account will be 102% of the market value of the Swap Agreement plus the result of multiplying the Notional Amount of the Mortgage Participations and the Mortgage Transfer Certificates by the residual average life of the Mortgage Participations and the Mortgage Transfer Certificates at the time of calculation and by 0.20 %.

As long as CAIXA CATALUNYA has the rating described in this section (ii) the Gestora will each week, at the same time that the Calculation Agent of the Guaranty obtains the amount to be deposited in the Deposit Account, request a third entity of recognized international repute accepted by MOODY'S for the confirmation of the market value of the Swap Agreement calculated by the Calculation Agent. If the market value of the Swap Agreement provided by this third entity exceeds the value calculated by the Calculation Agent of the Guaranty, the latter market value will be applied to determine the balance of the Deposit Account.

- (iii) As long as CAIXA CATALUNYA has a long-term debt rating of below Baa2 and/or a short-term debt rating of below P-2 according to MOODY'S, the amount of the cash deposit in said Deposit Account will be 102% of the market value of the Swap Agreement plus the result of multiplying the Notional Amount of the Mortgage Participations and the Mortgage Transfer Certificates by the residual average life of the Mortgage Participations and the Mortgage Transfer Certificates at the time of calculation and by 0.40 %.
- (iv) Additionally, in the event that CAIXA CATALUNYA has a short-term debt rating of F2 according to FITCH, the calculation of the balance of the Deposit Account shall be adequate for that Rating Agency, so that the ratings granted to the Securitisation Bonds are maintained. Additionally, if CAIXA CATALUNYA has the ratings described in section (iii) above or has a short-term debt rating of below F2 according to FITCH, CAIXA CATALUNYA will be obliged, within at most thirty (30) days after notification of the fall in the rating, to seek a third company with a long-term debt rating of at least A1 according to MOODY'S and a short-term debt rating of F-1 according to FITCH to guarantee the obligations arising out of the Swap Agreement in the terms considered appropriate by the Gestora, MOODY'S and FITCH and that ensures that the ratings of the Securitisation Bonds are maintained;

The Calculation Agent of the Guaranty will be CAIXA CATALUNYA, authorized by the Gestora, except in case (iii) above, when it will be a third entity accepted by the Gestora and by MOODY'S with a minimum long-term debt rating of A2 and a short-term debt rating of P-1 according to MOODY'S. In this case, the new Calculation Agent of the Guaranty will receive a fee which will take 8th place in the priority of payments described in section V.5.1.B.2) of this Folleto (or 9th place if the administrator of the Mortgage Loans has been substituted), consequently changing the numbering of the successive payments set out in the subsequent items.

The Gestora, acting on behalf of the Issuer, may only keep in its possession and draw from the funds deposited in the Deposit Account in the event of the default by CAIXA CATALUNYA of the obligations assumed by the latter under the Swap Agreement.

The deposit will remain in effect until any of the following events occurs, in which case the amount deposited will be refunded in full to CAIXA CATALUNYA:

- (i) CAIXA CATALUNYA obtains a long-term debt rating of A1 or higher according to MOODY'S and a short-term debt rating of F1 according to FITCH.

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(ii) As provided for in the Swap Agreement, CAIXA CATALUNYA: (i) is substituted for in that Agreement by a third entity with a long-term rating of at least A1 according to MOODY'S and a short-term debt rating of F-1 according to FITCH, that guarantees the obligations arising out of the Swap Agreement on the terms considered appropriate by the Gestora, MOODY'S, FITCH and S&P and that ensures that the ratings of the Securitisation Bonds are maintained; or ii) assigns its contractual position in the Swap Agreement to a third party on terms which the Gestora, MOODY'S, FITCH and S&P deem appropriate and which ensure the maintenance of the ratings of the Securitisation Bonds.

(iii) It will also be cancelled on early termination of the Swap Agreement, by another cause different from the abovementioned and/or for the liquidation or extinguishment of the Issuer.

V.3.5 Reserve Fund

The Gestora, on behalf and for the account of the Issuer, will create a Reserve Fund with the following characteristics:

(a) Amount

With an initial allocation at the Closing Date of an amount equal to 2.00% of the initial nominal amount of the Securitisation Bonds twenty-six million six hundred thousand (26,600,000)Euro (the "**Initial Reserve Fund**") The Initial Reserve Fund will be financed with the Subordinated Loan granted by CAIXA CATALUNYA to the Issuer:

Subsequently, on each Payment Date, in accordance with the priority of payments envisaged in section V.5.1.B) 2, the amount of the Reserve Fund will vary as set forth below (the "Required Reserve Fund"):

- C) If the Delinquency Ratio is lower than 3% it will be provided with the lower of the following amounts:
1. either an amount equal to 1.90% of the initial amount of the issue of the Bonds (i.e., 26,600,000 euros);
 2. or the higher of the following amounts: (i) an amount equal to 1.30% of the initial balance of the issue (i.e., 18,200,000 euros) or (ii) an amount equal to 4% of the Outstanding Principal Balance of th Bonds
- D) If the Delinquency ratio is 3% or higher, then the lower of the following amounts shall be provided:
1. either an amount equal to 2.10% of the initial amount of the issue of the Bonds (i.e., 29,400,000 euro) (hereinafter the "Maximum Reserve Fund");
 2. or the higher of the following amounts: (i) an amount equal to 1.40% of the initial balance of the issue (i.e., 19,600,000 euro or (ii) an amount equal to 5% of the Outstanding Principal Balance of the Bonds.

"**Delinquency Ratio**" will be the ratio between (i) the Outstanding Balance of Mortgage Participations and Mortgage Transfer Certificates in arrear for over ninety (90) days (excluding the Outstanding Balance of the Mortgage Participations and of the Mortgage Transfer Certificates in arrear for more than 18 months and those on which mortgages have been foreclosed) and (ii) the Outstanding Balance of the Mortgage Portfolio. The

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date of calculation of each monthly Delinquency Ratio shall be each Date of Determination and the last day of each calendar month, during each of the three preceding months to the Determination Date (for the purpose of calculating the possibility of reducing the Reserve Fund provided for below).

In any event, the Initial Reserve Fund

- (iii) will not be reduced until three (3) years have elapsed from the Date of Constitution of the Fund; and
- (iv) will not be reduced between two consecutive Payment Dates when on the respective Date of Determination any of the following events occurs:
 - A) If the average Delinquency ratios plus the Average Ratios of Transactions in the Forbearance Period calculated on the last calendar day of the month during the three months preceding the Determination Date is higher than 3%; or
 - B) If the Required Reserve Fund has not been provided in full on the preceding Payment Date.

For the above purposes, “**Ratio of Transactions in the Forbearance Period**” shall be the ratio between the Outstanding Balance of those Mortgage Loans that have been included in the Forbearance Period for more than ninety days and the Total Outstanding Balance of the Portfolio. Additionally, the Date of Calculation of each average Delinquency Ratio and of the Ratio of Transactions in the Forbearance Period shall be the last day of each calendar month, during each of the three preceding months to the Determination Date.

Notwithstanding the above, the levels of the Reserve Fund, either the maximum or the minimum, envisaged in this section may be reduced on a Payment Date and throughout the life of the Issuer, if legally it is possible due to the regulation of the requirements for the amendment of the Deed of Constitution of the Issuer, with the previous notification to the CNMV, and also with the express and discretionary authorisation of the Rating Agencies, provided such amendments do not affect the financial balance of the Issuer or the credit ratings of the Securitisation Bonds granted by them.

(b) Return

The amount of such Reserve Fund will be paid to the Treasury Account and will be the object of the Guaranteed Rate of Reinvestment Agreement for the Treasury Account to be entered into with CAIXA CATALUNYA and described in section V.3.1 of this Folleto.

(c) Allocation

The Reserve Fund will be used, on each Payment Date, to fulfil the payment obligations included in the order of priority of payments set out in section V.5.1.B)2 of this Folleto, provided that on the relevant Payment Date, the balance of the Treasury Account has been exhausted, except for the Liquidity Line contemplated in section V.3.6. below..

V.3.6. Liquidity Line Agreement

The Gestora, acting on behalf and for the account of the Issuer, simultaneously with the execution the Deed of Constitution, shall enter into the Liquidity Line Agreement with CAIXA CATALUNYA as the lender, which agreement shall have the following features:

(i) Amount

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

The maximum amount of the Liquidity Line shall be equal to the lower of the following amounts: (i) ninety-eight million (98,000,000) euros, equal to 7% of the initial nominal balance of the Securitisation Bonds; and (ii) 12% of the outstanding balance of the issue of the Securitisation Bonds (the “**Maximum Amount of the Liquidity Line**”). Notwithstanding said limit, the maximum available amount of the Liquidity Line on any Payment Date (the “**Maximum Available Amount of the Liquidity Line**”) shall be the lower of:

- (i) ninety-eight million (98,000,000) euros, equal to 7% of the initial nominal balance of the Securitisation Bonds;
- (ii) 12% of the outstanding balance of the issue of the Securitisation Bonds; and
- (iii) an amount equal to the interest not received of the Initial Drawdown within the Forbearance Period.

(ii) Purpose

The Liquidity Line is created to meet certain obligations of the Issuer in the event that the available resources on a given determination date are insufficient to meet the payment obligations established in sections 1 to 8 of the payments priority described in section V.5.1.B) 2 below.

(iii) Drawdown

If the above conditions to draw on the Liquidity Line are met, the Gestora shall have available, at such determination date, an amount equal to the lower of:

- (i) the Maximum Available Amount of the Liquidity Line; and
- (ii) The positive difference between (a) the amounts necessary to meet the payment obligations contemplated in sections 1 to 8 of the payment priority described in section V.5.1.B) 2. below, and (b) the Available Resources at that Determination Date.

(iv) Interest

The amount drawn and outstanding of the Liquidity Line shall give rise to quarterly interest for the benefit of CAIXA CATALUNYA on the basis of the days actually elapsed from the drawdown and a 360-day year, payable on each Payment Date, at the Reference Interest Rate of the Securitisation Bonds.

(v) Repayment of amounts drawn

The amounts drawn on the Liquidity Line shall be repaid on any Payment Date upon occurrence of any of the following events:

- (i) the difference between (a) the Available Resources and (b) the amount necessary to meet the payment obligations contemplated in sections 1 to 8 of the priority of payments stipulated in section V.5.1.B) 2 is higher than nil; or
- (ii) The difference between (a) the Balance of the Outstanding Principal of the Securitisation Bonds of Series A1, A2 and (b) (after deducting the balance of the Repayment Account) the Outstanding Balance of the Mortgage Portfolio is lower than nil.

The maximum amount to be repaid on each Payment Date shall be:

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- a) In event (i) above, the difference between the Available Resources on a given Payment Date and the amounts necessary to meet the payment obligations contemplated in sections 1 through 8 of the priority of payments stipulated in section V.5.1.B) 2 (excluding the amount to be repaid under the Liquidity Line).
- b) In event (ii) above, the difference between the Available Resources on a given Payment Date and the amounts necessary to meet the payment obligations contemplated in sections 1 to 7 of the priority of payments stipulated in section V.5.1.B) 2 (excluding the amount to be repaid under the Liquidity Line).

(vi) Maturity

The Liquidity Line shall remain in effect until July 15, 2036 (if it is a non-Banking Day, until the next Banking Day) or the date of prepayment of the Issuer, of these the earlier.

Additionally, CAIXA CATALUNYA may unilaterally and freely terminate this Agreement by serving notice to the Gestora at least two months in advance provided that (i) another entity with short term credit rating equal to at least P1 for Moody's, F1 for Fitch and A-1 for S&P, or any other equivalent rating expressly recognized by the Rating Agencies and accepted by the Gestora, substitutes for CAIXA CATALUNYA and accepts the duties assumed hereunder, (ii) the "Comisión Nacional del Mercado de Valores" and the Rating Agencies are notified; and (iii) the rating granted to the Bonds is not downgraded.

(vii) Availability fee

The Liquidity Line shall give rise, quarterly in arrears and for the benefit of CAIXA CATALUNYA, to an availability fee equal to 0.02% per annum on the lower of the Maximum Amount of the Liquidity Line minus the amount drawn at that date, payable on each Payment Date.

(viii) Payment of fees and interest and repayment of principal

The fees and interest shall be paid and the principle of the Liquidity Line shall be repaid on each Payment date according to the above procedure and to the priority of payments stipulated in section V.5.1.B) 2.

(ix) Downgrading of credit rating

If the long-term debt of CAIXA CATALUNYA, while the Securitisation Bonds are outstanding, is downgraded to lower than P1 according to MOODY's short-term debt rating or to lower than F1 according to FITCH short-term rating or the continuation of CAIXA CATALUNYA as a party to the Liquidity Line may give rise to a downgrading in the ratings granted by S&P to each of the Securitisation Bond Series, CAIXA CATALUNYA, within a maximum term of thirty (30) days as from the notification of such rating downgrading shall be obliged:

- (i) to find a third entity with a minimum rating of P1 for short-term debt according to MOODY's, of F1 for short-term debt, according to FITCH and of A-1 for short-term debt, according to S&P, to guarantee the obligations under the liquidity line, upon the terms that may be deemed appropriate by the Gestora, MOODY's FITCH and S&P, ensuring that the ratings of the Securitisation Bonds are maintained; or
- (ii) assign its contractual position in the Liquidity Line to a third entity with a minimum rating of P1 for short term debt according to MOODY's, of F-1 for short-term debt, according to FITCH and of A-1 for short-term debt, according to S&P, upon the

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

terms deemed appropriate by the Gestora, MOODY's, FITCH and S&P, ensuring that the ratings of the Securitisation Bonds are maintained; or

- (iii) create a deposit in cash in a current account, to secure the obligations arising from the Liquidity Line, upon the terms deemed appropriate by the Gestora, MOODY's FITCH and S&P, ensuring that the ratings of the Securitisation Bonds are maintained.

All the costs, taxes and expenses incurred for compliance with the above obligations shall be borne by CAIXA CATALUNYA.

V.4 Other Agreements

V.4.1 Underwriting and Placement Agreement for the Bond issue

The Gestora, on behalf of and for the account of the Issuer, will enter into an underwriting and placement agreement for the Bond issue with CAIXA CATALUNYA, JPMorgan, Bear Stearns, BBVA and Nomura as the Underwriters and Placers (the "**Underwriting and Placement Agreement**"). Under the Underwriting and Placement Agreement, such Underwriters will assume the following responsibilities: 1) to freely place the Securitisation Bonds with investors; 2) to subscribe jointly for the Securitisation Bonds which have not been subscribed for by the end of the Subscription Period, up to the amount agreed to by each Underwriter, as described in section II.19.1 of this Folleto; 3) to pay the Paying Agent before 13.00 h. (Madrid Time) on the Closing Date, value date that day, the nominal amount placed and, as may be the case, subscribed for in its own name by each Underwriter and Placer, after deduction of its commission; the Paying Agent will pay the Issuer, before 14.00 h. (Madrid Time) of the same day, value date that day, the total subscription moneys received from the Underwriters and Placers, after deduction of the underwriting and placement commission; 4) undertaking to pay default interest agreed upon in the Underwriting and Placement Agreement in case of delay in payment of amounts due; 5) delivery to subscribers of a subscription receipt.

The above notwithstanding, the Underwriters and Placers shall be released from their underwriting undertaking and CAIXA CATALUNYA shall be obliged to underwrite the entire issue of the Securitisation Bonds if JPMORGAN and BEAR STERNS notify the Lead Manager and CAIXA CATALUNYA in writing, before 13:00h. (CAT time) of the day preceding the Closing Date, of the decision adopted by both the parties to terminate the underwriting undertaking due to occurrence of any of the events contemplated to such effect in the Underwriting and Placement Agreement in the issue of Securitisation Bonds

The Underwriters and Placers of the Securitisation Bonds will receive an underwriting and placement commission for a total amount of 510,475 Euros (so that each Underwriter and Placer of the Securitisation Bonds will receive an underwriting and placement commission of (i) 0.025% of Series A1 and A2 and (ii) 0.200% of Series B, C and D of the nominal amount of each of the Bonds of each Series underwritten by it under the Underwriting and Placement Agreement described in paragraph V.4.1. of the Folleto.

V.4.2 Paying Agency Agreement of the Securitisation Bonds

The Gestora, on behalf and for the account of the Issuer, will enter into a Paying Agency Agreement with CAIXA CATALUNYA to perform the financial services relating to the Securitisation Bonds being issued by the Issuer.

The obligations of the Paying Agent under the Paying Agency Agreement are summarised below:

- (i) to make payment to the Issuer before 14:00 h. on the Closing Date of the amount which, according to the Underwriting and Placement Agreement, is paid by the Underwriters and Placers, value date that day, by crediting the Treasury Account of the Issuer;

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- (ii) to deliver to the Gestora the informative statements on the distribution of the Securitisation Bonds, duly completed by each of the Underwriters and Placers, using for this purpose the standard form established by the CNMV with a breakdown for each Series;
- (iii) on each Payment Date of the Securitisation Bonds, to make payment of interest and repayment of principal on the Securitisation Bonds, after deduction of withholding tax on returns from investments, in accordance with the applicable tax laws; and
- (iv) at each Interest Determination Time, to communicate to the Gestora the Reference Interest Rate which will be used as the basis of calculation for the nominal interest rate applicable to each of the Series of Securitisation Bonds.

In consideration for the services to be performed by the Paying Agent under the Paying Agency Agreement, the Issuer will pay to the Paying Agent on each Payment Date an actual quarterly fee of 0.05 %, taxes included, of the amount to be paid to Bondholders on each Payment Date, provided that the Issuer has enough resources according to the priority of payments of the Issuer described in section V.5.1.B).2. of this Folleto.

The amount corresponding to withholding tax on returns from investments demanded by applicable legislation, if any, on each Interest Payment Date of the Securitisation Bonds will be deposited in the Treasury Account until the date on which the Paying Agent, following instructions of the Gestora, should pay it in.

Should the short-term debt rating of CAIXA CATALUNYA, at any time during the life of the Securitisation Bonds, fall to below P-1 according to MOODY's and/or to below F-1 according to FITCH and/or should the continuation of CAIXA CATALUNYA as the Paying Agent be apt to cause a downgrading of the S&P ratings granted to each of the Bond Series, the Gestora will, within thirty (30) days, nominate as Paying Agent an entity whose short-term debt rating is at least P-1, F-1 and A-1 according to MOODY's, FITCH and S&P, respectively, which entity will assume responsibility for the obligations that CAIXA CATALUNYA had been carrying out until then.

The Paying Agency Agreement will remain in effect until July 15, 2036 (or if this is not a Business Day, until the next Business Day) or until the date on which the Mortgage Participations and the Mortgage Transfer Certificates or the Securitisation Bonds have been repaid in full, if this date is earlier.

V.4.3. Administration, process of the financial intermediation and deposit of the Mortgage Participations and the Mortgage Transfer Certificates

The functions of administration of the Mortgage Loans, described in section IV.2 of this Folleto, payment of the process of the financial intermediation, described in section IV.1.j) of this Folleto, and regulation of the deposit of the Mortgage Participations and the Mortgage Transfer Certificates to be issued, described in section IV.1.c) of this Folleto, respectively, will be regulated in the Deed of Constitution of the Issuer.

V.5 Priority of Payments by the Issuer

V.5.1 Ordinary rules for the priority of payments by the Issuer

Source and Application of Funds

A) On the Closing Date

The source and application of the proceeds available to the Issuer on the Closing Date of the issue of Securitisation Bonds will be the following:

1. **Source:** the Issuer will have proceeds available from:

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- a) Payment of the Securitisation Bonds subscribed for on the market
- b) Drawdown of the Subordinated Loan

2. **Application:** on the Closing Date the Issuer will use the proceeds described above to make the following payments:

- a) Payment of the price of issue of the Mortgage Participations and the Mortgage Transfer Certificates that form the Issuer.
- b) Payment of initial expenses of constitution of the Issuer and issue of Securitisation Bonds.
- c) Allocation to the Initial Reserve Fund.

B) From the Closing Date and up to the final repayment of the Securitisation Bonds

1. **Source:** the available amounts on each Payment Date will be the following (the “**Available Funds**”):

- a) The proceeds received as principal of the Mortgage Participations and the Mortgage Transfer Certificates during each preceding Determination Period. Such amounts will have been deposited in the Treasury Account in accordance with the provisions of section V.3.1 of this Folleto.
- b) The ordinary and default interest received from the Mortgage Participations and the Mortgage Transfer Certificates during each preceding Determination Period. Such amounts will have been deposited in the Treasury Account in accordance with the provisions of section V.3.1 of this Folleto.
- c) The income received during each preceding Determination Period from the reinvestment of the Reserve Fund, according to the provisions of section V.3.4.B., as well as from other amounts deposited in the Treasury Account and from the amounts deposited in the Repayment Account. Such amounts will have been deposited in the Treasury Account in accordance with the provisions of sections V.3.1 and V.3.2. of this Folleto.
- d) Reserve Fund described in section V.3.5 of this Folleto.
- e) Any other amounts received by the Issuer, including those resulting from its share in the sale or operation of property adjudicated to it.
- f) The Net Swap Amounts received under the Swap Agreement according to the provisions of section V.3.4 of this Folleto or, in case of default by CAIXA CATALUNYA, amounts deposited by CAIXA CATALUNYA in an account open for the Issuer or the termination payment of the Swap.
- g) The Maximum Available Amount of the Liquidity Line, which shall only be available in the events described in section V.3.6 of this Folleto.

2. **Application:**

The **Available Funds**, with the limitations and rules described above, will be allocated on each Payment Date to comply with the payment or withholding obligations, regardless of the time of their accrual, in the following order:

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

- 1st Payment of the ordinary and extraordinary expenses of the Issuer, whether funded or not by the Gestora and duly evidenced, including the management fee due to the latter and the remaining expenses and fees for services. In this order payments will only be made to CAIXA CATALUNYA and in relation to the management of the Mortgage Participations and the Mortgage Transfer Certificates, for expenses it has advanced or funded for the account of the Issuer and for the amounts to be reimbursed, all duly evidenced.
- 2nd Payment to CAIXA CATALUNYA or, as may be the case, the entity substituted for it, of the Net Swap Amount of the Securitisation Bonds and, in case of termination of such Agreement for non-performance by the Issuer, payment of the amount due by the Issuer that corresponds to the termination payment of the Swap Agreement.
- 3rd Payment of fees and interest and repayment of principal on the Liquidity Line, according to the rules and procedure contemplated in section V.3.6. of this Folleto.
- 4th Payment of interest accrued on the Series A1 and Series A2 Securitisation Bonds.
- 5th Payment of interest accrued on the Series B Securitisation Bonds, unless that payment is deferred as provided for below.
- 6th Payment of interest accrued on the Series C Securitisation Bonds, unless that payment is deferred as provided for below.
- 7th Payment of interest accrued on the Series D Securitisation Bonds, unless that payment is deferred as provided for below.
- 8th Withholding of an amount sufficient to make the Provision for the Capital Repayment Fund under section II.11.3.5 of this Folleto.
- 9th Withholding of an amount sufficient to maintain the required Reserve Fund pursuant to section V.3.5. of this Folleto. This application shall not apply on the last Payment Date or on the date of liquidation of the Issuer
- 10th Payment of interest accrued on the Series B Securitisation Bonds, whenever this payment is deferred.
- 11th Payment of interest accrued on the Series C Securitisation Bonds, whenever this payment is deferred.
- 12th Payment of interest accrued on the Series D Securitisation Bonds, whenever this payment is deferred.
- 13th Payment of the Swap Agreement, in the event of termination of said Agreement due to default of the counterpart, payment of the amount payable by the Issuer entailing payment for settlement of said Swap Agreement.
- 14th Payment of Fixed Remuneration accrued on the Subordinated Loan.
- 15th Repayment of the principal amount of the Subordinated Loan as established in Section V.3.3. of the Folleto.
- 16th Payment of the Variable Remuneration of the Subordinated Loan.

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The **Capital Repayment Fund** will be allocated to:

- a. Firstly, to full repayment of the Outstanding Principal Balance of the Series A1 and A2 Securitisation Bonds.
- b. After the Outstanding Principal Balance of the Series A1 Securitisation Bonds has been fully repaid, according to its repayment rules, the Capital Repayment Fund shall be allocated on a Payment Date to repay the Outstanding Principal Balance of the Securitisation Bonds without differentiation among Series (A2, B, C and D) and proportionally to the Outstanding Principal Balance of each Bond if on that Payment Date all the Pro Rata Repayment Conditions contemplated in section II.11.3.7 B) of the Folleto are met.
- c. If the Pro Rata Repayment Conditions are not met on any Payment Date, the series shall be repaid with subordination and the Capital Repayment Fund shall be allocated as set forth below:
 1. After the Outstanding Principal Balance of the Series A1 and A2 Securitisation Bonds has been fully repaid, the Capital Repayment Fund will be allocated to repay the Outstanding Principal Balance of the Series B Securitisation Funds
 2. After the Outstanding Principal Balance of the Series B Securitisation Bonds has been fully repaid, the Capital Repayment Fund will be allocated to repay the Outstanding Principal Balance of the Series C Securitisation Funds
 3. After the Outstanding Principal Balance of the Series C Securitisation Bonds has been fully repaid, the Capital Repayment Fund will be allocated to repay the Outstanding Principal Balance of the Series D Securitisation Funds.

V.5.2 Exceptional rules for the priority of payments by the Issuer

- a) Payment of interest accrued by the Series B Securitisation Bonds on a Payment Date will move from priority 5th to priority 10th in the order of priority of payments established above whenever on a Determination Date the difference between (i) the Outstanding Balance of Series A1 and A2 Securitisation Bonds and (ii) the positive difference between Available Funds on a Payment Date and amounts necessary to meet the payment obligations contemplated in sections 1 to 5 above is higher than the sum of the Outstanding Balance of the Mortgage Portfolio and the Repayment Account
- b) Payment of interest accrued by the Series C Securitisation Bonds on a Payment Date will move from priority 6th to priority 11th in the order of priority of payments established above whenever on a Determination Date the difference between (i) the Outstanding Balance of Series A1, A2 and B Securitisation Bonds and (ii) the positive difference between Available Funds on a Payment Date and amounts necessary to meet the payment obligations contemplated in sections 1 to 6 above (considering that payment of interest on the Series D Bonds has been deferred) is higher than the sum of the Outstanding Balance of the Mortgage Portfolio and the Repayment Account.
- c) Payment of interest accrued by the Series D Securitisation Bonds on a Payment Date will move from priority 7th to priority 12th in the priority of payments established above whenever on a Determination Date the difference between (i) the sum of the Outstanding Principal Balance of Series A1, A2, B and C Securitisation Bonds, and (ii) the positive difference between the Available Funds on a Payment Date and the amounts necessary to meet the

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

payment obligations established in sections 1st to 7th above is greater than the sum of the Outstanding Balance of the Mortgage Portfolio and the Repayment Account.

If a third party is substituted for CAIXA CATALUNYA as administrator of the Mortgage Loans, a fee will be payable to the new third-party administrator, which fee will have priority 1st in said order of priority, and the rest of the payments contained in the following items will be renumbered accordingly.

Additionally, if because of the decrease in the debt rating of CAIXA CATALUNYA, another entity substitutes for CAIXA CATALUNYA as Calculation Agent of the Swap Agreement, as described in section V.3.4 of this Folleto, a commission will be paid to the new third-party Calculation Agent of the Guaranty which will have priority 7th in the above order of priority of payments (or priority 9th if the substitution of the administrator has occurred as contemplated in the preceding paragraph), and the subsequent payments will be renumbered accordingly.

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

CHAPTER VI GENERAL INFORMATION ON THE GESTORA

According to Royal Decree 926/1998, Asset Securitisation Funds lack legal status and “Sociedades Gestoras de Fondos de Titulización” (Managing Companies of Securitisation Funds) are responsible for the establishment, management and legal representation of the Funds and for the representation and protection of the interests of holders of securities issued by the Funds they manage.

Accordingly, this Chapter sets out the information relating to GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A., in its capacity as the Sociedad Gestora (“Gestora”) that establishes, manages and represents HIPOCAT 7, FONDO DE TITULIZACIÓN DE ACTIVOS.

VI.1 Information on the Company, except for its capital.

VI.1.1 Name and registered office.

- Name: GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A.
- Registered Office: Fontanella 5-7, 08010 Barcelona
- N.I.F.: A61604955
- C.N.A.E.: 0074

VI.1.2 Constitution and registration with the Companies Register, as well as information relating to administrative authorisations and registration with the Comisión Nacional del Mercado de Valores.

The Gestora was established with the name of GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN HIPOTECARIA S.A. and was incorporated by a public deed executed on February 27th 1998 in the presence of the notary of Barcelona D. José Marqueño de Llano, under number 646 of his files and in accordance with the prior authorisation of the Ministry of Economy and Finance dated February 13th 1998. It changed its bylaws, changing its name to the actual GESTION DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN for its transformation into a company managing Securitisation Funds on February 4, 2000, through the public deed executed in the presence of the notary public of Barcelona Mr. Juan José López Burniol. The Company is registered with the Companies Register of Barcelona (Volume 30545, Sheet 41, Page B177694), first inscription. In addition, it is registered with the special registry of the CNMV under number 9.

The duration of the Gestora is indefinite, unless any of the causes occur in which its dissolution is required by law or by its by-laws.

VI.1.3 Corporate Purpose.

In accordance with legal requirements, article 2 of its by-laws establishes that: “The exclusive purpose of the company is the constitution, management and legal representation of both asset securitisation funds and of mortgage securitisation funds”.

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

VI.1.4 Place where documents referred to in the Folleto can be inspected.

The Company's by-laws, accounting statements and economical-financial information, as well as this Folleto and any other document referred to herein, or the existence of which is deduced from its contents, are available for inspection at the registered office of the Gestora, calle Fontanella 5-7, 08010 Barcelona.

The present Folleto was filed with the Official Register of the CNMV on June 4, , 2004. It is available to the public, free of charge, at the registered offices of the Gestora and of the Underwriters and Placers. In addition, it is available for inspection at the CNMV, in Madrid, Paseo de la Castellana, 19, and at the governing body of Mercado AIAF, with address in Madrid at Plaza Pablo Ruiz Picasso, s/n, Edificio Torre Picasso, planta 43.

As soon as the Deed of Constitution has been executed and before the Subscription Period of the Securitisation Bonds begins, the Gestora will file with the CNMV a certified copy of the Deed of Constitution. In addition, the Gestora, Iberclear or the participating entity to which it has delegated its functions, and the governing body of the AIAF, Mercado de Renta Fija, will have copies of the Deed of Constitution available at all times for inspection by Bondholders and by the public.

VI.2 Information relating to Capital.

VI.2.1 Nominal Share Capital subscribed and paid up.

At the date of registration of this Folleto, the share capital, fully subscribed and paid up, is nine hundred one thousand, six hundred fifty (901,650) euro.

VI.2.2 Series of Shares.

All shares are ordinary registered shares of the same and unique Series and they confer the same political and economic rights. The share capital is represented by 15,000 registered shares each with a par value of sixty point eleven (60.11) euro.

VI.2.3 Changes in the share capital during the last three years.

On July 2nd, 2001, it was resolved to restate the capital in euro and subsequently to increase it by 134.84 euro by increasing the par value of the shares in order to round that par value upwards to the nearest cent of a euro, against voluntary reserves.

VI.3 Information on Shareholdings.

VI.3.1 Shares in other companies.

There are no shareholdings owned by the Gestora in other companies.

VI.3.2 Group of companies of which the Gestora forms part.

For the purposes of article 42 of the Commercial Code, GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULACIÓN, S.A. forms part of the CAIXA CATALUNYA Group.

VI.3.3 Major Shareholders.

At the date of registration of this Folleto, title to the shares of the Gestora is divided among the companies set out below, stating the percentage of shares held by each of them:

No document other than the Informative Prospectus (*Folleto Informativo*), once registered by the CNMV, shall have any legal effect or be relied upon with regard to the Note Issue.

CAIXA CATALUNYA	486,891 euro (54 per cent. of the capital)
FACTORCAT, Establecimiento Financiero de Crédito S.A.	207,379.5 euro (23 per cent. of the capital)
LEASING CATALUNYA, Establecimiento Financiero de Crédito, S.A.	207,379.5 euro (23 per cent. of the capital)

VI.4 Corporate bodies.

Under the bylaws of the Gestora, the General Meeting of Shareholders and the Board of Directors are responsible for its management. Their powers and authorities are those vested in such bodies in the Spanish Corporations Law and Law 19/1992, of July 7th, relating to the corporate purpose.

Among the other administrative bodies contemplated by the by-laws, a Managing Director has been appointed to whom the authorities of the Board of Directors have been delegated. There is also a General Manager with ample powers within the organisation and to represent the Gestora before third parties.

VI.4.1 Directors.

Board of Directors.

At the date of registration of this Folleto, the Board of Directors is comprised of the following members:

Directors:

- Mr Lluís Gasull Moros (Chairman and Managing Director)
- Mr Gabriel Santolaria Arruebo
- Mr Ferrán Sicart Ortí
- Mr. Ignacio Martín Morales
- Mr. Jaime Sambola Pijuan

Secretary (not a Director): Ms Cristina Puig Carrasco

VI.4.2 General Management.

The General Manager of the Gestora is Mr. Carles Fruns Moncunill.

VI.5 Interests held in Gestora by the persons mentioned at section VI.4.

The persons referred to in section VI.4 above do not hold, directly or indirectly, any shares or convertible Securitisation Bonds issued by the Gestora.

VI.6 Lenders to Gestora (over 10%).

The Gestora has not borrowed moneys from any person or entity.

VI.7 Existence of any situation of insolvency or significant litigation which could affect the economic and financial situation of the Gestora or in the future its capacity to effect the administration of the Issuer set out in this Folleto.

At the date of registration of this Folleto, no litigation or lawsuits are in progress that may have a significant effect on the financial and economic situation of the Gestora or, at a future date, on its

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capacity to carry out the functions of management and administration of the Issuer envisaged in this Folleto.

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CHAPTER VII
RECENT DEVELOPMENT OF THE MORTGAGE MARKET IN GENERAL AND THE MORTGAGE
LOAN MARKET WHICH MAY AFFECT THE FINANCIAL STATUS OF THE MORTGAGE
SECURITISATION FUND

VII.1 Recent and significant trends of the Mortgage Market in general and in particular, the market for mortgage loans, in relation to its regulatory framework, changes in interest rates, and early repayment and default ratios.

In recent years, the Spanish mortgage market has experienced a significant transformation, with respect to its legal structure and the growing interest shown in it by credit institutions.

The regulations governing this market have aimed to grant Mortgagors more power to negotiate the terms of the loans and to reduce certain costs involved in their renegotiation. Accordingly, in addition to Law 2/1994, of March 30th, regarding Subrogation and Modification of Mortgage Loans (which regulates the possibilities of substitution and renegotiation of the economic terms of the loans with the reduction of tax and official costs, together with a reduction of early repayment fees for floating rate loans), two measures have been enacted which should lower the transaction costs of subrogation and novation of mortgage loans: on the one hand, the agreement to reduce commissions made between the Ministry of Economy and commercial banks and savings banks and, on the other hand, the passing of Royal Decree 2616/1996, of December 20th, which changes notarial and registration fees for the subrogation and novation of mortgage loans referred to in Law 2/1994.

In addition, the significant reduction of interest rates in recent years, together with the increased competition among credit institutions in this segment, due to its strategic importance for fostering client loyalty, have caused a considerable increase in the levels of early repayment of mortgage loans bearing interest at higher rates than those prevailing in the market at any given time, in cases where the lenders do not accept the renegotiation of financial terms.

Therefore, in any event, it should be noted that early repayment of mortgage loans will take place regardless of the Law on Subrogation and Modification of Mortgage Loans, since its feasibility will be motivated not only by the opportunities offered by the Law, but also by more decisive factors, such as age and interest rates higher than market rates.

VII.2 Possible implications of the trends set out in section VII.1. (rate of early repayments, rate of defaults, etc.):

All of the first drawdowns of the partly securitised mortgage loans forming the provisional portfolio and which will be used as the base to issue the Mortgage Participations and the Mortgage Transfer Certificates to be subscribed for by the Issuer bear floating interest rates, being periodically adapted to changes in market interest rates. Consequently, a trend of high early repayment levels of the First Drawdowns is not anticipated. Furthermore, the provisions for the renegotiation of interest rate determination for loans which may be at rates above market rates should be taken into account.

Nevertheless, the average term and duration of the Bond issue subject of this Folleto may change in comparison with those initially envisaged under section II.12 should there be any change in the Prepayment Rate of the Mortgage Participations and the Mortgage Transfer Certificates

In the opinion of the Gestora, as of today, the historical public information on early repayments is insufficient to permit reliable predictions at the medium and long term on the behaviour of the Prepayment Rates of loan portfolios. To this effect it should be remembered that the market, as noted in section VII.1 above, has undergone in-depth changes in recent years, so it is inadvisable to make forecasts grounded on the extrapolation of data available on recent years; such data are

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limited in quantity and in time, and they cannot be given representative value as examples. Interested investors may consult the information regularly published by the Gestora and other Managing Companies on the Securitisation Funds they manage.

In relation to the creditworthiness of the Mortgagors, as mentioned in section IV.4.a), on the date of constitution of the Issuer no mortgage loans and first drawdowns forming the portfolio and which will be used as the base for the issue of the Mortgage Participations and the Mortgage Transfer Certificates will have been in arrears for more than thirty (30) days.

Signed: CARLES FRUNS MONCUNILL

**General Manager
GESTIÓN DE ACTIVOS TITULIZADOS, S.G.F.T. S.A.**

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ANNEX 1

CERTIFICATE OF THE RESOLUTION OF THE BOARD OF DIRECTORS OF CAIXA CATALUNYA

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ANNEX 2

CERTIFICATE OF THE RESOLUTION OF THE BOARD OF DIRECTORS OF THE GESTORA

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ANNEX 3

RATING AGENCIES

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ANNEX 4
AUDITOR'S REPORT

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ANNEX 5

MANAGER'S AND JOINT MANAGER'S LETTERS

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ANNEX 6

DECLARATIONS OF CAIXA CATALUNYA IN RELATION TO THE CONTENT OF THE FOLLETO