

FOLLETO INFORMATIVO (Spanish-language offering circular)

May 2005

## HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS

### SECURITISATION BONDS 1,500,000,000 EURO

Series A1	250,000,000 Euro	Aaa/AAA/AAA	EURIBOR 3M + (0.02% / 0.08%)
Series A2	1,155,500,000 Euro	Aaa/AAA/AAA	EURIBOR 3M + (0.05% / 0.15%)
Series B	26,200,000 Euro	Aa1/AA/AA	EURIBOR 3M + (0.09% / 0.25%)
Series C	35,600,000 Euro	A1/A/A-	EURIBOR 3M + (0.15% / 0.35%)
Series D	32,700,000 Euro	Baa2/BBB+/BBB-	EURIBOR 3M + (0.30% / 0.75%)

#### FUND DESIGNED AND STRUCTURED BY

GESTIÓ D'ACTIUS TITULITZATS   
Grup CAIXA CATALUNYA

 JPMorgan

#### MANAGERS



 JPMorgan

CAIXA CATALUNYA 

#### UNDERWRITERS



 JPMorgan

CAIXA CATALUNYA 



 BNP PARIBAS

#### ASSIGNOR

CAIXA CATALUNYA 

#### PAYING AGENT

CAIXA CATALUNYA 

#### FUND ESTABLISHED AND MANAGED BY

GESTIÓ D'ACTIUS TITULITZATS   
Grup CAIXA CATALUNYA

Folleto entered on the Registers of the C.N.M.V. on May 5, 2005

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## CHAPTER 0

### SUMMARY OF THE FOLLETO INFORMATIVO

This complete Folleto Informativo was entered on the official registers of the Spanish Securities Market Commission (“CNMV”) on May 5, 2005. The registration of the Folleto Informativo by the CNMV does not imply a recommendation to subscribe for or purchase the Bonds to which it refers or any statement in any sense about the solvency of the Issuer or the return on the Bonds.

#### **0.1.- NAME AND NATURE OF THE ISSUER**

The name of the Issuer will be HIPOCAT 8, 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 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 Funds 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 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 (“**Law 3/1994**”), (iv) 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**”), (v) Law 44/2002 of 22 December, on Measures to Reform the Financial System (*Ley de Medidas de Reforma del Sistema Financiero* – hereinafter “**Law 44/2002**”) and (vi) other applicable legal and statutory regulations that are from time to time in force.

The Issuer will constitute a pool of assets without legal status and will be closed for the assets and open for the liabilities under the provisions of Articles 1 and 4.1 b) of Royal Decree 926/1998.

#### **0.2.- REPRESENTATION OF THE ISSUER: THE SOCIEDAD GESTORA**

GESTIÓN DE ACTIVOS TITULIZADOS S.G.F.T., S.A. is the Sociedad Gestora (the “**Gestora**”) arranging the establishment of the Issuer. The Gestora will act as manager and legal representative of the Issuer, in accordance with the provisions contained in Royal Decree 926/1998. The Gestora, as a manager of the business of others, will also be responsible for the representation and defence of the interests of holders of the Bonds issued by the Issuer and of the Issuer’s other ordinary creditors.

#### **0.3.- ASSETS OF THE ISSUER**

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

##### **0.3.1.- Mortgage Transfer Certificates**

These embody rights to incorporate in each initial drawdown from partially securitised mortgage loans (“**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.

##### **0.3.2.- Assignor of the Mortgage Transfer Certificates: Caixa d'Estalvis de Catalunya (“CAIXA CATALUNYA”).**

##### **0.3.3.- Credit rights appertaining to the Mortgage Transfer Certificates:**

- λ All amounts accrued on the First Drawdowns by:
  - λ Repayment of principal of the First Drawdowns;
  - λ Ordinary interest on the First Drawdowns; and
  - λ Default interest on the First Drawdowns.
- λ 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 fees collected from the Mortgagors, which shall continue to be held by CAIXA CATALUNYA.

### 0.3.2.- Other assets

The assets of the Fond 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.

### 0.4.- LIABILITIES OF THE ISSUER

As described in section III.4.1 of this Folleto, the liabilities of the Issuer will be basically comprised of the securitisation bonds issued by the Issuer under the Public Deed of Establishment (the "**Securitisation Bonds**") and by the subordinated loan granted by CAIXA CATALUNYA, initially and among other purposes to fund the Reserve Fund (the "**Subordinated Loan**").

Likewise, and in line with the open nature of the liabilities of the Issuer, should an event giving rise to the commitment to grant a Liquidity Line occur (the "**Commitment to Grant a Liquidity Line**"), a liquidity line will be granted, and will therefore form part of the liabilities, with a view to meeting certain payment needs to be subscribed by CAIXA CATALUNYA (the "**Liquidity Line**").

#### 0.4.1.- Securitisation Bonds issued by the Issuer

The following are the characteristics of the Securitisation Bonds issued:

λ **Nominal amount:** 1,500,000,000 Euro in 5 Series:

- Series A1: 250,000,000 Euro
- Series A2: 1,155,500,000 Euro
- Series B: 26,200,000 Euro
- Series C: 35,600,000 Euro
- Series D: 32,700,000 Euro

λ **Denomination:** 100,000 Euro per Securitisation Bond.

λ **Issue price:** 100% of the nominal value of each Securitisation Bond (100,000 Euro), free of taxes and subscription expenses for the subscriber.

λ **Redemption amount:** 100,000 Euro per Securitisation Bond.

**0.4.2.- Nominal Annual Floating Interest Rate calculated quarterly:** the sum of (i) the Reference Interest (3 month EURIBOR) and (ii) plus the following margins for each Series:

- o for Series A1: between 0.02% and 0.08%;
- o for Series A2: between 0.05% and 0.15%;
- o for Series B: between 0.09% and 0.25%;
- o for Series C: between 0.15% and 0.35%; and
- o for Series D: between 0.30% and 0.75%.

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

λ **Interest and principal payment dates:** quarterly on March 15, June 15, September 15 and December 15 of each year or, as the case may be, the following Business Day (according to the TARGET calendar, in Madrid and/or Barcelona). The first payment date will be September 15, 2005.

λ **Legal Repayment Date:** March 15, 2038, without prejudice to the Gestora's option for the early liquidation of the Issuer envisaged in section III.8.1. The Legal Repayment Date described is a date 36 months after the

repayment of the last First Drawdown repaid.

λ **Provisional ratings:** Assigned provisionally by Moody's Investors Service España, S.A. ("**MOODY'S**"), Fitch Ratings España, S.A. ("**FITCH**") and Standard & Poor's España, S.A. ("**S&P**").

	<b>Moody's</b>	<b>Fitch</b>	<b>S&amp;P</b>
<b>Series A1</b>	<b>Aaa</b>	<b>AAA</b>	<b>AAA</b>
<b>Series A2</b>	<b>Aaa</b>	<b>AAA</b>	<b>AAA</b>
<b>Series B</b>	<b>Aa1</b>	<b>AA</b>	<b>AA</b>
<b>Series C</b>	<b>A1</b>	<b>A</b>	<b>A-</b>
<b>Series D</b>	<b>Baa2</b>	<b>BBB+</b>	<b>BBB-</b>

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

AIAF, Mercado de Renta Fija.

#### **0.4.3.- 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 order of priority of payments contemplated in section V.5.1.B) 2 of this Folleto ("**Order of Priority**").

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 Order of Priority envisaged in section V.5.1.B).2. of the Folleto. For this purpose:

- The maximum amount of the "**Provision to 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 Securitisation Bonds Series on the immediately preceding Determination Date; 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 Determination Date immediately preceding that Payment Date.

#### **0.4.4.- General Rules for Repayment**

##### **A) Repayment of Class A Securitisation Bonds**

##### λ **Repayment of Series A1 Securitisation Bonds**

The principal of the Series A1 Bonds will be repaid through partial repayments from the first Payment Date (June 15, 2005) until their full nominal value has been repaid, for the amount of the Capital Repayment Fund applied on each Payment Date to the 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 the nominal value of each Series A1 Bond.

Notwithstanding the provisions of the preceding paragraphs, in any event, the final repayment of the Series A1 Bonds will be made on the Legal Repayment Date (March 15, 2038), although the Gestora, acting for and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may repay the Bond Issue prior to the Legal Repayment Date, in which case the Payment Date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

- **Repayment of Series A2 Bonds**

Series A2 Bonds shall be repaid through partial repayments as from the last of the following dates: (i) the Payment Date on which the Series A1 Bonds are fully repaid; or (ii) the Payment Date of December 15, 2006.

As from the Payment Date resulting pursuant to the preceding paragraph, the Series A2 Bonds will be partially repaid on each Payment Date by pro rata reduction of the nominal amount of each Series A2 Bond by the amount of the Capital Repayment Fund, in accordance with the rules for Distribution of the Capital Repayment Fund among the Class A Series contemplated in section II.11.3.7 of this Folleto and described below.

In any event, the final repayment of Series A2 Securitisation Bonds will be made on the Legal Repayment Date (March 15, 2038), although the Gestora, acting for and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may repay the issue early, in which case the Payment Date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

λ **Distribution of the Capital Repayment Fund among the Class A Series. Exceptional pro rata repayment among Class A Bonds**

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

■ Ordinary allocation, in the following order:

- 1.- Up to the full repayment of Series A1, the Capital Repayment Fund will be allocated to repayment of principal of the Series A1 Bonds.
- 2.- On the Payment Dates preceding the Payment Date of December 15, 2006, any surplus in the Capital Repayment Fund, once all Series A1 Bonds have been repaid, will be deposited in to the Repayment Account

As from the Payment Date of December 15, 2006, inclusive, and after all Series A1 Bonds have been fully repaid, the Capital Repayment Fund will be allocated to repayment of principal of Series A2 Bonds by pro rata reduction of the nominal amount among Bonds of the same Series, until such amount is repaid in full, 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 1.50%.

In such event, on the Payment Date in question, the Capital Repayment Fund will be allocated to repay Series A1 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 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.

Notwithstanding the foregoing, if the Pro Rata Repayment Conditions described in the following paragraph are met, the Capital Repayment Fund will be allocated to repay all Series (or to deposit the amounts allocated to repay 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, (ii) the Outstanding Principal Balance of Series A2 reduced by the balance, if any, of the amounts allocated to repay the principal of Series A2 deposited in the Repayment Account, at the Determination Date preceding the Payment Date in question, (iii) the Outstanding Principal Balance of Series B, (iv) the Outstanding Principal Balance of Series C, and (v) the Outstanding Principal Balance of Series D.

**B) Rules for Pro Rata Repayment**

As indicated above, without prejudice to the exception rules for repayment with subordination among the various Series, pursuant to section II.11.3.8 of the Folleto, the Capital Repayment Fund shall be allocated on each Payment Date to the pro rata repayment of the principal of the Securitisation Bonds Series (or to the deposit of the amounts allocated to repayment of the principal of Series A2 in the Repayment Account, as appropriate) 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 Delinquency Ratio is lower than 1.50% on the Determination Date immediately preceding the Payment Date in progress;
2. if on the Determination Date preceding the Payment Date in process, the Outstanding Principal Balance of Series B, C and D Securitisation Bonds represents at least 12.60% of the Outstanding Principal Balance of all Securitisation Bonds;
3. if the amount of the Reserve Fund on the preceding Payment Date is equal to the Required Reserve Fund on the preceding Payment Date contemplated in section V.3.5 of the Folleto; and
4. if, on the Determination Date prior to the payment date in question, the Outstanding Balance of the Mortgage Transfer Certificates is higher than 10% of the Outstanding Balance of the Mortgage Portfolio on the Issuer Establishment Date.

The "**Delinquency Ratio**" will be the ratio between (i) the Outstanding Balance of the Mortgage Transfer Certificates

with a delinquency of more than ninety (90) days (excluding the Outstanding Balance 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.

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

If the Pro Rata Repayment Conditions contemplated above are not met, the various series shall be repaid with subordination among series as described below.

#### **λ Repayment of Series B Securitisation Bonds**

Once the Series A1 and Series A2 Securitisation Bonds have been fully repaid, as contemplated above, the Series B Securitisation Bonds will be repaid by pro rata reduction of the nominal amount of the Series B Bonds themselves on each Payment Date, until it is repaid in full, by 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 Legal Repayment Date (March 15, 2038), although the Gestora, acting for and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may repay this issue early, in which case the Payment Date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

#### **λ Repayment of Series C Securitisation Bonds.**

Once the Series A1, Series A2 and Series B Securitisation Bonds have been fully repaid, the Series C Securitisation Bonds will be repaid by pro rata reduction of the nominal amount of the Series C Bonds themselves, on each Payment Date, until it is repaid in full, by the amount existing in 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 fully repaid, there is a positive balance in the Capital Repayment Fund.

The final repayment of Series C Securitisation Bonds will be made on the Legal Repayment Date (March 15, 2038), although the Gestora, acting for and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may repay this issue early, in which case the Payment Date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

#### **λ Repayment of Series D Securitisation Bonds.**

Once the Series A1, A2, B and C Securitisation Bonds have been fully repaid, the Series D Securitisation Bonds will be repaid by pro rata reduction of the nominal amount of the Series D Bonds themselves, on each Payment Date, until it is repaid in full, by 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 fully repaid, there is a positive balance in the Repayment Fund.

The final repayment of Series D Securitisation Bonds will be made on the Legal Repayment Date (March 15, 2038), although the Gestora, acting for and on behalf of the Issuer, as provided for in section III.8 of this Folleto, may repay this issue early, in which case the Payment Date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

### **0.4.5.- Transactions to increase the security or regularity of payment of the securities issued**

With a view to strengthening the financial structure of the Issuer, increasing the security or regularity of payment of the Securitisation Bonds or covering mismatch in time between the schedule of principal and interest payment flows from the Mortgage Transfer Certificates, as well as that from the Securitisation Bonds issued, the Gestora, representing the Issuer will:

- (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 Transfer Certificates, inter alia, guaranteeing a specific return;
- (iii) will enter into a Guaranteed Interest Reinvestment Agreement for the Repayment Account, pursuant to

section V.3.2. of this Folleto;

- (iv) will, if appropriate, enter into a Guaranteed Interest Reinvestment Agreement for the Cash Surplus Account, pursuant to sections V.3.1 and V.3.2 of this Folleto, into which the cash surplus is to be transferred pursuant to those sections;
- (v) enter into a Commitment to Grant a Liquidity Line by virtue of which, if appropriate, a Liquidity Line Agreement will be executed with a view to meeting certain payment obligations according to the Order of Priority of the Issuer's payments; and
- (vi) enter into a Swap Agreement with CAIXA CATALUNYA by virtue of which CAIXA CATALUNYA will make payments to the Issuer calculated on the basis of the interest rate of the Securitisation Bonds, and the Issuer will make payments to CAIXA CATALUNYA taking as a reference the interest of the Mortgage Transfer Certificates.

#### **0.5.- ORDER OF PRIORITY OF PAYMENTS**

The Order of Priority, 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 on each Payment Date as described in section V.5.1.B).1 of this Folleto (the "**Available Resources**") to the following payments and withholdings, in accordance with the rules and order of priority of payments set out below:

- 1.- 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 Gestora and the remaining expenses and fees for services.

In this order of priority, payments will only be made to CAIXA CATALUNYA in relation to the management of 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.

- 2.- Payment to CAIXA CATALUNYA or, as the case may be, any entity that may replace it, of the Net Swap Amount of the Securitisation Bonds and also, only if the Swap Agreement is terminated due to breach by the Issuer, payment of the amount due by the Issuer as the payment for settlement of the Swap Agreement.
- 3.- Payment of interest accrued on the Series A1 and Series A2 Securitisation Bonds.
- 4.- Payment of interest accrued on the Series B Securitisation Bonds, unless that payment is deferred to 8<sup>th</sup> place in this order of priority.

If the Series A1 and Series A2 Bonds had not been fully repaid, and if such repayment were not to be made on the relevant Payment Date, the Available Resources applicable to this 4<sup>th</sup> place in the order of priority will be reduced by the Amount of Principals, if the amount resulting from reducing the Outstanding Principal Balance of the Series A1 and A2 by the following amounts is greater than zero:

- a) the remaining Available Resources after deducting the amounts of the payment obligations in 1<sup>st</sup> through 4<sup>th</sup> place (including any interest accruing on the Series B Bonds);
- b) the Balance in the Repayment Account;
- c) the Outstanding Balance in the Mortgage Portfolio on the Payment Date in question.

and any interest accruing on the Series B Bonds which was unable to be paid in this place will then be deferred to 8<sup>th</sup> place

- 5.- Payment of interest accrued on the Series C Securitisation Bonds, unless that payment is deferred to take 9<sup>th</sup> place in this order of priority.

If the Series A1, Series A2 and Series B Bonds had not been fully repaid, or if such repayment were not to be made on the relevant Payment Date, the Available Resources applicable to this 5<sup>th</sup> place in the order of priority will be reduced by the Amount of Principals, if the amount resulting from reducing the Outstanding Principal Balance of Series B by the following amounts is greater than zero:

- a) the remaining Available Resources after deducting the amounts of the payment obligations in 1<sup>st</sup> through 5<sup>th</sup> place (including any interest accruing on the Series C Bonds);



- b) the Balance in the Repayment Account;
- c) the Outstanding Balance in the Mortgage Portfolio on the Payment Date in question.

and any interest accruing on the Series C Bonds which was unable to be paid in this place will then be deferred to 9<sup>th</sup> place.

- 6.- Payment of interest accrued on the Series D Securitisation Bonds, unless that payment is deferred to 10<sup>th</sup> place in this order of priority.

If the Series A1, Series A2, Series B and Series C Bonds had not been fully repaid, or if such repayment were not to be made on the relevant Payment Date even in the event of deferral, the Available Resources applicable to this 6<sup>th</sup> place in the order of priority will be reduced by the Amount of Principals, if the amount resulting from reducing the Outstanding Principal Balance of Series C by the following amounts is greater than zero:

- a) the remaining Available Resources after deducting the amounts of the payment obligations in 1<sup>st</sup> through 6<sup>th</sup> place (including any interest accruing on the Series D Bonds);
- b) the Balance in the Repayment Account;
- c) the Outstanding Balance in the Mortgage Portfolio on the Payment Date in question.

and any interest accruing on the Series D Bonds which was unable to be paid in this place will then be deferred to 10<sup>th</sup> place.

- 7.- 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.
- 8.- Payment of interest accrued on the Series B Securitisation Bonds, whenever this payment is deferred.
- 9.- Payment of interest accrued on the Series C Securitisation Bonds, whenever this payment is deferred.
- 10.- Payment of interest accrued on the Series D Securitisation Bonds, whenever this payment is deferred.
- 11.- Withholding of a sufficient amount to maintain the Required Reserve Fund pursuant to section V.3.5.
- 12.- Payment of the Swap Agreement, should said Agreement be terminated due to breach by the other party, payment of the amount due by the Issuer as the payment for settlement of said Swap Agreement.
- 13.- Payment of Fixed Remuneration accrued on the Subordinated Loan.
- 14.- Repayment of the principal amount of the Subordinated Loan as established in Section V.3.3. of the Folleto.
- 15.- Payment of the Variable Remuneration of the Subordinated Loan.

**Extraordinary rules for the order of priority of payments by the Issuer:**

If the event giving rise to the Commitment to Grant a Liquidity Line occurs and, accordingly, the Liquidity Line is granted, the payment of the fees, interest and principal of that Liquidity Line will be ranked 3<sup>rd</sup> in the foregoing order of priority and the rest of the payments on the list will be renumbered accordingly.

**Rules for the order of priority of payments in the event of the Issuer's liquidation**

The Gestora will liquidate the Issuer on the Payment Date on which the following takes place, pursuant to section III.8 of the Folleto, by allocation of the funds available from the following items: (i) the Available Resources; (ii) any amounts being obtained by the Issuer on the disposal of the assets relating to any remaining Mortgage Transfer Certificates and, if appropriate, (iii) any amount drawn down under a credit facility arranged to be used in full for the final repayment of the Series A1, Series A2, Series B, Series C and Series D Bonds pursuant to section III.8 in the following order of priority of payments (the "**Liquidation Order of Priority**"):

- 1.- Reserve to cover tax, administrative or advertising expenses incurred on the termination and liquidation of the Issuer;
- 2.- Payment of the ordinary and extraordinary expenses of the Issuer, whether or not funded by the Gestora and

duly evidenced, including the management fee due to the Gestora and the remaining expenses and fees for services.

In this order of priority, payments will only be made to CAIXA CATALUNYA in relation to the management of 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.

- 3.- Payment to CAIXA CATALUNYA or, as the case may be, any entity that may replace it, of the Net Swap Amount of the Securitisation Bonds and also, only if the Swap Agreement is terminated due to breach by the Issuer, payment of the amount due by the Issuer as the payment for settlement of the Swap Agreement.
- 4.- Payment of interest accrued on the Series A1 and A2 Bonds.
- 5.- Repayment of principal of the Series A1 and A2 Bonds.
- 6.- Payment of interest accrued on the Series B Bonds.
- 7.- Repayment of principal of the Series B Bonds.
- 8.- Payment of interest accrued on the Series C Bonds.
- 9.- Repayment of principal of the Series C Bonds.
- 10.- Payment of interest accrued on the Series D Bonds.
- 11.- Repayment of principal of the Series D Bonds.
- 12.- Payment of the Swap Agreement, should said Agreement be terminated due to breach by the other party, payment of the amount due by the Issuer as the payment for settlement of said Swap Agreement.
- 13.- Payment of Fixed Remuneration accrued on the Subordinated Loan.
- 14.- Repayment of the principal amount of the Subordinated Loan as established in Section V.3.3. of the Folleto.
- 15.- Payment of the Variable Remuneration of the Subordinated Loan.

If in a single order of priority there are amounts claimable for different items on the Legal Repayment Date or on the Date of Payment on which early liquidation takes place, and the Available Resources are insufficient to cover all amounts claimable under those items, the remaining Available Resources will be allocated pro rata among said amounts claimable for each item, and the amount allocated to each item will be distributed according to the order of repayment of the claimable debts.

#### **0.6.- CLAIMS**

Neither the Issuer nor the Bondholders will have further 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 failure to perform their respective functions and, therefore, never as a consequence of delinquency or early repayment of the Mortgage Loans.

#### **0.7.- 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 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 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.

#### **0.8.- NATURE OF THIS INFORMATION**

This information is a FOLLETO INFORMATIVO for the purposes of Royal Decree 926/1998 and regulations issued

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

thereunder, and was filed at the Official Registries of the Spanish Securities Market Commission on May 5, 2005, and in accordance with Royal Decree 291/1992 of March 27, on issues and public offerings of securities and regulations issued thereunder, having chosen this legislation by virtue of the Sole Transitional Provision of Royal Decree-Law 5/2005 of March 11, on urgent reforms to boost productivity and improve public contracting.

The Gestora, GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A., which will establish and manage 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.

## 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 March 18, 2005, 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 8, 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 states 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 May 5, 2005.

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. It is merely an acknowledgement that the Folleto contains all the information required by the rules governing its contents and in no case will entail liability for the CNMV for any misrepresentation in the information it contains.

This Folleto complies with the contents stipulated in Royal Decree 926/1998 and with Royal Decree 291/1992 of March 27, on issues and public offerings of securities, pursuant to the power set forth in the Sole Transitional Provision of Royal Decree 5/2005 of March 11, on urgent measures to boost productivity and improve public contracting.

### 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 mortgage loans granted by CAIXA CATALUNYA, from which will be taken those used as a base to issue 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, Plaza Pablo Ruiz Picasso, 1. This audit considers both quantitative and qualitative attributes of the selected mortgage loans and, in particular,

- λ Identification of the first drawdown
- λ Address of the mortgaged property
- λ Date of origination of the first drawdown of the loan
- λ Maturity date of the first drawdown of the loan

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- λ First drawdown of the loan
- λ Current balance of the first drawdown of the loan
- λ Initial interest rate
- λ Relevant interest rate
- λ Use of the first drawdown of the loan
- λ Appraisal value
- λ Mortgage loan limit /appraisal value ratio
- λ Security interest by way of mortgage
- λ 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.

Loans with errors detected in the check of the sample will not be included by CAIXA CATALUNYA in the issue of the Mortgage Transfer Certificates. CAIXA CATALUNYA also 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 Transfer Certificate or to their early repayment, as appropriate, as provided for in said section IV.1.e).

<b>CHAPTER II INFORMATION RELATING TO THE SECURITIES WHICH ARE ISSUED BY THE ASSET SECURITISATION FUND</b>
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**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 Transfer Certificates:**

The Board of Directors of CAIXA CATALUNYA resolved, in its meeting on March 15, 2005, to make an assignment of credit rights deriving from the First Drawdowns, to be instrumented through the issuance of 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 March 18, 2005 resolved:

- a) The establishment of HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS.
- b) Subscription by the Issuer of 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 May 5, 2005.

**(c) *Execution of the public Deed of Establishment of the Issuer.***

Once the CNMV has registered the Folleto and prior to commencement of the Subscription Period for the Securitisation Bonds, the Gestora, together with CAIXA CATALUNYA, will execute the public Deed of Establishment of HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS, of the issue of and subscription for the Mortgage Transfer Certificates and of the issue of the Securitisation Bonds (the "**Deed of Establishment**" or the "**Deed**").

This Deed of Establishment 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 Establishment, 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 registration of this Folleto 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 April 29, 2005, 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 "Aa1", "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 confirm those ratings as final prior to 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 establishment of the Issuer, of the issue of and subscription for 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.**

#### **a) MOODY'S Rating**

The MOODY'S rating for this transaction measures forecast loss before the Legal Repayment Date. In the opinion of MOODY'S, the structure permits 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 March 15, 2038 (defined as the Legal 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:

<b>Long-term</b>
Aaa
Aa
A
Baa
Ba
B
13

Long-term
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" correspond to the highest level and have the lowest investment risk. Interest payments are covered by a wide or an exceptionally stable margin, and the coverage of principal is safe. Although the elements of protection are likely to change, they are not expected to alter the fundamental solidity of these bonds.

**Aa:** Securitisation Bonds rated as "Aa" are considered to be high quality in all respects. Together with group Aaa, they form what are generally known as "high quality" Securitisation Bonds. They are rated lower than "Aaa" bonds because their margins of protection are not as wide. The fluctuation of the elements of protection may be greater or there may be other elements due to which the long-term risk is perceived as being higher than that of securities rated "Aaa".

**A:** Securitisation Bonds rated as "A" have many good qualities as investment instruments and should be considered to be securities of a "medium-high quality". The factors giving safety to the collection of capital and interest are adequate, but there may be elements which suggest a potential deterioration in the future.

**Baa:** Securitisation Bonds rated as "Baa" are considered to be of "average quality" (they are neither well protected nor have underlying securities). Payments of interest and principal are deemed to be suitably protected but some elements of protection may be nonexistent or unreliable on the long term. These securities lack qualities of excellence as investment instruments and, in fact, also have speculative characteristics.

**Short-term:**

**P-1:** Superior capability of promptly repaying debt commitments issued on a term of less than one year.

**P-2:** Strong capability of repaying debt commitments issued on a term of less than one year.

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



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- (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-	F2
BBB+ 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 very 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.

**BBB:** Good credit quality. “BBB” ratings indicate a low expectation of credit risk. Capability to refund principal and to pay interest promptly is sufficient, although adverse changes in circumstances and in economic conditions could have an impact on this capability. This is the lowest rating in the “degree of investment” category.

**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, to the Deed of Establishment and to this Folleto.

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*), as 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 Classified in the highest category of S&P Rating Services, Within this category, certain debtors are Classified 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 Legal 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 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 1,500,000,000 Euro divided into 15,000 Securitisation Bonds. The aggregate nominal amount will be divided into five (5) Series of Securitisation Bonds (Series A1, Series A2, Series B, Series C and Series D) 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.**

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, and under Additional Provision Five of Law 3/1994, as worded in Article 18 of Law 44/2002

The Bonds have the legal nature of marketable fixed-interest securities with explicit return, and are subject to the rules stipulated in the Securities Market Law and regulations issued thereunder.

Pursuant to section II.5 of this Chapter, the Bonds will be represented by book-entries. 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. For this purpose the provisions of Title I, Chapter I, Section Four of Royal Decree 116/1992 of February 14, on the representation of securities by book-entry and the clearing and settlement of securities market transactions (*Real Decreto sobre representación de valores por medio de anotaciones en cuenta y compensación y liquidación de operaciones bursátiles*, hereinafter "**Royal Decree 116/1992**") will apply. 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. In this connection, the third party acquiring the Securitisation Bonds represented by book-entry for consideration from a person authorized to transfer them, according to the accounting records, will not be subject to claim unless at the time of the acquisition he acted in bad faith or gross negligence, in accordance with Article 12 of Royal Decree 116/1992.

For the payment of interest and repayment of principal of the Securitisation Bonds of each Series, Bondholders are subject to the Order of Priority and to the Liquidation Order of Priority in the event of the Issuer's liquidation.

##### **11.4.2 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.**

With a view to strengthening the financial structure of the Issuer, increasing the security or regularity of payment of the Securitisation Bonds or covering mismatch in time between the schedule of principal and interest payment flows from the Mortgage Transfer Certificates, as well as that from the Securitisation Bonds issued, the Gestora, representing the Issuer, will

- (i) set up a Reserve Fund intended to reinforce certain payment obligations for the Issuer's account,
- (ii) 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 Transfer Certificates, inter alia, guaranteeing a specific return;
- (iii) enter into a Guaranteed Interest Reinvestment Agreement for the Repayment Account, pursuant to section V.3.2. of this Folleto;
- (iv) if appropriate, enter into a Guaranteed Interest Reinvestment Agreement for the Cash Surplus Account, pursuant to sections V.3.1 and V.3.2 of this Folleto, into which the cash surplus is to be transferred pursuant to those sections;

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- (v) enter into a Commitment to Grant a Liquidity Line by virtue of which, if appropriate, a Liquidity Line Agreement will be executed with a view to meeting certain payment obligations according to the Order of Priority of the Issuer's payments; and
- (vi) enter into a Swap Agreement with CAIXA CATALUNYA by virtue of which CAIXA CATALUNYA will make payments to the Issuer calculated on the basis of the interest rate of the Securitisation Bonds, and the Issuer will make payments to CAIXA CATALUNYA taking as a reference the interest of the Mortgage Transfer Certificates.

#### **II.4.3. Other implications and risks.**

##### **a) Risk of default on the Mortgage Transfer Certificates.**

The Bondholders will bear the risk of non-payment of the Mortgage Transfer Certificates forming the Issuer.

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. Pursuant to Article 248 of the Commercial Code, CAIXA CATALUNYA is responsible to the Issuer exclusively for the existence and lawfulness of the Mortgage Loans on the terms and conditions set forth in the Deed of Establishment, as well as for the personality with which the transfer is carried out. 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 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.

The Securitisation Bonds issued by the Issuer neither represent nor constitute an obligation of CAIXA CATALUNYA or of the Gestora. No other guarantees have been granted by any public or private entity whatsoever, including CAIXA CATALUNYA, the Gestora and any subsidiary or investee of either of the foregoing.

##### **b) Risk of early repayment of the Mortgage Transfer Certificates.**

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 Transfer Certificates derive, of the outstanding part of the capital of the First Drawdowns. The Mortgage Transfer Certificates will also be fully repaid if CAIXA CATALUNYA is subrogated in the relevant Mortgage Loans by another financial entity authorized for such purpose, pursuant to Law 2/1994 of March 30, on the subrogation and modification of mortgage loans, as currently worded, (*Ley sobre subrogación y modificación de préstamos hipotecarios*, hereinafter "**Law 2/1994**") or for any other reason giving rise to the same effect

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 cash flow 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 A1 and Series A2 Securitisation Bonds, of Series C Securitisation Bonds with regard to Series B, Series A2 and Series A1 Securitisation

Bonds, and of Series D Securitisation Bonds with regard to Series C, Series B, Series A2 and Series A1 Securitisation Bonds, deriving from their positions in the Order of Priority in the Issuer, and in the Liquidation Order of Priority in the event of the Issuer's liquidation, 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 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, and as indicated above, 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 Establishment, 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 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 Transfer Certificates, and that these conform to the characteristics of the Mortgage Loans defined in said issue. 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**

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 Interest Rate 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 represented exclusively in book entry form and will be set up as such by virtue of their registration with the Sociedad de Gestión de los Sistemas de Registry, Compensación y Liquidación de Valores, S.A. ("**Iberclear**"), as the entity responsible for their accounting registers, pursuant to Article 11 of Royal Decree 116/1992. In this connection, it is placed on record that the Deed of Establishment will have the effects envisaged in article 6 of Law 24/1988.

Iberclear will be designated in the Deed of Establishment as the entity responsible for the accounting registers of the Bonds, so that the clearing of the Securitisation Bonds is carried out in

accordance with such operating rules as are established or may be approved in the future by Iberclear or by AIAF in respect of the securities listed on Mercado AIAF and represented by book entry. This designation will be registered at the Official Registries of the CNMV.

The Bondholders will be identified as such by the accounting register kept by the institutions member of Iberclear. It is also forecast that the Gestora will also request registration of the Securitisation Bonds on the Clearstream and Euroclear clearance systems.

The registered office of Iberclear is in Madrid, at calle Pedro Teixeira, 8.

**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 1,500,000,000 Euro and will be divided into 15,000 Securitisation Bonds. This aggregate nominal amount will be divided into five (5) 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 250,000,000 Euro, divided into 2,500 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 1,155,500,000 Euro, divided into 11,555 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 26,200,000 Euro divided into 262 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 35,600,000 Euro divided into 356 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 32,700,000 Euro divided into 327 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 charged by the Issuer. The Securitisation Bonds will be issued at 100 per cent of their nominal amount.

Expenses and taxes inherent in the Bond issue will be borne by the Issuer.

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 Issuer, as issuer of the Securitisation Bonds will not pass on or charge any item of expense to the investor for the subscription of the Securitisation Bonds. The issue price in Section II.7 above is free of commissions and expenses for the subscriber charged by the Issuer.

**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. At present Iberclear has not established any commission whatsoever for maintenance of the balance.

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 or with the Liquidation Order of Priority, as appropriate.

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 (May 12, 2005), until, but excluding, the first Payment Date (September 15, 2005).

The Nominal Interest Rate ("**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 Interest Rate 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:

- for Series A1 Securitisation Bonds: margin between 0.02% per cent and 0.08% per cent, both included;
- for Series A2 Securitisation Bonds: margin between 0.05% and 0.15%, both included;
- for Series B Securitisation Bonds: margin between 0.09% and 0.25%, both included;
- for Series C Securitisation Bonds: margin between 0.15% and 0.35%, both included;
- for Series D Securitisation Bonds: margin between 0.30% and 0,75%, both included,

converted to an equivalent rate of interest for a year of 360 days and rounded off to the nearest thousandth of a percentage point or to the nearest higher thousandth of a percentage point if the differences to the nearest higher and lower thousandths of a percentage point are equal.



The margin applicable to the Securitisation Bonds of all series, stated as a percentage, shall be established by mutual agreement between the Lead Managers before 10:00 (CET time) of the first day of the Subscription Period (May 10, 2005).

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 before 10:30 (CET time) on May 10, 2005.

Failing an agreement or should the Gestora fail to receive the reports from the Lead Managers 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 0.15%;
- for Series A2 Securitisation Bonds: margin of 0.10%;
- for Series B Securitisation Bonds: margin of 0.20%;
- for Series C Securitisation Bonds: margin of 0.30%;
- for Series D Securitisation Bonds: margin of 0.60%;

The Gestora shall report said margins before commencement of the Subscription Period to the Lead Managers 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) Determination of the Reference Rate**

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 Rate 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 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 Rate for the First Interest Period

D = Number of days of the interest Period

E6 = Reference Rate EURIBOR at six (6) months

E3 = Reference 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 (3) decimal figures.

The definitions relating to the EURIBOR rate which were approved by the European Banking Federation (FBE) and by the International Currency Exchange Association supplementary to the current definition of the EURIBOR rate will be deemed introduced for the purposes of the Reference Rate relating to the EURIBOR rate without requiring the modification of these terms of the Reference Rate or notification of the Bondholders by the Gestora.

- (ii) In the absence or impossibility of obtaining the reference interest rates set out in section (i) above, the substitute Reference 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:

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

By way of exception, the substitute Reference Rate for the first Interest Period will be that resulting from the linear interpolation between the interest 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 and the interest rate equal to the simple arithmetic mean of the interbank interest rates offered for non-transferable deposits in Euro with maturity at six (6) months, both for an amount equal to the nominal amount of the Bond issue, stated by the foregoing banking institutions at the Interest Determination Time.

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 Interest Rate 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).

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) Formula for the calculation of interest**

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.

**f) 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 0.05% for Series A1 Securitisation Bonds, 0.10% for Series A2 Securitisation Bonds, 0.25% for Series B Securitisation Bonds, 0.35% for Series C Securitisation Bonds and 0.65% 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
		<b>5 pbs</b>	<b>10 pbs</b>	<b>20 pbs</b>	<b>30 pbs</b>	<b>60 pbs</b>
28/03/2003	2.525%	2.575%	2.625%	2.725%	2.825%	3.125%
27/06/2003	2.143%	2.193%	2.243%	2.343%	2.443%	2.743%
29/09/2003	2.130%	2.180%	2.230%	2.330%	2.430%	2.730%
29/12/2003	2.140%	2.190%	2.240%	2.340%	2.440%	2.740%
29/03/2004	1.955%	2.005%	2.055%	2.155%	2.255%	2.555%
29/06/2004	2.121%	2.171%	2.221%	2.321%	2.421%	2.721%
29/09/2004	2.147%	2.197%	2.247%	2.347%	2.447%	2.747%
29/12/2004	2.176%	2.226%	2.276%	2.376%	2.476%	2.776%
29/03/2005	2.145%	2.195%	2.245%	2.345%	2.445%	2.745%
14/04/2005	2.136%	2.186%	2.236%	2.336%	2.436%	2.736%

Euribor at six (6) months at April 14, 2004, used for interpolation in the first interest period is 2.150%

**II.10.2. Reference to the ranking of interest payments on the securities issued by the Issuer in the order of priority 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 3<sup>rd</sup> in the Order of Priority as set out in section V.5.1.B).2 of the Folleto, and in 4<sup>th</sup> place in the Liquidation Order of Priority, therefore without subordination in the payment of interest, between said two series of Securitisation Bonds.

Payment of interest accrued on Series B Securitisation Bonds ranks 4<sup>th</sup> in the Order of Priority as set out in section V.5.1.B).2 of the Folleto, and in 6<sup>th</sup> place in the Liquidation Order of Priority, unless the conditions set out in that Section of the Folleto for its deferral are fulfilled, in which case it will rank 8<sup>th</sup> in the Order of Priority

Payment of interest on Series C Securitisation Bonds ranks 5<sup>th</sup> in the Order of Priority as set out in section V.5.1.B).2 of the Folleto, and in 8<sup>th</sup> place in the Liquidation Order of Priority, unless the conditions set out in that Section of the Folleto for its deferral are fulfilled, in which case it will rank 9<sup>th</sup> in the Order of Priority.

Payment of interest accrued on Series D Securitisation Bonds ranks 6<sup>th</sup> in the Order of Priority as set out in section V.5.1.B).2 of the Folleto, and in 10<sup>th</sup> place in the Liquidation Order of Priority, unless the conditions set out in that Section of the Folleto for its deferral are fulfilled, in which case it will rank 10<sup>th</sup> in the Order of Priority.

**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 March 15, June 15, September 15 and December 15 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 September 15, 2005, such interest accruing at the nominal rate stipulated in section II.10.1.b), from (and including) the Closing Date for the subscribers (May 12, 2005) as defined in section II.18.5 above, up to (but excluding) September 15, 2005.

Both the interest accruing in favour of the Bondholders and, if appropriate, 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 Order of Priority or to the Liquidation Order of Priority, as appropriate.

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 Order of Priority 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 Order of Priority and applied by order of maturity if it again proves impossible for them to be paid in full because of insufficiency of Available Resources.

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 Legal Repayment Date (March 15, 2038).

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"**).

## **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 order of 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 7<sup>th</sup> in the Order of Priority set out in section V.5.1.B).2. of this Folleto.

## **II.11.3 Repayment**

### **II.11.3.1. Legal Repayment Date and final repayment .**

The Legal Repayment Date and the final repayment of the Securitisation Bonds will take place on March 15, 2038, or if this is not a Business Day, on the following Business Day (“**Legal Repayment Date**”), without prejudice to the fact that the Gestora, on behalf of the Issuer and in accordance with section III.8 below and subject to the Liquidation Order of Priority, may repay the Securitisation Bonds earlier, in which case the Payment Date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

The Legal Repayment Date is the date of payment thirty six (36) months after the payment date of the last First 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., March 15, June 15, September 15 and December 15 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 sum of the outstanding balances 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 Transfer Certificates, minus the entire amount of principal debited of First 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

The “**Outstanding Balance of the Mortgage Transfer Certificates**” will comprise the total of the outstanding unmatured principal amount and the principal amount matured and unpaid of each one of the Mortgage Transfer Certificates.

### **II.11.3.5. Capital Repayment Fund**

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 Order of Priority contemplated in section V.5.1.B) 2 of this Folleto.

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

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 Order of Priority 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 on the immediately preceding Determination Date; 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 Series A1 Securitisation Bonds will be repaid by partial repayments as from the first Payment Date (September 15, 2005) 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.

Without prejudice to the contents of the above paragraphs, in any event, the final repayment of the Series A1 Bonds shall be the Legal Repayment Date (March 15, 2038), 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 Legal Repayment Date, in which case the date on which this occurs will be the Legal Repayment Date of the Securitisation Bonds.

###### **b) Repayment of Series A2 Bonds**

Series A2 Bonds shall be repaid through partial repayments, by pro rata reduction of the nominal amount of each Series A2 Bond, as from the last of the following dates: (i) the Payment Date on which the Series A1 Bonds are fully repaid; or (ii) the Payment Date of December 15, 2006.

After the Payment Date resulting from the preceding paragraph, on each Payment Date the Series A2 Bonds shall be repaid through partial repayments, by pro rata reduction of the nominal amount of each Series A2 Bond, by the amount of the Capital Repayment Fund, according to the rules of Distribution for Repayment of Series A1 and A2 Bonds, as contemplated in section II.11.3.7 of this Folleto and described below.

In any event, the final repayment of Series A2 Securitisation Bonds will be made on the Legal Repayment Date (March 15, 2038), although the Gestora, acting for 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 Legal Repayment Date of the Securitisation Bonds.

**c) Distribution of the Capital Repayment Fund between the Series of Class A. Exceptional pro rata repayment among Class A Bonds**

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

**c) 1.- Ordinary allocation, in the following order:**

- 1.- Until the repayment of Series A1 in full, the Capital Repayment Fund will be allocated to the repayment of principal of the Series A1 Bonds.

On the Payment Dates preceding the Payment Date of December 15, 2006, the surplus Capital Repayment Fund, after all Series A1 Bonds have been repaid in full, will be deposited in the Repayment Account.

- 2.- As from and including the Payment Date of December 15, 2006, and after Series A1 Bonds have been fully repaid, the Capital Repayment Fund will be allocated to the repayment of the principal of Series A2 Bonds by pro rata reduction of the nominal amount among Bonds of the same Series, until it is repaid in full, as provided for above.

**c) 2.- Exceptional pro rata allocation among 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 1.50%.

In such event, on the Payment Date in question, the Capital Repayment Fund will be allocated to repay Series A1 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 the Series A1 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

- c) 3.-** Notwithstanding the foregoing, if the Pro Rata Repayment Conditions described in Section II.11.3.7 b) below are met, the Capital Repayment Fund will be allocated to repay all Series (or to deposit the amounts allocated to repay 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, (ii) the Outstanding Principal Balance of Series A2 reduced by the balance, if any, of the amounts allocated to repay the principal of Series A2 deposited in the Repayment Account, at the Determination Date preceding the Payment Date in question, (iii) the Outstanding Principal Balance of Series B, (iv) the Outstanding Principal Balance of Series C, and (v) the Outstanding Principal Balance of Series D

**II.11.3.7. B) Rules for Pro Rata Repayment**

As indicated above and 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 and Series A2 have 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 (or to deposit the amounts allocated to repay the principal of Series A2 in the Repayment Account, as appropriate) 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 Delinquency Ratio is lower than 1.50% on the Determination Date immediately preceding the Payment Date in progress.
2. If on the Determination Date preceding the Payment Date in process, the Outstanding Principal Balance of Series B, Series C and Series D Securitisation Bonds represents at least 12.60% of the Outstanding Principal Balance of the Securitisation Bonds.
3. If the amount of the Reserve Fund on the preceding Payment Date is equal to Required Reserve Fund on the preceding Payment Date pursuant to section V.3.5 of the Folleto

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

4. If, on the Determination Date preceding the Payment Date in question, the Outstanding Balance of the Mortgage Transfer Certificates is more than 10% higher than the Outstanding Balance of the Mortgage Portfolio on the Issuer Establishment Date.

The “**Delinquency Ratio**” will be the ratio between (i) the Outstanding Balance of the Mortgage Transfer Certificates with a delinquency of more than ninety (90) days (excluding the Outstanding Balance 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.

#### **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, the various Series shall be repaid with subordination between series as described below.

##### **λ 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 Series B Bonds themselves, by deducting from the nominal value on each Payment Date, until it is repaid in full, 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 on the Legal Repayment Date (March 15, 2038), 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 Legal Repayment Date of the Securitisation Bonds.

##### **λ 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 Series C Bonds themselves, by deducting from the nominal value on each Payment Date, until it is repaid in full, 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 Legal Repayment of Series C Securitisation Bonds will be the Legal Repayment Date (March 15, 2038), 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 Legal Repayment Date of the Securitisation Bonds.

##### **λ 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 Series D Bonds themselves, by deducting from the nominal value on each Payment Date, until it is repaid in full, an amount equal to 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 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.



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

The Legal Repayment of Series D Securitisation Bonds will be the Legal Repayment Date (March 15, 2038), 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 Legal 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 (assuming rates determined at March 29, 2005)	<b>2.150%</b>
-	Margin on Series A1 Securitisation Bonds	<b>0.05%</b>
-	Rounded to the nearest one thousandth of a percentage point.	<b>2.200%</b>
-	Amount of interest per Series A1 Bond:	
λ	Interest accrual period per Bond from Closing Date to September 15, 2005	<b>126 days</b>
λ	Outstanding Amount of Series A1 Bond	100,000 Euro
	$\frac{2.200 \times 126 \times 100,000}{100 \times 360}$	= 770.00 Euro
λ	Rounded to the nearest centime:	771.00 Euro

As a result, the amount of interest to be received for each Series A1 Bond would be 770.00 Euro on an Outstanding Balance of the Bond of 100,000 Euro.

The example would be identical for Series A2, B, Series C and Series D Securitisation Bonds, only having to substitute the relevant margins with regard to each Series.

<b>Series of Securitisation Bonds</b>	<b>A1</b>	<b>A2</b>	<b>B</b>	<b>C</b>	<b>D</b>
<i>Margin</i>	0.05%	0.10%	0.20%	0.30%	0.60%
<i>Nominal Interest Rate</i>	2.200%	2.250%	2.350%	2.450%	2.750%

##### B) Tables of the financial servicing of the Bond issue

The main characteristic of Securitisation Bonds lies in their periodical repayment and, therefore, their average maturity and duration depend fundamentally on the aggregate behaviour of the Mortgage Loans.

The average life, return, duration and final repayment of the Bonds of each Series depend on various factors, most notably the following:

- i) the schedule and system for repaying the First Drawdowns of each Mortgage Loan, established in the relevant agreements;
- ii) the capability of the Debtors to repay the First Drawdowns early, partially or fully and the aggregate rate at which this early repayment takes place throughout the life of the Issuer;
- iii) the floating interest rates applicable to each Additional Drawdown of the Mortgage Loans, which entail a variation in the amount of each repayment.
- iv) the delinquency of the Debtors on the repayment of the Additional Drawdowns of the Mortgage Loans.

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 Constant Prepayment Rate (CPR or “**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.

To calculate the data on the tables appearing in this Section, the following hypotheses were assumed with respect to the factors described:

- λ average weighted interest rate of the Mortgage Transfer Certificates portfolio: 3.605%;
- λ delinquency for more than thirty (30) days of the Mortgage Transfer Certificates portfolio: 0% per annum;
- λ defaults of the Mortgage Transfer Certificates portfolio: 0% per annum;
- λ the early repayment rate remains constant throughout the life of the Securitisation Bonds;
- λ the Closing Date of the Securitisation Bonds is May 12, 2005;
- λ we assume CPR at 10%, 12%, 14%, 16% and 18%;
- λ 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. The following are the nominal interest rates assumed for each Series for the first Interest Period:

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds
<b>Nominal Interest Rate for the First Interest Period</b>	<b>2.200%</b>	<b>2.250%</b>	<b>2.350%</b>	<b>2.450%</b>	<b>2.750%</b>

For successive Interest Periods, the floating nominal rate for each Series is assumed to be constant per the following detail:

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds	Series D Bonds
<b>Nominal Interest Rate for the First Interest Period</b>	<b>2.186%</b>	<b>2.236%</b>	<b>2.336%</b>	<b>2.436%</b>	<b>2.736%</b>

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 Series B, Series C and Series D 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:

<b>Average Life, IRR, Duration and Estimated Final Life according to various CPRs</b>					
<b>A1</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>18%</b>
Average life	0.83	0.74	0.67	0.62	0.56
IRR	2.24%	2.24%	2.24%	2.24%	2.24%
Duration	0.81	0.72	0.65	0.60	0.60
Estimated final life	1.59	1.34	1.09	1.09	0.84
<b>A2</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>18%</b>
Average life	7.30	6.40	5.68	5.11	4.65
IRR	2.29%	2.29%	2.29%	2.29%	2.29%
Duration	6.42	5.70	5.11	4.63	4.24
Estimated Final Life	15.59	13.84	12.34	11.09	10.09
<b>B</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>18%</b>
Average life	10.51	9.33	8.33	7.43	6.62
IRR	2.39%	2.39%	2.39%	2.39%	2.39%
Duration	9.01	8.11	7.33	6.61	5.95
Estimated final life	15.59	13.84	12.34	11.09	10.09
<b>C</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>18%</b>
Average life	10.51	9.33	8.33	7.43	6.62
IRR	2.49%	2.49%	2.49%	2.49%	2.49%
Duration	8.95	8.07	7.30	6.58	5.92
Estimated Final Life	15.59	13.84	12.34	11.09	10.09
<b>D</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>18%</b>
Average life	10.51	9.33	8.33	7.43	6.62
IRR	2.80%	2.80%	2.80%	2.80%	2.80%
Duration	8.78	7.93	7.18	6.49	5.84
Estimated final life	15.59	13.84	12.34	11.09	10.09

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:**

- 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): 2.24% for Series A1, 2.29% for Series A2, 2.39% for Series B, 2.49% for Series C, and 2.80% for Series D.

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

- PE = Issue price of the Securitisation Bonds, 100,000 Euro.
- i = Quarterly actual interest rate (IRR) of 0.56% for Series A1, 0.57% for Series A2, 0.59% for Series B, 0.62% for Series C, and 0.69% 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 (May 12, 2005) 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.

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:

- λ 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 14%
- λ 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).
- λ The Reference Interest Rate is assumed to be 2.150% (EURIBOR rate at 3 months, interpolated with EURIBOR at six (6) months, at April 14, 2005), for the first interest period and 2.136% for other interest periods.
- λ The interest rates on the Securitisation Bonds are assumed to be constant for each Series and, as already stated, these Series bear floating interest rates.
- λ In each case the hypothetical values mentioned at the beginning of this section are assumed.
- λ It is assumed that the Gestora, acting on behalf of the Issuer, will proceed to the early liquidation of the Issuer on March 15, 2019, in case of a CPR at 12%, and on September 15, 2017, in case of a CPR at 14%, as provided in section III.8.1. of this Folleto.
- λ 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 June 15, 2010, in case of a CPR at 12% and until June 15, 2009, in case of a CPR at 14%, because Series B, C and D fail to represent at least 12.60% of the Outstanding Principal Balance of the Securitisation Bonds at said dates, last Pro Rata Repayment Condition of the Securitisation Bonds met.

<b>FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER (AMOUNTS IN EURO) TACP = 12.00%</b>															
Payment date	Series A1 Bonds (EURIBOR +5bps)			Series A2 Bonds (EURIBOR +10bps)			Series B Bonds (EURIBOR +20bps)			Series Bonds (EURIBOR +30bps)			Series D Bonds (EURIBOR +60bps)		
	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow
May 12 2005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep 15 2005	28,174	770	28,944	-	788	788	-	823	823	-	858	858	-	963	963
Dic 15 2005	21,785	397	22,182	-	565	565	-	591	591	-	616	616	-	692	692
Mar 15 2006	20,789	273	21,063	-	559	559	-	584	584	-	609	609	-	684	684
Jun 15 2006	20,500	163	20,663	-	571	571	-	597	597	-	623	623	-	699	699
Sep 15 2006	8,752	49	8,800	-	571	571	-	597	597	-	623	623	-	699	699
Dic 15 2006	-	-	-	6,548	565	7,113	-	591	591	-	616	616	-	692	692
Mar 15 2007	-	-	-	3,802	522	4,325	-	584	584	-	609	609	-	684	684
Jun 15 2007	-	-	-	3,917	512	4,429	-	597	597	-	623	623	-	699	699
Sep 17 2007	-	-	-	3,693	501	4,194	-	610	610	-	636	636	-	714	714
Dic 17 2007	-	-	-	3,521	464	3,985	-	591	591	-	616	616	-	692	692
Mar 17 2008	-	-	-	3,386	444	3,830	-	591	591	-	616	616	-	692	692
Jun 16 2008	-	-	-	3,265	425	3,690	-	591	591	-	616	616	-	692	692
Sep 15 2008	-	-	-	3,147	406	3,554	-	591	591	-	616	616	-	692	692
Dic 15 2008	-	-	-	3,034	388	3,423	-	591	591	-	616	616	-	692	692
Mar 16 2009	-	-	-	2,932	371	3,304	-	591	591	-	616	616	-	692	692
Jun 15 2009	-	-	-	2,825	355	3,180	-	591	591	-	616	616	-	692	692
Sep 15 2009	-	-	-	2,752	342	3,094	-	597	597	-	623	623	-	699	699
Dic 15 2009	-	-	-	2,621	323	2,945	-	591	591	-	616	616	-	692	692
Mar 15 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<b>FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER</b>															
<b>(AMOUNTS IN EURO)</b>															
<b>TACP = 12.00%</b>															
Payment date	Series A1 Bonds (EURIBOR +5bps)			Series A2 Bonds (EURIBOR +10bps)			Series B Bonds (EURIBOR +20bps)			Series C Bonds (EURIBOR +30bps)			Series D Bonds (EURIBOR +60bps)		
	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow
	-	-	-	2,173	305	2,478	3,982	584	4,566	3,982	609	4,591	3,982	684	4,666
Jun 15 2010	-	-	-	2,139	299	2,438	3,921	573	4,494	3,921	598	4,519	3,921	671	4,592
Sep 15 2010	-	-	-	2,059	287	2,346	3,775	550	4,325	3,775	573	4,348	3,775	644	4,419
Dic 15 2010	-	-	-	1,962	272	2,234	3,596	522	4,117	3,596	544	4,139	3,596	611	4,206
Mar 15 2011	-	-	-	1,869	258	2,127	3,426	495	3,920	3,426	516	3,942	3,426	580	4,005
Jun 15 2011	-	-	-	1,839	253	2,093	3,372	485	3,857	3,372	506	3,878	3,372	568	3,940
Sep 15 2011	-	-	-	1,770	243	2,013	3,244	465	3,710	3,244	485	3,729	3,244	545	3,789
Dic 15 2011	-	-	-	1,684	230	1,915	3,087	441	3,528	3,087	460	3,547	3,087	517	3,604
Mar 15 2012	-	-	-	1,616	221	1,837	2,963	423	3,386	2,963	441	3,404	2,963	495	3,458
Jun 15 2012	-	-	-	1,605	214	1,819	2,943	410	3,352	2,943	427	3,370	2,943	480	3,423
Sep 17 2012	-	-	-	1,510	209	1,720	2,769	401	3,169	2,769	418	3,187	2,769	469	3,238
Dic 17 2012	-	-	-	1,437	194	1,631	2,634	372	3,005	2,634	387	3,021	2,634	435	3,069
Mar 15 2013	-	-	-	1,371	180	1,551	2,513	344	2,857	2,513	359	2,872	2,513	403	2,916
Jun 17 2013	-	-	-	1,348	184	1,532	2,471	352	2,823	2,471	368	2,838	2,471	413	2,884
Sep 16 2013	-	-	-	1,282	171	1,452	2,349	327	2,676	2,349	341	2,690	2,349	383	2,732
Dic 16 2013	-	-	-	1,232	163	1,396	2,259	313	2,572	2,259	326	2,585	2,259	366	2,625
Mar 17 2014	-	-	-	1,185	156	1,342	2,173	299	2,472	2,173	312	2,485	2,173	351	2,523
Jun 16 2014	-	-	-	1,139	150	1,289	2,088	287	2,375	2,088	299	2,387	2,088	336	2,424
Sep 15 2014	-	-	-	1,094	143	1,237	2,005	274	2,280	2,005	286	2,291	2,005	321	2,327
Dic 15 2014	-	-	-	1,051	137	1,188	1,926	262	2,188	1,926	274	2,199	1,926	307	2,233
Mar 16 2015	-	-	-	1,009	131	1,140	1,850	251	2,101	1,850	262	2,112	1,850	294	2,144

<b>FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER (AMOUNTS IN EURO) TACP = 12.00%</b>															
Payment date	Series A1 Bonds (EURIBOR +5bps)			Series A2 Bonds (EURIBOR +10bps)			Series B Bonds (EURIBOR +20bps)			Series Bonds (EURIBOR +30bps)			Series D Bonds (EURIBOR +60bps)		
	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow
Jun 15 2015	-	-	-	969	125	1,095	1,777	240	2,017	1,777	250	2,027	1,777	281	2,058
Sep 15 2015	-	-	-	941	121	1,063	1,725	232	1,958	1,725	242	1,968	1,725	272	1,997
Dic 15 2015	-	-	-	894	115	1,009	1,640	219	1,859	1,640	229	1,868	1,640	257	1,897
Mar 15 2016	-	-	-	857	110	967	1,571	210	1,781	1,571	219	1,790	1,571	246	1,817
Jun 15 2016	-	-	-	833	106	938	1,526	203	1,729	1,526	211	1,737	1,526	237	1,763
Sep 15 2016	-	-	-	799	101	900	1,465	194	1,659	1,465	202	1,667	1,465	227	1,692
Dic 15 2016	-	-	-	759	95	854	1,391	183	1,574	1,391	191	1,582	1,391	214	1,605
Mar 15 2017	-	-	-	722	90	813	1,324	173	1,497	1,324	180	1,504	1,324	202	1,526
Jun 15 2017	-	-	-	709	88	797	1,299	169	1,468	1,299	176	1,475	1,299	197	1,497
Sep 17 2017	-	-	-	694	84	778	1,273	161	1,434	1,273	168	1,440	1,273	188	1,461
Dic 17 2017	-	-	-	644	79	723	1,181	152	1,333	1,181	158	1,339	1,181	178	1,359
Mar 15 2018	-	-	-	598	75	673	1,096	143	1,239	1,096	149	1,245	1,096	167	1,264
Jun 17 2018	-	-	-	613	73	686	1,124	140	1,264	1,124	146	1,269	1,124	164	1,287
Sep 16 2018	-	-	-	575	71	646	1,055	136	1,190	1,055	142	1,196	1,055	159	1,214
Dic 16 2018	-	-	-	546	65	611	1,001	125	1,126	1,001	131	1,131	1,001	147	1,147
Mar 17 2019	-	-	-	11,024	60	11,085	20,208	115	20,323	20,208	120	20,328	20,208	135	20,343
	<b>100,000</b>	<b>1,653</b>	<b>101,653</b>	<b>100,000</b>	<b>14,534</b>	<b>114,534</b>	<b>100,000</b>	<b>22,117</b>	<b>122,117</b>	<b>100,000</b>	<b>23,063</b>	<b>123,063</b>	<b>100,000</b>	<b>25,903</b>	<b>125,903</b>

<b>FLows FOR EACH Bond WITHOUT WITHHOLDING FOR THE BORROWER</b> <b>(AMOUNTS IN EURO)</b> <b>TACP = 14.00%</b>															
Payment date	Series A1 Bonds (EURIBOR +5bps)			Series A2 Bonds (EURIBOR +10bps)			Series B Bonds (EURIBOR +20bps)			Series Bonds (EURIBOR +30bps)			Series D Bonds (EURIBOR +60bps)		
	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow
May 12 2005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep 15 2005	32,229	770	32,999	- 788	788	-	- 823	823	-	- 858	858	-	- 963	963	-
Dic 15 2005	24,752	375	25,127	- 565	565	-	- 591	591	-	- 616	616	-	- 692	692	-
Mar 15 2006	23,477	235	23,713	- 559	559	-	- 584	584	-	- 609	609	-	- 684	684	-
Jun 15 2006	19,541	109	19,650	- 571	571	-	- 597	597	-	- 623	623	-	- 699	699	-
Sep 15 2006	-	-	-	- 571	571	-	- 597	597	-	- 623	623	-	- 699	699	-
Dic 15 2006	-	-	-	10,138	565	10,704	- 591	591	-	- 616	616	-	- 692	692	-
Mar 15 2007	-	-	-	4,190	502	4,692	- 584	584	-	- 609	609	-	- 684	684	-
Jun 15 2007	-	-	-	4,290	490	4,779	- 597	597	-	- 623	623	-	- 699	699	-
Sep 17 2007	-	-	-	4,019	475	4,495	- 610	610	-	- 636	636	-	- 714	714	-
Dic 17 2007	-	-	-	3,809	437	4,246	- 591	591	-	- 616	616	-	- 692	692	-
Mar 17 2008	-	-	-	3,640	416	4,056	- 591	591	-	- 616	616	-	- 692	692	-
Jun 16 2008	-	-	-	3,488	395	3,883	- 591	591	-	- 616	616	-	- 692	692	-
Sep 15 2008	-	-	-	3,342	375	3,717	- 591	591	-	- 616	616	-	- 692	692	-
Dic 15 2008	-	-	-	3,202	357	3,558	- 591	591	-	- 616	616	-	- 692	692	-
Mar 16 2009	-	-	-	3,075	338	3,414	- 591	591	-	- 616	616	-	- 692	692	-
Jun 15 2009	-	-	-	2,945	321	3,266	- 591	591	-	- 616	616	-	- 692	692	-
Sep 15 2009	-	-	-	2,475	308	2,783	4,595	597	5,192	4,595	623	5,217	4,595	699	5,294
Dic 15 2009	-	-	-	2,343	290	2,634	4,350	563	4,914	4,350	588	4,938	4,350	660	5,010
Mar 15 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



<b>FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER (AMOUNTS IN EURO) TACP = 14.00%</b>															
Payment date	Series A1 Bonds (EURIBOR +5bps)			Series A2 Bonds (EURIBOR +10bps)			Series B Bonds (EURIBOR +20bps)			Series Bonds (EURIBOR +30bps)			Series D Bonds (EURIBOR +60bps)		
	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow
	-			2,219	274	2,493	4,120	532	4,652	4,120	555	4,675	4,120	623	4,743
Jun 15 2010	--		-	2,172	268	2,439	4,032	519	4,551	4,032	541	4,573	4,032	608	4,640
Sep 15 2010	--		-	2,078	255	2,333	3,857	495	4,352	3,857	516	4,373	3,857	580	4,437
Dic 15 2010	--		-	1,967	241	2,207	3,651	467	4,118	3,651	487	4,138	3,651	547	4,198
Mar 15 2011	--		-	1,862	227	2,089	3,457	440	3,898	3,457	459	3,916	3,457	516	3,973
Jun 15 2011	--		-	1,821	221	2,043	3,382	429	3,811	3,382	448	3,829	3,382	503	3,885
Sep 15 2011	--		-	1,742	211	1,953	3,234	409	3,643	3,234	427	3,660	3,234	479	3,713
Dic 15 2011	--		-	1,647	199	1,846	3,058	386	3,444	3,058	402	3,460	3,058	452	3,510
Mar 15 2012	--		-	1,571	190	1,761	2,917	368	3,285	2,917	383	3,300	2,917	431	3,348
Jun 15 2012	--		-	1,551	183	1,733	2,879	354	3,233	2,879	369	3,248	2,879	415	3,294
Sep 17 2012	--		-	1,450	178	1,627	2,692	344	3,036	2,692	359	3,051	2,692	403	3,095
Dic 17 2012	--		-	1,371	164	1,534	2,545	318	2,862	2,545	331	2,876	2,545	372	2,917
Mar 15 2013	--		-	1,300	151	1,451	2,413	293	2,706	2,413	305	2,718	2,413	343	2,756
Jun 17 2013	--		-	1,270	154	1,423	2,358	298	2,655	2,358	311	2,668	2,358	349	2,706
Sep 16 2013	--		-	1,200	141	1,341	2,228	274	2,502	2,228	286	2,514	2,228	321	2,549
Dic 16 2013	--		-	1,147	135	1,281	2,129	261	2,390	2,129	272	2,401	2,129	306	2,435
Mar 17 2014	--		-	1,096	128	1,224	2,035	249	2,283	2,035	259	2,294	2,035	291	2,326
Jun 16 2014	--		-	1,047	122	1,169	1,944	237	2,180	1,944	247	2,190	1,944	277	2,221
Sep 15 2014	--		-	999	116	1,115	1,855	225	2,080	1,855	235	2,090	1,855	264	2,119
Dic 15 2014	--		-	954	110	1,064	1,770	214	1,985	1,770	223	1,994	1,770	251	2,021
Mar 16 2015	--		-	910	105	1,015	1,690	204	1,894	1,690	212	1,902	1,690	239	1,929

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

<b>FLows FOR EACH BOND WITHOUT WITHHOLDING FOR THE BORROWER (AMOUNTS IN EURO) TACP = 14.00%</b>															
Payment date	Series A1 Bonds (EURIBOR +5bps)			Series A2 Bonds (EURIBOR +10bps)			Series B Bonds (EURIBOR +20bps)			Series Bonds (EURIBOR +30bps)			Series D Bonds (EURIBOR +60bps)		
	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow	Repaid Principal	Interest (Gross)	Total Flow
Jun 15 2015	- -	-	869	100	969	1,613	194	1,807	1,613	202	1,815	1,613	227	1,840	
Sep 15 2015	- -	-	839	96	935	1,557	186	1,743	1,557	194	1,751	1,557	218	1,775	
Dic 15 2015	- -	-	792	90	882	1,470	175	1,645	1,470	183	1,653	1,470	205	1,675	
Mar 15 2016	- -	-	754	86	840	1,400	166	1,566	1,400	173	1,573	1,400	195	1,595	
Jun 15 2016	- -	-	728	82	810	1,351	160	1,511	1,351	167	1,518	1,351	187	1,538	
Sep 15 2016	- -	-	694	78	772	1,289	152	1,441	1,289	158	1,447	1,289	178	1,467	
Dic 15 2016	- -	-	655	73	728	1,216	143	1,358	1,216	149	1,364	1,216	167	1,383	
Mar 15 2017	- -	-	620	69	689	1,150	134	1,284	1,150	140	1,290	1,150	157	1,307	
Jun 15 2017	- -	-	604	67	671	1,121	130	1,251	1,121	136	1,257	1,121	152	1,274	
Sep 17 2017	- -	-	11,119	64	11,183	20,644	123	20,767	20,644	129	20,772	20,644	144	20,788	
	<b>100,000</b>	<b>1,489</b>	<b>101,489</b>	<b>100,000</b>	<b>12,903</b>	<b>112,903</b>	<b>100,000</b>	<b>19,745</b>	<b>119,745</b>	<b>100,000</b>	<b>20,590</b>	<b>120,590</b>	<b>100,000</b>	<b>23,125</b>	<b>123,125</b>

**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 the rates set forth in section II.12. These rates would provide an annual Internal Rate of Return ("IRR") for the borrower of 2.24% (Series A1), 2.29% (Series A2), 2.40% (Series B), 2.49% (Series C), and 2.80% (Series D), respectively, regardless of the CPR, 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 0.56% for Series A1, 0.57% for Series A2, 0.59% for Series B, 0.62% for Series C, and 0.69% for Series D).

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

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

**Where:**

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

$A_i$  = Total amounts of repayments and interest payable to investors.  
( $A_1, \dots, A_N$ )

$nd$  = Number of days elapsed from the Closing Date of the issue up to, but excluding, March 15, June 15, September 15 and December 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 the rates set forth on the tables under section II.12;
- (ii) the hypotheses mentioned in section II.12 will be assumed; and
- (iii) the forecast establishment 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 2.32% and the equivalent quarterly IRR would be 0.57 %.

No document other than the Informative Prospectus (*Folleto Informativo*), as 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:

<b>a) Establishment Expenses of the Issuer (Expenses of documentation, publicity and fees)</b>	<b>Euro</b>
λ CNMV fees (0.014% on total of Securitisation Bonds (issue) and 0.003% on total of Securitisation Bonds (listing))	84,033
λ Mercado AIAF fees (0.005% + VAT)	52,200
λ IBERCLEAR fees (275 per Series + VAT)	1,595
λ Others (legal advisers, press, printers, notary, auditor and rating agencies)	908,705
<b>Subtotal</b>	<b>1,046,533</b>
<b>b) Bond Issue Expenses</b>	
λ Placing and Underwriting Commissions	498,210
<b>Subtotal</b>	
<b>Total expenses</b>	<b>1,544,743</b>

**II.15. Existence or otherwise of any guarantees over 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 Transfer Certificates which form the Issuer or over the Securitisation Bonds issued against said 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 and of 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, to the rules of the secondary market on which they are traded and to sections II.4.1 and II.17 of this Chapter.

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

Once the Securitisation Bonds have been paid in, 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, pursuant to Transitional Provision Six of Law 37/1998 of November 16, on the reform of the Securities Market Law (*Ley de reforma de la Ley del Mercado de Valores*). The Gestora expects the issue to be admitted to listing no later than one month after the Closing Date.

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 if the delay is for reasons exclusively attributable to it.

**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 qualified 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 Securities Market Law to manage third party securities portfolios.

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.

The potential investor also has available to it, complementing its own analysis on 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.

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.

Subscription of the Securitisation Bonds entails for each Bondholder its acceptance of the terms of the Deed of Establishment of the Issuer.

#### **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) Series A1 and A2 Bonds will meet the selection criteria for admission as assets serving to secure transactions with the European Central Bank (Guideline BCE 2000/7 of August 31, 2000 concerning instruments and procedures of the Eurosystem monetary policy, amended by Guidelines BCE 2002/2 of March 7, 2002; BCE 2003/16 of December 1, 2003 and BCE 2005/2 of February 7, 2005).
- (ii) 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 20, amended by Royal Decree 996/2000 of June 2 and by Royal Decree 297/2004 of February 20.
- (iii) The Securitisation Bonds are suitable for purchase by Sociedades de Garantía Recíproca (Mutual Guarantee Companies) in accordance with Law 1/1994 of March 11<sup>th</sup> regarding the legal regime of Sociedades de Garantía Recíproca and Royal Decree 2345/1996 of November 8<sup>th</sup> relating to rules for the administrative authorisation and solvency requirements of the Sociedades de Garantía Recíproca.
- (iv) The Securitisation Bonds are suitable for investment by Pension Funds in accordance with Royal Decree 1307/1998 of September 30<sup>th</sup> which passed the Regulation of Pension Plans and Funds.
- (v) The Securitisation Bonds will be suitable for investment in the assets of Collective Investment Institutions, in accordance with the specific rules stipulated for each one in Articles 23 and 30 of Collective Investment Institutions Law 35/2003 of November 4, and with Royal Decree 91/2991 of February 2, partially amending Royal Decree 1393/1990 of November 2.

**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 12.00 and 13.00 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 May 10, 2005.

**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 May 12, 2005 (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 fifteen (15) 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 or advisable to do so and may even subscribe to a part or all of each Series of the Securitisation Bonds on their own behalf, either for themselves or for companies in their group.

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 BBVA notify the Gestora 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 CATALUNYA 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.**

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

The following Underwriters and Placers will carry out the commitment to underwrite and place the Bonds 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	100,000,000	462,200,000	15,700,000	21,300,000	19,600,000
BBVA	50,000,000	231,100,000	0	0	0
CAIXA CATALUNYA	25,000,000	115,600,000	10,500,000	14,300,000	13,100,000
BNP PARIBAS	37,500,000	173,300,000	0	0	0
Nomura	37,500,000	173,300,000	0	0	0
<b>Totals</b>	<b>250,000,000</b>	<b>1,155,500,000</b>	<b>26,200,000</b>	<b>35,600,000</b>	<b>32.700.000</b>

The Underwriters and Placers of the Securitisation Bonds (or exclusively CAIXA CATALUNYA, if the underwriting commitment envisaged in II.19.above is given) will receive an underwriting and placement commission on 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, which will be between the following amounts.

- underwriting and placement commission for Series A1 Securitisation Bonds: between 0.022% and 0.07%, both inclusive;
- underwriting and placement commission for Series A2 Securitisation Bonds: between 0.022% and 0.07%, both inclusive;
- underwriting and placement commission for Series B Securitisation Bonds: between 0.20%;
- underwriting and placement commission for Series C Securitisation Bonds: between 0.20%;
- underwriting and placement commission for Series D Securitisation Bonds: between 0.20%.

The underwriting and placement commissions applicable to Series A1 and Series A2 Securitisation bonds will be determined by common consent of the Lead Managers prior to 10:00 (CAT time) on the commencement day of the Subscription Period (May 10, 2005).

Notice of the final commissions applicable to the foregoing Series of Securitisation Bonds which have been set will be served by fax on the Gestora by the Lead Managers prior to 10:30 (CAT time) on May 10, 2005.

In the absence of an agreement or if the Gestora does not receive that notices from the Lead Managers before the projected time, the Gestora will set the underwriting and placement commissions for series A1 and/or Series A2 Securitisation Bonds at the following amounts:

- Series A1 Bonds: 0.022%
- Series A2 Bonds: 0.022%

The Gestora will serve notice of those commissions on the Lead Managers and on the Underwriters and Placers prior to commencement of the Subscription Period. The Gestora will also report them to the CNMV as additional information to the Folleto.

The payment of the foregoing commissions will be made by the Issuer.

## II.19.2. Lead Managers of the issue

J.P. Morgan Securities Ltd. ("**JPMorgan**"), Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") and Caixa d'Estalvis de Catalunya ("**CAIXA CATALUNYA**") have been designated by the Gestora as Lead Managers (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 8, FONDO DE TITULIZACIÓN DE ACTIVOS for the amount of 1,500,000,000 Euro, in compliance with Article 28.1.3 of the Securities Market Law and with Article 20 of Royal Decree 291/1992 of March 27, 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, 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 April 29, 2005.*

*J.P. MORGAN SECURITIES LTD.*

*B.p.*

*Mr. Arturo Miranda Martín”*

*“Mr. Vicente de Ortueta y Mrs. Teresa Ggarcía-Agulló, for and on behalf of Banco Bilbao Vizcaya Argentaria, S.A., with address for notification purposes at Plaza de San Nicolas, nº 4, Bilbao, Spain, duly authorised for this purpose and in relation to the establishment of HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS , in compliance with Article 28.1.3 of the Securities Market Law and with Article 20 of Royal Decree 291/1992 of March 27, 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 Madrid on April 29, 2005.*

*BANCO BILBAO VIZCAYA ARGENTARIA, S.A.*

*B.p.*

*Mr. Vicente de Ortueta*

*Mrs. Teresa García-Agulló”*



*“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 8 FONDO DE TITULIZACIÓN DE ACTIVOS, for the amount of 1,500,000,000 Euro, in compliance with Article 28.1.3 of the Securities Market Law and with Article 20 of Royal Decree 291/1992 of March 27, 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 Barcelona on April 29 2005.*

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, CAIXA CATALUNYA, Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**”), BNP PARIBAS, Sucursal en España (“**BNP Paribas**”) 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 BBVA notify the Gestora 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.

As indicated in section II.19.2 above, JPMORGAN, BBVA and CAIXA CATALUNYA will take part in the issue of Securitisation Bonds as Lead Managers. They will not receive any compensation for managing the issue of the Securitisation Bonds.

The Underwriting And Placement Agreement will be terminated as a matter of law if the Rating Agencies do not confirm as final, prior to commencement of the Subscription Period, any of the ratings assigned provisionally to each Series.

**II.19.4. Pro rata 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 established 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. In particular, 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 3/1994, (v) Law 44/2002, (vi) Securities Market Law 24/1988, of July 28, as restated, as regards its supervision, inspection, penalty and any matters to which it may apply; and (vii) other legal provisions and regulations in force that may be applicable from time to time.

The establishment of the Issuer, the issue of the Securitisation Bonds and the agreements for financial risk coverage transactions and provision of services to be arranged by the Gestora on behalf of the Issuer will be subject to Spanish law. In any case, the Deed of Establishment and the agreements for transactions to be arranged by the Gestora on behalf of the Issuer will be governed and interpreted in accordance with the laws of Spain.

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 Establishment (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 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 Classification has relevance for tax purposes.

The legal regime applicable to individuals is included because, given that admission to trading on a secondary securities market will be applied for, individuals could acquire them in the future, not being limited such acquisition to institutional investors.

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.

The tax regime applicable to the Bonds during their life will be that deriving from the legislation in force from time to time.

Lastly, please note that the tax treatment described herein is general and, accordingly, does not include the tax treatment of gains obtained through entities subject to the flow-through regime or the regime applicable to all categories of investors, some of which (such as, for example, financial institutions, collective investment institutions, cooperatives, etc...) may be subject to special rules.

## **II.22.1 Individuals or legal entities resident in Spain**

### **(a) Personal Income Tax**

Income received by Bondholders 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 5<sup>th</sup> which passed the Individual Income Tax Regulations regarding withholdings and payments on account, of which it is worth noting:

- λ Investment income arising from the assignment of own funds to third parties is subject, in general, to withholding at the rate of 15%.
- λ 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):

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

λ 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 177/2004 of July 30 which passed the Corporation Income Tax Regulations. However, Royal Decree 177/2004 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 registration of this Folleto in the Ministerial Order dated December 22, 1999 (Official State Gazette of December 20, 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:

- λ 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.
- λ Tax will be calculated applying a general rate of tax of 15% to the taxable base.
- λ 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 13<sup>th</sup>, 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 registration 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 13 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 31<sup>st</sup> 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 and Gift 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 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**

- (i) GESTIÓN DE ACTIVOS TITULIZADOS SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN HIPOTECARIA S.A. as Gestora of the Issuer and as advisor in the financial structuring of the Issuer.
- (ii) CAIXA CATALUNYA as the Issuer of the Mortgage Transfer Certificates deriving from the Mortgage Loans, and also as the Lead Manager and Underwriter of the placement, Payment Agent, counterpart under the Interest Rate Coverage Agreement and grantor under the Commitment to Grant a Liquidity Line.
- (iii) 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.
- (iv) BBVA acts as the Lead Manager and Underwriter of the placement
- (v) BNP PARIBAS and NOMURA act as the Underwriters of the Placement
- (vi) 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.

- (vii) 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 establishment of HIPOCAT 8 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 16 of the Comisión Nacional del Mercado de Valores which sets out regulations under Royal Decree 291/1992 of March 27<sup>th</sup>,*

**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 Transfer Certificates.”*

**II.25.3. Representation of the Originator of 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 8, FONDO DE TITULIZACIÓN DE ACTIVOS, for the amount of 1,500,000,000 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 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 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 (with respect to their terms and conditions) are subject to Spanish law. In particular, the Issuer is governed pursuant to (i) the Deed of Establishment of the Issuer (ii) Royal Decree 926/1998 and all regulations issued thereunder, (iii) Law 19/1992, of 7 July, regulating Real Estate Investment Companies and Funds and Mortgage Securitisation Funds, on all matters that are not provided for in Royal Decree 926/1998, to the extent it is applicable, (iv) Law 3/1994, (v) Law 44/2002, (vi) Securities Market Law 24/1988, of July 28, as it is currently worded, in relation to supervision, inspection, penalties and for all matters to which it is applicable, and (vii) other applicable legal and statutory regulations in force.

The Issuer, closed as regards its assets and open as regards its liabilities, pursuant to Articles 1 and 4.1 b) of Royal Decree 926/1998, will be formed to serve as a vehicle for the subscription and grouping of 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.

The open nature of the liabilities arises from the possibility of the granting of the Liquidity Line described in section V.3.6 of this Folleto, should the event giving rise thereto occur, pursuant to the Commitment to Grant a Liquidity Line of CAIXA CATALUNYA set forth in the aforesaid section.

It is stated for the record that neither the establishment of the Issuer nor the Securitisation Bonds issued by it will be registered at the Mercantile Registry, in accordance with the obligatory power set forth in Article 5.4 of Royal Decree 926/1998.

### **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 8, FONDO DE TITULIZACIÓN DE ACTIVOS, and for its identification the following names may be also used:

- o HIPOCAT 8 FTA
- o HIPOCAT 8 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 Establishment and in this Folleto. The organization of the Gestora was authorized by the Ministry of Economy and Finance on February 13<sup>th</sup> 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 Establishment.

##### **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 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 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;
  - (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 Resources and the flows of funds which will be made once they are applied in accordance with the corresponding Order of Priority, 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 Establishment, 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, including CAIXA CATALUNYA in its duties as Administrator and, if necessary, to enter into additional contracts, all subject to the relevant legislation, the prior authorisation, where necessary, of the CNMV and the relevant notification to the Rating Agencies, where such actions are not prejudicial to the interests of the Bondholders;
  - (xi) if the relevant event occurs, to enter into the Liquidity Line Agreement pursuant to the legislation in force from time to time, subject to prior authorization, if necessary, from the CNMV, and to notify the Rating Agencies thereof, provided that the granting of the Liquidity Line is not prejudicial to the interests of the Bondholders;
  - (xii) to appoint and substitute, where necessary, the auditor of the annual accounts of the Issuer, with the prior approval, if necessary, of the CNMV;
  - (xiii) 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 Establishment 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;
  - (xiv) to make the necessary decisions in relation to the liquidation and termination of the Issuer, including the early redemption of the Securitisation Bonds and the liquidation

and termination of the Issuer, in accordance with the Deed of Establishment and with the Folleto; and

- (xv) to report the issue and subscription of the Mortgage Transfer Certificates to the Mortgageors of the First Drawdowns in the events provided for in the Deed of Establishment and this 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 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 is declared insolvent 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 Establishment 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 0.04% 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.

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

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:

$$C = B \times \frac{(0.04)}{100} \times \frac{d}{360}$$

**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 Order of Priority 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 Issuer commences operations. Expenses of establishment. Periodical expenses of the Issuer and revenues derived from its activities.**

The Issuer is a separate pool of assets, closed in relation to the assets and open in relation to the liabilities, in accordance with that established in articles 1 and 4.1.b) of Real Decreto 926/1998, without legal status, comprised at the date of its establishment, as for its assets, of 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, the Subordinated Loan described in Section V.3.3, and in such event, in case that the event of fact of the Commitment to Grant a Liquidity Line takes place, the Liquidity Line, being zero the net worth of the Issuer.

##### **III.4.1 Net Worth of the Issuer.**

###### **Assets**

###### **a) On establishment.**

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

- (i) The nominal amount of the Mortgage Transfer Certificates subscribed and consolidated in the Issuer. Each 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 Establishment Date. 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 Transfer Certificates calculated at the Nominal Interest Rate of the First Drawdowns.
- (iii) The default nominal interest of 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 Establishment and those deriving from any right attached to the First Drawdown in question.
- (viii) The remaining balances in the Treasury Account (including the Amount of Principals accrued and paid) described in section V.3.1 of this Folleto plus the interest accrued thereon.
- (ix) The balance of the Repayment Account described in section V.3.2. of this Folleto plus the respective accrued interest.
- (x) If appropriate, the balance in the Cash Surplus Account opened in accordance with section V.3.1 and V.3.2 of this Folleto.
- (xi) Capitalised initial expenses.

#### **Liabilities.**

##### **a) On establishment.**

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

- (i) The sums to be paid for the subscription of 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.

##### **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.

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

- (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) Only if the Liquidity Line Agreement is executed in accordance with the Commitment to Grant a Liquidity Line, 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 (and, as the case may be, in the Cash Surplus 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:

- a) The sums received in relation to the repayment of the principal of the Mortgage Transfer Certificates in the preceding Determination Period ("**Amount of Principals**").
- b) The ordinary and default interest, payable on 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, and, as the case may be, in the Cash Surplus Account.
- 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) Only if the Liquidity Line Agreement is executed in accordance with the Commitment to Grant a Liquidity Line, 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 Order of Priority or the Liquidation Order of Priority, as appropriate, all the expenses necessary for its activities. For illustrative purposes, the following expenses, both initial, periodical and extraordinary, will be paid:

- λ all those expenses relating to the establishment of the Issuer and which relate to the mandatory verification, registration and administrative authorisation requirements;
- λ expenses relating to official and commercial publications for the subscription offering of the Securitisation Bonds;
- λ expenses relating to the preparation and execution of the Deed of Establishment, the Folleto and the Agreements, and the commissions and expenses set out therein;

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

- λ fees due to the Rating Agencies relating to the ratings of the Securitisation Bonds and for their continued evaluation;
- λ expenses relating to the issue and the repayment of the Securitisation Bonds;
- λ 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;
- λ expenses relating to the sale of Mortgage Transfer Certificates and the remaining assets of the Issuer for the liquidation of the Issuer;
- λ expenses necessary for the foreclosure of the Mortgage Loans, in the proportional part corresponding to the First Drawdowns;
- λ 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;
- λ expenses of the announcements and notices relating to the Issuer and/or the Securitisation Bonds;
- λ auditing and legal expenses; and
- λ 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 Issuer 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 30<sup>th</sup> 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 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 Establishment 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.

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

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 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.
4. Amount of the outstanding balance of the First Drawdowns underlying the Mortgage Portfolio which are in Forbearance Period

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

Information on the origin and application of the Available Resources in accordance with the Order of Priority 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 Resources, in accordance with the Order of Priority 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 Establishment 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 September 15, 2005, 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 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 Rental 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 7<sup>th</sup>, regarding the regulations governing Property Investment Companies and Funds and Mortgage Securitisation Funds, Law 3/1994 of April 14<sup>th</sup> and Royal Decree 926/1998, dated May 14<sup>th</sup>, 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 177/2004 of July 30 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 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 Transfer Certificates, as envisaged in the Deed of Establishment 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 28<sup>th</sup>.

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 Establishment.**

The Deed of Establishment, under Royal Decree 926/1998, will essentially: (i) define 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 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 Establishment 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 Establishment of the Issuer may only be amended in exceptional circumstances, where this is permitted by the legislation in force and the Rating Agencies have been previously notified, 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 in the following cases:

1. if the Outstanding Balance of the Mortgage Transfer Certificates (including therefore any Mortgage Transfer Certificates which have been in arrears for more than eighteen (18) months) falls below 10 per cent (10%) of the initial balance of the Mortgage Transfer Certificates;
2. 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;
3. if the Gestora is declared insolvent, 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;
4. 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 Establishment of the Issuer, described in section V.5.3 of this Folleto (Liquidation Order of Priority).
5. When thirty (30) months had elapsed after the repayment of the last First Drawdowns repaid, although any outstanding debits were unpaid.

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 Liquidation Order of Priority.

On the date of early liquidation of the Issuer, the Outstanding Principal Balance at that date together with accrued and unpaid interest 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 Liquidation Order of Priority.

### **III.8.2 Termination of the Issuer**

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 Establishment, and particularly:

- (a) when the Mortgage Transfer Certificates are redeemed in full.
- (b) when the Securitisation Bonds are redeemed in full.
- (c) For the termination of the early liquidation procedure contemplated in section III.8.1 before.

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

- (d) In any case, for the final liquidation of the Issuer on the Legal Repayment Date (March 15, 2038) or, if this is not a Business Day, the following Business Day.
- (e) For termination of the constitution of the Issuer in the event that Moody's, Fitch and S&P do not confirm any of the ratings granted provisionally, as final ratings before the beginning of the Subscription Period. In such case, the Gestora will terminate the constitution of the Issuer, the issue and subscription of the Mortgage Transfer Certificates, and the Bond Issue.

In order for the Issuer, through its Gestora, to proceed to the early liquidation of the Issuer, for its subsequent termination, 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 Transfer Certificates, as well as the other assets of the Issuer, for which it will obtain an offer from at least five (5) entities from among the most active in the sale and purchase of such assets which, in its opinion, are able to give market value. The Gestora will be obliged to accept the best offer received for the assets offered which, in its opinion, covers the market value of the asset in question. CAIXA CATALUNYA will have a right of first refusal to acquire said 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 Transfer Certificates. The right of first refusal in no event entails any covenant or representation relating to the repurchase of 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 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 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 Liquidation Order of Priority, in accordance with section V.5.3 of this Folleto, 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 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 or of any entity acquiring those Mortgage Transfer Certificates.

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 Resources of the Issuer, in accordance with the Liquidation Order of Priority.

Six (6) months after the liquidation of the residual assets of the Issuer and the distribution of the Available Resources, 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 Establishment and this Folleto, (ii) the procedures for giving notice to the Bondholders, the

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

CNMV and the Rating Agencies which were carried out, and (iii) the distribution that was made of the Available Resources of the Issuer in accordance with the Liquidation Order of Priority set out in section V.5.3 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 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", 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 Deed of Establishment, the credit rights which will form the asset of the Issuer through the issue by CAIXA CATALUNYA of 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 Transfer Certificates forming the Issuer will be represented by registered certificates issued in the name of the Issuer.

The Mortgage Transfer Certificates will be issued pursuant to Additional Provision 5 of Law 3/1994, as restated by article 18 of Law 44/2002.

The total nominal value of the issue of Mortgage Transfer Certificates will be at least equal to the total nominal amount of the Bond issue. Each 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 March 30, 2005 was 1,689,405,136 Euro, arising from 17,195 First Drawdowns over which the Mortgage Transfer Certificates will be issued.

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 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 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 Transfer Certificates is up to 100% or of its sale price if lower.

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  $(\text{Limit agreed for Subsequent Drawdowns}/48)$

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 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 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 Transfer Certificates, and to execute validly the Deed of Establishment of the Issuer and the ancillary contracts.

- (5) That the Mortgage Transfer Certificates are issued in market conditions and in accordance with Law 2/1981, Royal Decree 685/1982, Law 19/1992, the Fifth Addendum to Law 3/1994, as restated by article 18 of Law 44/2002, and other applicable legislation and meet all requirements established therein.
- (6) That the Mortgage Loans 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.
- (7) 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.
- (8) 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 Transfer Certificates for an amount equal to the respective First Drawdowns as contemplated in Article 61 of Royal Decree 685/1982 of March 17<sup>th</sup>.
- (9) That the information on the Mortgage Transfer Certificates, the First Drawdowns and, in general, the Mortgage Loans included in the Deed of Establishment and its Annexes will faithfully and accurately, save for involuntary error or omission, reflect the position of the First Drawdowns, Mortgage Loans and Mortgage Transfer Certificates and said information will be complete and accurate and will not induce to error.
- (10) That each one of the Mortgage Loans is secured by a mortgage over full ownership of each and every one of the properties in question, of first priority ranking or with a subsequent ranking but of which CAIXA CATALUNYA has the documentation related to the cancellation of the original debts of the previous mortgages, only pending the cancellation of this mortgages into the Property Registries, and, in all cases, 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 established over the mortgage.
- (11) 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 established 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.
- (12) 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.
- (13) 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.
- (14) That all the Mortgagors are individuals resident in Spain on the date of the establishment of the mortgage.
- (15) 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 completed usual residence located in Spain.
- (16) 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.
- (17) 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.

- (18) That all the properties mortgaged to secure the Mortgage Loans and that are transferred to the Issuer by the issuance of Mortgage Transfer Certificates are covered on the date of execution of the deed of establishment 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 with Mortgage Loans 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.
- (19) That the Mortgage Loans are not represented by any securities whether registered, bearer or to order, other than the Mortgage Transfer Certificates which will be issued for their grouping in the Issuer.
- (20) That as from the date of issue of the Mortgage Transfer Certificates, the Mortgage Loans will not be subject to any issues of Securitisation Bonds or Mortgage Transfer Certificates.
- (21) That on the Establishment Date none of the Mortgage Loans will have payments more than one (1) month overdue.
- (22) That CAIXA CATALUNYA is not aware, at the date of execution of the Deed of Establishment 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.
- (23) That the information contained in this Folleto regarding 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.
- (24) That both the granting of the Securitised Mortgage Loans as well as the issue of the Mortgage Transfer Certificates and all the related aspects have been carried out or will be carried out at arm's length.
- (25) That CAIXA CATALUNYA has duly followed the criteria contained in the Internal Memorandum attached to the Public Deed of Establishment of the Issuer in granting each of the Mortgage Loans and in accepting, if necessary, the subrogation of subsequent debtors in the position of the first borrower.
- (26) That all the deeds establishing 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.
- (27) 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 Transfer Certificate to which it corresponds. The total nominal value of the Mortgage Transfer Certificates will be at least equal to the nominal amount of the issue of the Securitisation Bonds.
- (28) 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.
- (29) 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.
- (30) 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.



- (31) That the Mortgage Loans, in an amount corresponding to the outstanding balance of the First Drawdown, have been transferred to the Issuer (excluding commissions, which will continue to correspond to CAIXA CATALUNYA) in accordance with the provisions of Circular 4/2004 of December 22 from the Bank of Spain, without prejudice to their recording and to the effects that partial or full subscription for the Securitisation Bonds may have for CAIXA CATALUNYA pursuant to that Circular.
- (32) That 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 Legal Repayment Date of the Securitisation Bonds.
- (33) That on the Closing Date, none of the First Drawdowns will be in a Forbearance Period.
- (34) That at the date of execution of the Deed of Establishment, CAIXA CATALUNYA is unaware that the value of any mortgaged property has diminished by over 20% of the appraisal value.
- (35) That at the date of execution of the Deed of Establishment, CAIXA CATALUNYA has not received any notice of early repayment of the First Drawdowns.
- (36) That at the date of execution of the Deed of Establishment, nobody has any preferential right over the Issuer as holder of the Mortgage Transfer Certificates to collect amounts deriving from the First Drawdowns.
- (37) 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.
- (38) On the date of execution of the Deed of Establishment 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.
- (39) At the date of execution of the Deed of Establishment, at least three instalments of each of the Mortgage Loans have matured.
- (40) It is not aware of the existence of any circumstance that may impede enforcement of the mortgage security.
- (41) After the issue of the Mortgage Transfer Certificates, 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.
- (42) No issue of mortgage-backed securities performed by CAIXA CATALUNYA is outstanding.
- (43) The payment obligations under all the Mortgage Loans are made by direct debit into a bank account.
- (44) The frequency of payments of interest and repayments of principal is monthly.
- (45) The final maturity date of the Mortgage Loans is in no case later than December 31, 2034.
- (46) All Mortgage Loans are denominated and payable exclusively in Euro.
- (47) None of the Mortgage Loans has been granted for state subsidized housing or housing whose price is protected by law.

**b) Subscription for the Mortgage Transfer Certificates.**

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 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 Transfer Certificates issued by CAIXA CATALUNYA.

**c) *Subscription price of the Mortgage Transfer Certificates***

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 Transfer Certificates will include, in addition to (i) the nominal value of the capital of the Mortgage Transfer Certificates gathered in the Issuer, (ii) interest on account of the deferment of the payment of principal of 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 Establishment to 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 First Drawdowns, at the date of issue of 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 Certificates (heading (i) of the above paragraph), the deferral of the payment of principal of the Mortgage Transfer Certificates (heading (ii) of the preceding paragraph) and the due and payable ordinary interest on each of the First Drawdowns on the date of issue of 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 (May 12, 2005) 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 Establishment shall be paid by the Issuer not being subject to the Order of Priority of the Issuer within the first five Business Days of the month after that of execution of the Deed.

In the event of termination of the organization of the Issuer, pursuant to section III.8 of this Folleto and, therefore, of the issue of and subscription for the Mortgage Transfer Certificates, (i) the payment obligations on such 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 Certificates and (iii) CAIXA CATALUNYA shall again enter the First 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 Transfer Certificates.

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 Transfer Certificate and the new holder's address will be notified by the purchaser to the Originator of the Mortgage Transfer Certificates.

CAIXA CATALUNYA, as Originator, will keep a special book on which it will record 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 Transfer Certificates and depository entities or entities responsible for keeping their record of account in the case of book entries.***

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 Transfer Certificates subscribed by the Issuer will be deposited with CAIXA CATALUNYA. Such deposit will be established through the execution of the Deed of Establishment for the benefit of the Issuer so that CAIXA CATALUNYA will keep the Mortgage Transfer Certificates on deposit in custody, following the instructions of the Gestora.

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

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

Specifically, 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 Establishment of the Issuer.

The rights of the Issuer arising from 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 Establishment, 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 Establishment, 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 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 with Mortgage Loans 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 Transfer Certificate initially forming the Issuer in the event of their early repayment.**

- a) In the event of early repayment of 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 Transfer Certificate.
- b) In the event that it should be observed by CAIXA CATALUNYA or the Gestora throughout the life of the Mortgage Transfer Certificates, that any of them does not conform at the date of the Deed of Establishment of the Issuer 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 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 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 Transfer Certificate with similar characteristics of maturity, interest rate, outstanding principal amount and creditworthiness, nominal outstanding balance ratio/appraisal value, characteristics of the debtor, and which meet all the conditions contemplated in section IV.1 of this Folleto, 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 Transfer Certificate by cancelling the corresponding certificate and will issue one or more mortgage transfer certificates in its place.
  - (2) Each substitution will be made by a Notarial Certificate which will contain information relating to the Mortgage Transfer Certificate to be substituted, to the First Drawdown and to the respective Mortgage Loan, together with information relating to the new 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 the Mortgage Transfer Certificates 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 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 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 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 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, in accordance with article 1,198 of the Civil Code, 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 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 Order of Priority 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 Order of Priority 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 Order of Priority.

**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 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 Transfer Certificate, and to provide the other services described in this Folleto and included in the Deed of Establishment.

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 Establishment 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 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 Establishment.

**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 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 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 Transfer Certificates.**

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 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 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 First 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 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 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 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 Establishment, 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 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 Transfer Certificate. Thus, CAIXA CATALUNYA will recognise, if legally required, in the Deed of Establishment 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 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 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 Establishment 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 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 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 Mortgagor, 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 March 15, 2035 thirty six (36) months before the Legal Repayment Date of the Issuer.

Nonetheless, if the conditions of the Mortgage Loans are renegotiated pursuant to the foregoing, the following conditions must be met:

- 1) Other than by the granting of Forbearance Periods, the frequency of the Mortgage Loan repayments must be maintained or reduced, maintaining the same repayment system.
- 2) Expenses incurred on the modification of the Mortgage Loans must be borne by CAIXA CATALUNYA or by the Mortgagor and, in no case, may be borne by the Issuer.
- 3) the total amount of the initial balance of the Mortgage Transfer Certificates whose maturity has been extended must not be more than 10% of the initial balance of the Mortgage Transfer Certificates grouped under the Issuer.
- 4) In no case may the Administrator arrange the modification of the maturity of a Mortgage Loan, at its own initiative, without have been requested to do so by the Mortgagor. The Administrator must act in relation to such modification bearing in mind the interests of the Issuer at all times.

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 only those to which the Gestora has given its consent will affect the Issuer.

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 Establishment Date the assignment to the respective Mortgagors.

Nevertheless, CAIXA CATALUNYA, in the Deed of Establishment, 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;
- (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; and
- (iii) replacement of CAIXA CATALUNYA as the institution at which payments by Mortgagors are deposited.

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 Mortgages, even if notification is made by the Gestora, and undertakes to cooperate with the Gestora in the notifications to the Mortgages.

#### 16. Cancellation of the mortgages into the Property Registries

CAIXA CATALUNYA, as Administrator undertakes to take all necessary measures in order to carry out the cancellation of the previous mortgages into the Property Registries, whose debts are totally cancelled, with previous rank to those of the Mortgage Loans

#### IV.3 Statistical information on the evolution of the portfolio of mortgage loans (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" mortgage loans.

##### Delinquencies of "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	0.69	1.11	1.03	1.03	0.94	0.89	0.82	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 times of the securitisations performed by CAIXA CATALUNYA (From Hipocat 1 to Hipocat 7), which reduce the portfolio of mortgage loans of CAIXA CATALUNYA.**

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 Crédito Total, stating the prepayment rate corresponding to the year on the historical maximum of the portfolio per year of origination:

##### Prepayment rate per year of origination (Annual Percentage Rate)

	1996	1997	1998	1999	2000	2001	2002	2003	2004
1996	1.83%								
1997	3.77%	2.30%							
1998	6.84%	3.78%	2.04%						
1999	9.67%	7.76%	4.37%	2.41%					
2000	8.95%	7.72%	6.03%	3.35%	2.84%				
2001	11.09%	11.47%	9.86%	7.24%	5.19%	3.28%			
2002	17.26%	15.35%	13.88%	12.61%	9.95%	5.38%	2.31%		
2003	21.66%	17.65%	16.49%	15.93%	15.33%	13.54%	6.55%	5.07%	
2004	14.94%	15.41%	15.45%	14.80%	16.44%	16.64%	14.22%	8.13%	4.52%

**Source: Caixa Catalunya**

**Note: The year of origination is established on the lines and the prepayments rate on the columns (i.e. the portfolio originated on 1998 had prepayment rates at 13.88% on 2002 and 16.49% on 2003).**

**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: 6,107 (from June 1997).	
Number of transactions affected by Forbearance Periods:	5,419
Number of Forbearance Periods ended:	5,616
Number of Forbearance Periods existing:	491

Source: Caixa Catalunya at February 2, 2005

Comparing the volume of First Drawdowns in Forbearance Periods applied for until February 2, 2005 with the number of transactions of the Crédito Total product, the percentage of the former is 8.67% (5,419 out of 62,498 transactions).

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

#### Detail of Forbearance Periods

Length of Forbearance Period (months)	Number of transactions	%
1	366	6.0%
2	1,014	16.6%
3	1,249	20.5%
4	912	14.9%
5	648	10.6%
6	679	11.1%
7	374	6.1%
8	156	2.6%
9	120	2.0%
10	98	1.6%
11	62	1.0%
12	429	7.0%
<b>Total</b>	<b>6,107</b>	<b>100.0%</b>

Source: Caixa Catalunya at February 2, 2005

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.

#### Status of drawdowns for which the Forbearance Guarantee has been granted and has ended

Number of Forbearance Periods ended	%	Status of the First Drawdown	Objective Situation
1,254	20.5%	In force	No payments in arrears
876	14.3%	In force	Invoice in arrears for less than 3 months
42	0.7%	In force	Doubtful for arrears of more than 3 months
9	0.1%	In force	Doubtful for arrears of over one year
3,427	56.1%	Cancelled	
1	0.0%	In litigation	Amounts in arrears for more than 3 months (litigation with date of complaint)
7	0.1%	In litigation	Amounts in arrears for more than 1 year (litigation with date of complaint)
<b>Total = 5,616</b>			

Source: Caixa Catalunya at February 2, 2005

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

##### a) Number of First Drawdowns and amount pending maturity at March 30, 2005

The provisional portfolio of First Drawdowns which will serve as a basis for the issue of the Mortgage Transfer Certificates to be subscribed by the Issuer is made up of 17,195 first drawdowns of the same number of mortgage loans, whose outstanding balance at March 30, 2005 was 1,689,405,136 Euro.

None of the First Drawdowns of the provisional portfolio to be used as a basis for the issue of 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 March 30, 2005 was in the range of from 25,000 to 469,474 Euro, with the average value of 98,250 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 March 30, 2005 First drawdown Classification by outstanding balance						
Interval of principal (Euro)	First drawdowns	%	Original balance	%	Outstanding balance	%
1 - 50,000	3,498	20.34%	173,646,679	9.52%	132,169,275	7.82%
50,001 - 100,000	6,483	37.70%	530,794,626	29.11%	479,863,687	28.40%
100,001 – 150,000	4,396	25.57%	571,079,837	31.32%	546,248,672	32.33%
150,001 – 200,000	2,152	12.52%	376,836,554	20.67%	366,112,516	21.67%
200,001 – 250,000	441	2.56%	99,589,048	5.46%	96,453,043	5.71%
250,001 – 300,000	135	0.79%	38,388,568	2.11%	36,950,069	2.19%
300,001 – 350,000	55	0.32%	18,662,378	1.02%	17,688,561	1.05%
350,001 – 400,000	24	0.14%	9,336,533	0.51%	9,072,357	0.54%
400,001 – 450,000	8	0.05%	3,531,609	0.19%	3,449,402	0.20%
450,001 – 500,000	3	0.02%	1,433,488	0.08%	1,397,555	0.08%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

**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 25,542 Euro to a maximum 480,810 Euro. The average original balance of the portfolio is 106,307 Euro.

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

<b>First drawdown portfolio as at March 30, 2005</b>						
<b>First drawdown Classification by outstanding balance</b>						
<b>Interval of principal (Euro)</b>	<b>First drawdowns</b>	<b>%</b>	<b>Original balance</b>	<b>%</b>	<b>Outstanding balance</b>	<b>%</b>
1 - 50,000	2,237	13.01%	91,921,337	5.04%	79,311,313	4.69%
50,001 - 100,000	6,953	40.44%	520,235,014	28.53%	465,620,041	27.56%
100,001 - 150,000	4,825	28.06%	601,698,630	33.00%	568,114,838	33.63%
150,001 - 200,000	2,372	13.79%	405,742,520	22.25%	388,680,873	23.01%
200,001 - 250,000	519	3.02%	114,245,694	6.27%	107,816,790	6.38%
250,001 - 300,000	174	1.01%	47,828,956	2.62%	42,239,168	2.50%
300,001 - 350,000	58	0.34%	18,692,191	1.03%	17,369,157	1.03%
350,001 - 400,000	31	0.18%	11,606,711	0.64%	10,553,640	0.62%
400,001 - 450,000	18	0.10%	7,567,210	0.42%	6,553,466	0.39%
450,001 - 500,000	8	0.05%	3,761,057	0.21%	3,145,850	0.19%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

**d) Actual rate of interest applicable at the date of registration 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 March 30, 2005 are in the range 2.047% to 5.5% and the weighted average nominal interest rate for the outstanding principal is 3.605 %.

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.

<b>First drawdown portfolio as at March 30, 2005</b>						
<b>First drawdown Classification by interest rate</b>						
<b>Intervals of interest rate (%)</b>	<b>First drawdowns</b>	<b>%</b>	<b>Original balance</b>	<b>%</b>	<b>Outstanding balance</b>	<b>%</b>
2.51 – 3.00	2	0.01%	205,760	0.01%	202,861	0.01%
3.01 – 3.50	1,296	7.54%	191,957,683	10.53%	179,339,182	10.62%
3.51 – 4.00	4,974	28.93%	600,308,252	32.92%	562,492,361	33.30%
4.01 – 4.50	9,370	54.49%	874,172,346	47.94%	801,894,369	47.47%
4.51 – 5.00	1,225	7.12%	118,828,645	6.52%	109,357,394	6.47%
5.01 – 5.50	294	1.71%	35,011,823	1.92%	33,873,196	2.01%
5.51 – 6.00	34	0.20%	2,814,811	0.15%	2,245,773	0.13%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

**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).
- (iv) **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 March 30, 2005, is 26.17 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 (March 30, 2005).

<b>First Drawdown Portfolio as at March 30, 2005</b>						
<b>Classification by initial balance</b>						
<b>Quarter and year of origination</b>	<b>First Drawdowns</b>	<b>%</b>	<b>Initial Balance</b>	<b>%</b>	<b>Outstanding Balance</b>	<b>%</b>
1994 2Q	6	0.03%	362,110	0.02%	205,273	0.01%
1994 3Q	4	0.02%	262,642	0.01%	131,761	0.01%
1994 4Q	5	0.03%	437,855	0.02%	299,879	0.02%
1995 1Q	17	0.10%	1,096,186	0.06%	620,500	0.04%
1995 2Q	9	0.05%	558,941	0.03%	311,311	0.02%
1995 3Q	15	0.09%	924,020	0.05%	533,219	0.03%



<b>First Drawdown Portfolio as at March 30, 2005</b>
<b>Classification by initial balance</b>

0.0

1995 4Q	12		738,518	0.04%	508,344	0.03%
1996 1Q	28	0.16%	1,916,808	0.11%	1,105,797	0.07%
1996 2Q	21	0.12%	1,273,154	0.07%	831,873	0.05%
1996 3Q	40	0.23%	2,825,418	0.15%	1,921,849	0.11%
1996 4Q	41	0.24%	2,630,444	0.14%	1,884,615	0.11%
1997 1Q	54	0.31%	3,700,316	0.20%	2,659,535	0.16%
1997 2Q	70	0.41%	4,900,220	0.27%	3,560,082	0.21%
1997 3Q	66	0.38%	4,691,236	0.26%	3,460,478	0.20%
1997 4Q	93	0.54%	6,848,365	0.38%	5,107,157	0.30%
1998 1Q	76	0.44%	5,624,404	0.31%	4,349,589	0.26%
1998 2Q	96	0.56%	6,777,421	0.37%	5,174,748	0.31%
1998 3Q	80	0.47%	4,828,531	0.26%	3,828,430	0.23%
1998 4Q	110	0.64%	7,372,874	0.40%	5,510,040	0.33%
1999 1Q	163	0.95%	11,422,622	0.63%	8,827,943	0.52%
1999 2Q	247	1.44%	17,547,390	0.96%	13,571,569	0.80%
1999 3Q	275	1.60%	19,903,327	1.09%	16,267,142	0.96%
1999 4Q	431	2.51%	31,466,735	1.73%	25,484,730	1.51%
2000 1Q	448	2.61%	32,622,056	1.79%	26,707,636	1.58%
2000 2Q	527	3.06%	38,473,431	2.11%	31,831,922	1.88%
2000 3Q	403	2.34%	30,983,379	1.70%	26,217,078	1.55%
2000 4Q	418	2.43%	34,002,551	1.86%	28,266,873	1.67%
2001 1Q	440	2.56%	34,421,686	1.89%	29,624,498	1.75%
2001 2Q	530	3.08%	42,877,089	2.35%	36,819,680	2.18%
2001 3Q	457	2.66%	38,326,133	2.10%	32,744,083	1.94%
2001 4Q	570	3.31%	46,482,588	2.55%	41,163,788	2.44%
2002 1Q	544	3.16%	47,049,297	2.58%	42,438,321	2.51%
2002 2Q	748	4.35%	65,688,609	3.60%	59,558,716	3.53%
2002 3Q	596	3.47%	54,023,303	2.96%	49,234,817	2.91%
2002 4Q	884	5.14%	85,461,780	4.69%	78,629,001	4.65%
2003 1Q	367	2.13%	40,871,595	2.24%	38,877,892	2.30%
2003 2Q	332	1.93%	38,589,383	2.12%	36,914,701	2.19%
2003 3Q	298	1.73%	36,619,155	2.01%	35,011,642	2.07%
2003 4Q	652	3.79%	83,673,418	4.59%	80,100,633	4.74%
2004 1Q	2,133	12.40%	265,093,154	14.54%	255,871,019	15.15%
2004 2Q	2,285	13.29%	300,415,344	16.48%	291,378,471	17.25%
2004 3Q	1,854	10.78%	263,133,968	14.43%	256,610,000	15.19%
2004 4Q	750	4.36%	106,381,864	5.83%	105,248,497	6.23%
<b>Total</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

#### Legal Repayment Date and residual life

The First Drawdowns which form the provisional portfolio have final repayment dates between July 31, 2006 and December 31, 2034.

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.

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

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*), as registered by the CNMV shall have any legal effect or be relied upon with regard to the Note Issue.

<b>First drawdown portfolio as at March 30, 2005</b>						
<b>First drawdown Classification by final repayment date of the first drawdown</b>						
<b>Year of final repayment</b>	<b>First drawdowns</b>	<b>%</b>	<b>Original balance</b>	<b>%</b>	<b>Outstanding principal</b>	<b>%</b>
2006	3	0.02%	631,063	0.03%	110,691	0.01%
2007	7	0.04%	1,106,463	0.06%	254,147	0.02%
2008	27	0.16%	2,050,041	0.11%	888,473	0.05%
2009	49	0.28%	4,636,125	0.25%	2,035,482	0.12%
2010	74	0.43%	5,591,832	0.31%	3,057,761	0.18%
2011	144	0.84%	9,481,656	0.52%	5,647,631	0.33%
2012	185	1.08%	12,146,486	0.67%	8,231,773	0.49%
2013	158	0.92%	10,787,194	0.59%	7,462,878	0.44%
2014	332	1.93%	21,411,120	1.17%	16,082,350	0.95%
2015	263	1.53%	17,277,323	0.95%	12,166,840	0.72%
2016	306	1.78%	21,326,261	1.17%	16,318,920	0.97%
2017	338	1.97%	22,915,516	1.26%	18,393,758	1.09%
2018	209	1.22%	14,590,083	0.80%	11,758,326	0.70%
2019	516	3.00%	38,488,927	2.11%	32,546,496	1.93%
2020	402	2.34%	29,103,651	1.60%	23,763,979	1.41%
2021	418	2.43%	31,958,753	1.75%	27,498,491	1.63%
2022	488	2.84%	39,195,321	2.15%	34,289,777	2.03%
2023	267	1.55%	22,939,936	1.26%	20,456,844	1.21%
2024	682	3.97%	64,447,040	3.53%	58,771,829	3.48%
2025	457	2.66%	36,044,039	1.98%	31,408,097	1.86%
2026	471	2.74%	41,580,538	2.28%	37,422,883	2.22%
2027	555	3.23%	48,660,943	2.67%	44,735,568	2.65%
2028	401	2.33%	38,334,427	2.10%	35,673,693	2.11%
2029	863	5.02%	85,178,453	4.67%	80,285,939	4.75%
2030	748	4.35%	65,822,666	3.61%	59,736,427	3.54%
2031	888	5.16%	81,734,989	4.48%	75,221,462	4.45%
2032	1,500	8.72%	154,714,968	8.49%	146,209,474	8.65%
2033	1,278	7.43%	166,725,974	9.14%	160,635,696	9.51%
2034	5,166	30.04%	734,417,532	40.28%	718,339,453	42.52%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

<b>Simple Average:</b>	<b>278.4</b>	<b>months</b>	<b>23.2</b>	<b>years</b>
<b>Weighted Average:</b>	<b>302.4</b>	<b>months</b>	<b>25.2</b>	<b>years</b>
<b>Closest Maturity Date (minimum):</b>	<b>15.6</b>	<b>months</b>	<b>1.6</b>	<b>years</b>
<b>Most distant Maturity Date (maximum):</b>	<b>360</b>	<b>months</b>	<b>30</b>	<b>years</b>

**g) Purpose of the First Drawdowns assigned through 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.**

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 March 30, 2005						
First drawdown Classification by ratio original balance / appraisal value						
Intervals original balance/appraisal value	First drawdowns	%	Original balance	%	Outstanding balance	%
0.00 - 0.09	12	0.07%	514	0.03%	461	0.03%
0.10 - 0.19	195	1.13%	9,531,174	0.52%	8,418,174	0.50%
0.20 - 0.29	560	3.26%	30,617,598	1.68%	27,363,277	1.62%
0.30 - 0.39	971	5.65%	64,098,497	3.52%	56,696,016	3.36%
0.40 - 0.49	1314	7.64%	103,562,518	5.68%	92,882,703	5.50%
0.50 - 0.59	1,587	9.23%	142,590,883	7.82%	128,269,985	7.59%
0.60 - 0.69	1,846	10.74%	193,044,689	10.59%	172,757,185	10.23%
0.70 - 0.79	4,220	24.54%	442,267,625	24.26%	399,551,495	23.65%
0.80 - 0.89	1,285	7.47%	151,202,255	8.29%	141,197,800	8.36%
0.90 - 0.99	4,841	28.15%	640,624,922	35.14%	618,053,202	36.58%
1	364	2.12%	45,244,806	2.48%	43,754,263	2.59%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

<b>Simple Average: 0.74</b>
<b>Weighted Average: 0.79</b>
<b>Minimum: 0.07</b>
<b>Maximum: 1.00</b>

**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 81% of the appraisal value of the properties.

First drawdown portfolio as at March 30, 2005						
First drawdown Classification by ratio mortgage credit limit / appraisal value (LOCTV)						
Mortgage credit limit over appraisal value	First drawdowns	%	Original balance	%	Outstanding balance	%
0.00 - 0.09	4	0.02%	178,302	0.01%	166,037	0.01%
0.10 - 0.19	69	0.40%	3,598,240	0.20%	3,179,039	0.19%
0.20 - 0.29	271	1.58%	15,188,329	0.83%	13,597,322	0.80%
0.30 - 0.39	548	3.19%	36,681,208	2.01%	32,234,711	1.91%
0.40 - 0.49	918	5.34%	71,999,793	3.95%	64,206,166	3.80%
0.50 - 0.59	1,403	8.16%	121,631,125	6.67%	109,088,789	6.46%
0.60 - 0.69	1,939	11.28%	192,130,019	10.54%	171,442,405	10.15%
0.70 - 0.79	5,463	31.77%	536,868,235	29.44%	485,393,266	28.73%
0.80 - 0.89	1,355	7.88%	157,698,727	8.65%	147,015,725	8.70%

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

First drawdown portfolio as at March 30, 2005						
First drawdown Classification by ratio mortgage credit limit / appraisal value (LOCTV)						
Mortgage credit limit over appraisal value	First drawdowns	%	Original balance	%	Outstanding balance	%
0.90 - 0.99	4,860	28.26%	642,041,471	35.21%	619,299,553	36.66%
1	365	2.12%	45,283,871	2.48%	43,782,124	2.59%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

Simple Average: 0.77

Weighted Average: 0.81

Minimum: 0.08

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 81%.

#### k) Maximum, minimum and average figures of the Loan to Value ratio (LTV) at the registration 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 March 30, 2005 was between 7% and 100%, the average ratio weighted by the outstanding balance of each first drawdown being 75%.

The following table shows the distribution of the first drawdowns.

First drawdown portfolio as at March 30, 2005						
First drawdown Classification 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	30	0.17%	1,926,154	0.11%	1,030,049	0.06%
0.10 – 0.19	394	2.29%	24,765,323	1.36%	15,930,592	0.94%
0.20 – 0.29	932	5.42%	61,025,630	3.35%	45,191,803	2.68%
0.30 – 0.39	1,341	7.80%	98,055,287	5.38%	79,611,941	4.71%
0.40 – 0.49	1,680	9.77%	141,052,689	7.74%	121,250,916	7.18%
0.50 – 0.59	1,902	11.06%	180,073,258	9.88%	161,095,983	9.54%
0.60 – 0.69	2,087	12.14%	213,099,658	11.69%	196,353,313	11.62%
0.70 – 0.79	3,067	17.84%	339,969,042	18.65%	323,575,694	19.15%
0.80 – 0.89	1,418	8.25%	168,484,725	9.24%	161,795,051	9.58%
0.90 – 0.99	4,344	25.26%	594,847,554	32.62%	583,569,795	34.54%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

Simple Average: 0.68

Weighted Average: 0.75

Minimum: 0.07

Maximum: 1.00

#### l) Geographical distribution by province of the First Drawdowns.

No document other than the Informative Prospectus (*Folleto Informativo*), as 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.

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First drawdown portfolio as at March 30, 2005						
First drawdown Classification by provinces						
Province	First drawdowns	%	Original balance	%	Outstanding balance	%
Albacete	19	0.11%	1,613,101	0.09%	1,549,008.97	0.09%
Alicante	431	2.51%	31,657,569	1.74%	28,895,005.08	1.71%
Almería	32	0.19%	2,934,979	0.16%	2,727,845.75	0.16%
Ávila	6	0.03%	552,490	0.03%	539,934.64	0.03%
Badajoz	46	0.27%	3,493,441	0.19%	3,305,201.12	0.20%
Barcelona	11,713	68.12%	1,300,273,548	71.31%	1,205,753,818.91	71.37%
Bilbao	3	0.02%	393,746	0.02%	380,809.45	0.02%
Burgos	8	0.05%	720,597	0.04%	674,158.14	0.04%
Cáceres	6	0.03%	418,554	0.02%	370,072.42	0.02%
Cádiz	30	0.17%	2,719,640	0.15%	2,578,539.67	0.15%
Castellón	167	0.97%	14,118,046	0.77%	13,091,917.80	0.77%
Ciudad Real	10	0.06%	655,530	0.04%	555,710.45	0.03%
Córdoba	26	0.15%	2,589,139	0.14%	2,265,014.19	0.13%
Cuenca	12	0.07%	926,239	0.05%	877,825.36	0.05%
Gerona	814	4.73%	80,610,343	4.42%	75,232,946.82	4.45%
Granada	13	0.08%	978,230	0.05%	911,404.78	0.05%
Guadalajara	28	0.16%	3,525,813	0.19%	3,335,705.82	0.20%
Huelva	11	0.06%	1,049,897	0.06%	1,017,009.04	0.06%
Huesca	9	0.05%	569,595	0.03%	535,294.91	0.03%
Jaén	5	0.03%	359,550	0.02%	330,700.54	0.02%
La Coruña	10	0.06%	1,051,965	0.06%	1,005,920.70	0.06%
Las Palmas	8	0.05%	932,034	0.05%	884,551.68	0.05%
León	10	0.06%	1,313,663	0.07%	1,158,177.26	0.07%
Lérida	331	1.92%	28,968,102	1.59%	26,403,635.47	1.56%
Logroño	9	0.05%	1,000,350	0.05%	931,402.25	0.06%
Lugo	5	0.03%	301,224	0.02%	280,271.52	0.02%
Madrid	958	5.57%	113,527,250	6.23%	103,245,750.83	6.11%
Málaga	35	0.20%	4,136,752	0.23%	3,913,446.51	0.23%
Murcia	324	1.88%	26,688,672	1.46%	25,391,194.37	1.50%
Orense	21	0.12%	2,006,793	0.11%	1,888,265.09	0.11%
Oviedo	2	0.01%	276,900	0.02%	269,108.38	0.02%
Palma de Mallorca	102	0.59%	10,171,823	0.56%	9,291,220.48	0.55%
Pamplona	49	0.28%	5,962,342	0.33%	5,613,312.38	0.33%
Pontevedra	8	0.05%	789,819	0.04%	756,954.61	0.04%
Salamanca	10	0.06%	934,503	0.05%	903,623.04	0.05%
San Sebastián	4	0.02%	876,500	0.05%	853,361.44	0.05%
Santander	25	0.15%	2,590,001	0.14%	2,446,870.73	0.14%
Segovia	8	0.05%	866,735	0.05%	804,762.22	0.05%
Sevilla	98	0.57%	7,279,192	0.40%	6,791,090.70	0.40%
Soria	3	0.02%	675,273	0.04%	655,338.01	0.04%
Sta Cruz Tenerife	32	0.19%	3,441,432	0.19%	3,310,063.18	0.20%
Tarragona	721	4.19%	68,035,127	3.73%	62,314,830.04	3.69%
Teruel	7	0.04%	584,193	0.03%	560,438.26	0.03%
Toledo	37	0.22%	3,374,819	0.19%	3,112,337.81	0.18%
Valencia	788	4.58%	64,203,704	3.52%	59,563,843.57	3.53%
Valladolid	27	0.16%	2,919,273	0.16%	2,746,905.25	0.16%
Vitoria	3	0.02%	565,679	0.03%	558,661.83	0.03%
Zamora	8	0.05%	477,316	0.03%	455,944.27	0.03%

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<b>First drawdown portfolio as at March 30, 2005</b>						
<b>First drawdown Classification by provinces</b>						
Zaragoza	163	0.95%	19,187,839	1.05%	18,365,931	1.09%
<b>Total:</b>	<b>17,195</b>	<b>100.00%</b>	<b>1,823,299,320</b>	<b>100.00%</b>	<b>1,689,405,136</b>	<b>100.00%</b>

m) Indication of whether any principal or interest instalments of the mortgage loans forming the provisional portfolio are in arrears

<b>First drawdown portfolio as at March 30, 2005</b>				
<b>Delays of payable instalments as at March 30, 2005</b>				
<b>Intervals</b>	<b>Loans</b>	<b>Outstanding balance</b>	<b>Payable balance</b>	<b>% total outstanding balance</b>
No deficiency	15,698	1,537,948,195	0	0.0000%
From 1 to 30 days	903	95,064,450	151,113	0.0089%
More than 30 days	594	56,392,492	251,820	0.0149%
<b>Total</b>	<b>17,195</b>	<b>1,689,405,136</b>	<b>402,933</b>	<b>0.0238%</b>

The First Drawdowns to make up the final portfolio and with which 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:

<b>INITIAL BALANCE SHEET OF THE ISSUER (euro)</b>						
<b>Assets of the Issuer</b>				<b>Liabilities of the Issuer</b>		
<b>Fixed assets</b>				<b>Securitisation Bonds Issue</b>	<b>1,500,000,000</b>	
Mortgage Transfer Certificates (principal)			1,500,000,000	Series A1 Securitisation Bonds	250,000,000	
Mortgage Transfer Certificates (interest)			517,808	Series A2 Securitisation Bonds	1,155,500,000	
Establishment Expenses			1,544,743	Series B Securitisation Bonds	26,200,000	
				Series C Securitisation Bonds	35,600,000	
				Series D Securitisation Bonds	32,700,000	
<b>Current assets</b>				<b>Other long-term debts</b>		
Cash (Initial Reserve Fund)			23,250,000	Subordinated Loan	25,312,551	
<b>Total Assets</b>			<b>1,525,312,551</b>	<b>Total Liabilities</b>		<b>1,525,312,551</b>

It is assumed that none of the Mortgage Transfer Certificates will have delays of payment on the Establishment Date

The liabilities of the Issuer, pursuant to section V.3.6 below, and given their open nature, may also be configured by the Liquidity Line envisaged in that section, notwithstanding which the assets value of the Issuer will be zero at all times.

**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 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 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 Transfer Certificates and the Swap.

The following tables of the financial servicing of the Issuer has been drawn up based on the following assumptions:

**a) First Drawdowns.**

- (i) Size on March 30, 2005 of the portfolio from which the First Drawdowns subject of the Mortgage Transfer Certificates issue will be taken: 1,689,405,136 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 3.636% per annum.
- (iii) CPR: 12% per annum, 1% per month, and 14% per annum, 1.25% per month, respectively in each table.
- (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%. Accordingly, the Liquidity Line Agreement will not be executed assuming that the First Drawdowns in the Forbearance Period on a Determination Date will never exceed 35% of the Outstanding Balance of the Mortgage Portfolio.

**b) 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 FIVE HUNDRED MILLION (1,500,000,000) 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 2.200% for Series A1, 2.250% for Series A2, 2.350% for Series B, 2.450% for Series C and 2.750% for Series D, for the first interest period, and 2.186% for Series A1, 2.236% for Series A2, 2.336% for Series B, 2.436% for Series C and 2.736% 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 legal repayment date will be on March 15, 2038, thirty six (36) months after the repayment of the last First Drawdown repaid.

**d) Ancillary Agreements**

**Subordinated Loan**

- a. Amount: Maximum of 30,000,000 Euro; nevertheless, in the synoptic table of hypothesis, a maximum amount of approximately 25,780,046 Euro has been assumed, to be used (i) to finance the establishment of the Issuer and issue of the Securitisation Bonds: 2,012,238 Euro, (ii) to partially finance the subscription of the Mortgage Transfer Certificates: 517,808 Euro, including payment of interest due and payable on each of the First Drawdowns, at the date of issue of the Mortgage Transfer Certificates; and (iii) to allocate to the Initial Reserve Fund: 23,250,000 Euro.

- λ Fixed remuneration: The Reference Interest Rate described in section II.10.1 of this Folleto which at April 14, 2005 was 2.136 %, except for the first interest period for which it will be 2.150%.
- λ 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 Order of Priority set out in section V.5.1.B)2 of this Folleto. The Subordinated Loan will mature on the Legal Repayment Date of the Issuer or on that of its liquidation, whichever comes first.
- λ 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 2.136 %, except for the first interest period for which it will be 2.150%.

#### **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 2.136% except for the first interest period for which it will be 2.150%.

#### **Swap Agreement**

- λ Amount payable by the Issuer: It will be sum of all amounts of interest received from the Mortgage Transfer Certificates during the most recent Determination Period.
- λ Amount receivable by the Issuer: It will be the product of applying the Interest Rate of Counterparty B (as determined in section 2.1 below) to the Swap Notional for Counterparty B, according to section 2.2 below.

#### **2.1 Interest Rate of Counterparty B**

It will be 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 0.65%.

#### **2.2 Swap Notional for Counterparty B**

It will be the sum of:

- (a) the daily average for the Determination Period ending of the Outstanding Balance of the Mortgage Portfolio, defined in section II.11.3.4 of this Folleto, where there is no delinquency of more than three (3) months and excluding the First Drawdowns in the Forbearance Period (collectively, the "**Notional Balance of the Mortgage Transfer Certificates**"); and
- (b) the product of multiplying (i) the daily average for the Determination Period ending of the balance of the Repayment Account by (ii) the applicable average margin for determining the Nominal Interest of the Series of Securitisation Bonds weighted by the balance of outstanding principal of each Series during the Interest Period in progress all divided by the Interest Rate of Counterparty B by one, and
- (c) in the event of the replacement of CAIXA CATALUNYA as Administrator of the Mortgage Loans, the product of dividing (i) the amount of the commission payable during the Determination Period immediately prior to the Payment Date for the

management and keeping of the Mortgage Loans, if CAIXA CATALUNYA is replaced as Loan Manager, by (ii) the Interest Rate of Counterparty B.

In the example of the financial servicing of the Issuer, it has been assumed that the interest rates on each Series remain constant at 2.200% for Series A1, 2.250% for Series A2, 2.350% for Series B, 2.450% for Series C and 2.750% for Series D, for the first interest period, and at 2.186% for Series A1, 2.236% for Series A2, 2.336% for Series B, 2.436% for Series C and 2.736% for Series D, for the rest of the interest periods.

It is assumed in the hypothetical events of the table on the financial servicing of the Issuer, 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 1.55% of the initial nominal amount of the Securitisation Bonds, 23,250,000 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 Order of Priority envisaged in section V.5.1.B) 2, the amount of the Reserve Fund will vary according to the following (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.- an amount equal to 1.55% of the initial nominal balance of the Securitisation Bonds (i.e., 23,250,000 Euro);
- 2.- an amount equal to the higher of the following amounts
  - (i) 0.75% of the initial nominal balance of the Securitisation Bonds (i.e., 11,250,000 Euro), or
  - (ii) 3.10% of the Outstanding Nominal Balance of the Securitisation Bonds;

B) If the Delinquency Ratio is equal to or greater than 3% it will be provided with the lower of the following amounts:

- 1.- an amount equal to 1.65% of the initial nominal balance of the Securitisation Bonds (i.e., 24,750,000 Euro) ("**Maximum Reserve Fund**");
- 2.- an amount equal to the higher of the following amounts:
  - (i) 0.85% of the initial nominal balance of the Securitisation Bonds (i.e., 12,750,000) Euro; or
  - (ii) 3.50% of the Outstanding Nominal Balance of the Securitisation Bonds.

"**Delinquency Ratio**" will be the ratio between (i) the Outstanding Balance of Mortgage Transfer Certificates in arrear for over ninety (90) days (excluding the Outstanding Balance 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.

In any event, the Initial Reserve Fund will not be reduced

- (i) until three (3) years after the Issuer Establishment Date;
- (ii) between two consecutive Payment Dates if the Required Reserve Fund had not been provided in full on the preceding Payment Date; or
- (iii) if the Delinquency Ratio on the preceding Determination Date is higher than 1.5%.

In view of the foregoing and in the hypothetical event that actual CPR of the Issuer is 14%, the Initial Reserve Fund shall not be reduced until the amount of 3.10% 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 (0.75% 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.

#### **Commitment to Grant a Liquidity Line**

For purposes of the hypotheses it is understood that the event giving rise to the Commitment to Grant a Liquidity Line will not occur and, accordingly, at no time will the Liquidity Line Agreement be granted and no commission whatsoever will be payable.

#### **Fees**

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: 0.04%. 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 20,800 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 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 Transfer Certificates are subject to constant changes.

Hence, the following table is for illustrative purposes only.

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

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<b>ISSUER'S CASH FLOW - RECEIPTS</b> <b>(AMOUNTS IN EURO)</b> <b>CPR = 12.00%</b>							
<b>1.500.000.000 Securitisation Bond Issue</b>							
<b>25.312.551 Subordinated Loan</b>							
<b>1.544.743 Initial Expenses</b>							
<b>23.250.000 Reserve Fund</b>							
Payment Date	Certificates – Outstanding Balance	Repayment of Principaal of Certificates	Effective Balance - Reduction of Repayment Account	Interest (Post Swap)	Reinvestment Interest	Balance Reserve Fund	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
May 12 2005	1.500.000.000	-	-	-	-	-	-
Sep 15 2005	1.429.565.305	70.434.695	-	15.132.569	174.974	23.250.000	108.992.238
Dic 15 2005	1.375.101.620	54.463.684	-	10.423.405	125.546	23.250.000	88.262.635
Mar 15 2006	1.323.128.049	51.973.572	-	9.926.178	124.166	23.250.000	85.273.916
Jun 15 2006	1.271.878.844	51.249.204	-	9.767.332	126.925	23.250.000	84.393.462
Sep 15 2006	1.221.417.174	50.461.671	-	9.393.456	126.925	23.250.000	83.232.053
Dic 15 2006	1.174.335.828	47.081.346	28.582.826	8.940.503	279.888	23.250.000	108.134.563
Mar 15 2007	1.130.399.080	43.936.748	-	8.502.106	124.166	23.250.000	75.813.020
Jun 15 2007	1.085.138.870	45.260.210	-	8.357.574	126.925	23.250.000	76.994.709
Sep 17 2007	1.042.461.406	42.677.464	-	8.203.265	129.685	23.250.000	74.260.414
Dic 17 2007	1.001.771.815	40.689.590	-	7.633.105	125.546	23.250.000	71.698.241
Mar 17 2008	962.644.840	39.126.975	-	7.337.596	125.546	23.250.000	69.840.117
Jun 16 2008	924.919.624	37.725.216	-	7.053.357	125.546	23.250.000	68.154.118
Sep 15 2008	888.551.913	36.367.711	-	6.779.323	125.546	23.250.000	66.522.579
Dic 15 2008	853.493.055	35.058.858	-	6.515.150	125.546	23.250.000	64.949.553
Mar 16 2009	819.611.369	33.881.687	-	6.260.425	125.546	23.250.000	63.517.658
Jun 15 2009	786.963.093	32.648.275	-	6.014.352	125.546	23.250.000	62.038.173
Sep 15 2009	755.167.880	31.795.214	-	5.839.472	126.925	23.250.000	61.011.611
Dic 15 2009	724.876.688	30.291.192	-	5.546.358	125.546	23.250.000	59.213.095
Mar 15 2010	696.009.682	28.867.006	-	5.269.003	120.007	22.471.177	56.727.193
Jun 15 2010	667.588.828	28.420.854	-	5.169.275	117.788	21.576.300	55.284.218
Sep 15 2010	640.227.006	27.361.822	-	4.958.122	112.979	20.695.254	53.128.176
Dic 15 2010	614.163.993	26.063.013	-	4.704.186	107.170	19.847.037	50.721.407
Mar 15 2011	589.333.080	24.830.913	-	4.464.020	101.678	19.039.084	48.435.694
Jun 15 2011	564.893.663	24.439.417	-	4.376.746	99.735	18.269.325	47.185.224
Sep 15 2011	541.376.630	23.517.033	-	4.195.218	95.599	17.511.704	45.319.553

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<b>ISSUER'S CASH FLOW - RECEIPTS</b> <b>(AMOUNTS IN EURO)</b> <b>CPR = 12.00%</b>							
<b>1.500.000.000 Securitisation Bond Issue</b> <b>25.312.551 Subordinated Loan</b> <b>1.544.743 Initial Expenses</b> <b>23.250.000 Reserve Fund</b>							
Payment Date	Certificates – Outstanding Balance	Repayment of Principal of Certificates	Effective Balance - Reduction of Repayment Account	Interest (Post Swap)	Reinvestment Interest	Balance Reserve Fund	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dic 15 2011	518.997.774	22.378.856	-	3.977.764	90.623	16.782.676	43.229.919
Mar 15 2012	497.519.786	21.477.987	-	3.813.393	86.877	16.088.931	41.467.189
Jun 15 2012	476.189.374	21.330.412	-	3.693.297	84.197	15.423.113	40.531.020
Sep 17 2012	456.119.207	20.070.167	-	3.613.449	82.339	14.761.871	38.527.825
Dic 17 2012	437.026.648	19.092.559	-	3.351.490	76.352	14.139.695	36.660.096
Mar 15 2013	418.810.495	18.216.153	-	3.106.049	70.744	13.547.826	34.940.772
Jun 17 2013	400.900.644	17.909.852	-	3.178.126	72.418	12.983.125	34.143.521
Sep 16 2013	383.870.566	17.030.078	-	2.945.866	67.108	12.427.920	32.470.972
Dic 16 2013	367.495.819	16.374.747	-	2.820.793	64.258	11.899.988	31.159.785
Mar 17 2014	351.746.175	15.749.644	-	2.700.515	61.517	11.392.370	29.904.046
Jun 16 2014	336.608.839	15.137.336	-	2.584.869	60.748	11.250.000	29.032.953
Sep 15 2014	322.071.670	14.537.169	-	2.473.762	60.748	11.250.000	28.321.679
Dic 15 2014	308.111.484	13.960.186	-	2.367.063	60.748	11.250.000	27.637.996
Mar 16 2015	294.702.754	13.408.730	-	2.264.588	60.748	11.250.000	26.984.066
Jun 15 2015	281.824.747	12.878.007	-	2.166.166	60.748	11.250.000	26.354.921
Sep 15 2015	269.317.369	12.507.378	-	2.093.885	61.415	11.250.000	25.912.678
Dic 15 2015	257.432.324	11.885.045	-	1.979.789	60.748	11.250.000	25.175.582
Mar 15 2016	246.042.045	11.390.279	-	1.892.550	60.748	11.250.000	24.593.578
Jun 15 2016	234.979.366	11.062.678	-	1.828.365	61.415	11.250.000	24.202.459
Sep 15 2016	224.358.368	10.620.998	-	1.746.288	61.415	11.250.000	23.678.702
Dic 15 2016	214.275.400	10.082.969	-	1.649.784	60.748	11.250.000	23.043.501
Mar 15 2017	204.677.289	9.598.111	-	1.558.851	60.080	11.250.000	22.467.043
Jun 15 2017	195.260.055	9.417.233	-	1.521.524	61.415	11.250.000	22.250.172
Sep 15 2017	186.034.620	9.225.435	-	1.450.964	61.415	11.250.000	21.987.814
Dic 15 2017	177.473.487	8.561.133	-	1.368.581	60.748	11.250.000	21.240.462
Mar 15 2018	169.526.372	7.947.115	-	1.292.398	60.080	11.250.000	20.549.593
Jun 15 2018	161.379.581	8.146.791	-	1.260.223	61.415	11.250.000	20.718.430
Sep 17 2018	153.735.561	7.644.020	-	1.226.537	62.751	11.250.000	20.183.307
Dic 17 2018	146.481.444	7.254.117	-	1.131.606	60.748	11.250.000	19.696.471
Mar 15 2019	-	146.481.444	-	544.526	58.745	11.250.000	158.334.715
		<b>1.500.000.000</b>	<b>28.582.826</b>	<b>248.365.159</b>	<b>5.199.507</b>	<b>922.357.396</b>	<b>2.704.504.889</b>



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ISSUER'S CASH FLOWS- PAYMENTS (AMOUNTS IN EURO) CPR = 12.00%										
1.500.000.000 Securitisation Bond Issue 25.312.551 Subordinated Loan 1.544.743 Initial Expenses 23.250.000 Reserve Fund										
Payment Date	Issuer's Expense	Payment of Interest Bonds	Allocation for Repayment Fund	Effective Balance Increase of Repayment Account	Repayment of Principal Bonds	Replacement of the Reserve Fund	Interest Subordinated Loan	Principal Subordinated Loan	Variable Remuneration Subordinated Loan	Total
(1)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
May 12 2005	-	-	-	-	-	-	-	-	-	-
Sep 15 2005	217.479	11.861.189	-	-	-	-	323.387	2.905.488	-	-
Dic 15 2005	150.044	8.124.003	70.434.695	-	70.434.695	23.250.000	205.954	2.068.949	-	108.992.238
Mar 15 2006	143.024	7.737.059	54.463.684	-	54.463.684	23.250.000	184.883	1.985.379	-	88.262.635
Jun 15 2006	140.962	7.618.620	51.973.572	-	51.973.572	23.250.000	170.543	1.964.133	-	85.273.916
Sep 15 2006	135.795	7.332.295	51.249.204	-	51.249.204	23.250.000	152.291	1.900.001	-	84.393.462
Dic 15 2006	129.287	7.131.689	50.461.671	28.582.826	21.878.844	23.250.000	133.172	1.826.244	-	111.814.879
Mar 15 2007	123.222	6.630.320	47.081.346	-	75.664.172	23.250.000	115.107	1.757.622	-	79.551.737
Jun 15 2007	121.531	6.526.575	43.936.748	-	43.936.748	23.250.000	101.332	1.735.061	-	75.813.020
Sep 17 2007	119.510	6.404.185	45.260.210	-	45.260.210	23.250.000	87.061	1.722.193	-	76.994.709
Dic 17 2007	111.440	5.958.558	42.677.464	-	42.677.464	23.250.000	68.453	1.620.199	-	74.260.414
Mar 17 2008	107.089	5.728.556	40.689.590	-	40.689.590	23.250.000	53.561	1.573.935	-	71.698.241
Jun 16 2008	103.197	5.507.388	39.126.975	-	39.126.975	23.250.000	39.095	1.529.223	-	69.840.117
Sep 15 2008	99.446	5.294.142	37.725.216	-	37.725.216	23.250.000	25.039	1.486.242	207.035	68.154.118
Dic 15 2008	95.829	5.088.571	36.367.711	-	36.367.711	23.250.000	11.378	1.237.883	1.402.979	66.729.615
Mar 16 2009	92.595	4.890.397	35.058.858	-	35.058.858	23.250.000	-	-	1.351.804	66.145.497
Jun 15 2009	89.216	4.698.878	33.881.687	-	33.881.687	23.250.000	-	-	1.315.554	63.466.483
			32.648.275	-	32.648.275	23.250.000				62.001.923

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<b>ISSUER'S CASH FLOWS- PAYMENTS</b>										
<b>(AMOUNTS IN EURO)</b>										
<b>CPR = 12.00%</b>										
<b>1.500.000.000 Securitisation Bond Issue</b>										
<b>25.312.551 Subordinated Loan</b>										
<b>1.544.743 Initial Expenses</b>										
<b>23.250.000 Reserve Fund</b>										
<b>Payment Date</b>	<b>Issuer's Expense</b>	<b>Payment of Interest Bonds</b>	<b>Allocation for Repayment Fund</b>	<b>Effective Balance Increase of Repayment Account</b>	<b>Repayment of Principal Bonds</b>	<b>Replacement of the Reserve Fund</b>	<b>Interest Subordinated Loan</b>	<b>Principal Subordinated Loan</b>	<b>Variable Remuneration Subordinated Loan</b>	<b>Total</b>
<b>(1)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>
Sep 15 2009	86.905	4.563.939		-						
			31.795.214		31.795.214	23.250.000			2.033.332	61.729.388
Dic 15 2009	82.789	4.334.605		-						
			30.291.192		30.291.192	22.471.177			2.087.365	59.267.129
Mar 15 2010	78.892	4.117.630		-						
			28.867.006		28.867.006	21.576.300			2.048.864	56.688.691
Jun 15 2010	77.735	4.041.511		-						
			28.420.854		28.420.854	20.695.254			1.967.968	55.203.322
Sep 15 2010	74.869	3.876.480		-						
			27.361.822		27.361.822	19.847.037			1.870.793	53.031.002
Dic 15 2010	71.327	3.677.190		-						
			26.063.013		26.063.013	19.039.084			1.778.752	50.629.366
Mar 15 2011	67.972	3.488.731		-						
			24.830.913		24.830.913	18.269.325			1.745.050	48.401.992
Jun 15 2011	66.979	3.422.073		-						
			24.439.417		24.439.417	17.511.704			1.675.168	47.115.341
Sep 15 2011	64.515	3.280.161		-						
			23.517.033		23.517.033	16.782.676			1.591.228	45.235.613
Dic 15 2011	61.469	3.109.436		-						
			22.378.856		22.378.856	16.088.931			1.526.112	43.164.804
Mar 15 2012	59.075	2.980.901		-						
			21.477.987		21.477.987	15.423.113			1.492.230	41.433.307
Jun 15 2012	57.565	2.888.942		-						
			21.330.412		21.330.412	14.761.871			1.436.144	40.474.935
Sep 17 2012	56.625	2.825.194		-						
			20.070.167		20.070.167	14.139.695			1.347.135	38.438.816
Dic 17 2012	52.822	2.619.754		-						
			19.092.559		19.092.559	13.547.826			1.264.772	36.577.732
Mar 15 2013	49.379	2.427.344		-						
			18.216.153		18.216.153	12.983.125			1.270.110	34.946.111
Jun 17 2013	50.869	2.484.769		-						
			17.909.852		17.909.852	12.427.920			1.190.845	34.064.256
Sep 16 2013	47.460	2.302.602		-						
			17.030.078		17.030.078	11.899.988			1.142.118	32.422.245

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<b>ISSUER'S CASH FLOWS- PAYMENTS</b>										
<b>(AMOUNTS IN EURO)</b>										
<b>CPR = 12.00%</b>										
<b>1.500.000.000 Securitisation Bond Issue</b>										
<b>25.312.551 Subordinated Loan</b>										
<b>1.544.743 Initial Expenses</b>										
<b>23.250.000 Reserve Fund</b>										
<b>Payment Date</b>	<b>Issuer's Expense</b>	<b>Payment of Interest Bonds</b>	<b>Allocation for Repayment Fund</b>	<b>Effective Balance Increase of Repayment Account</b>	<b>Repayment of Principal Bonds</b>	<b>Replacement of the Reserve Fund</b>	<b>Interest Subordinated Loan</b>	<b>Principal Subordinated Loan</b>	<b>Variable Remuneration Subordinated Loan</b>	<b>Total</b>
<b>(1)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>
Dic 16 2013	45.761	2.204.788		-			-	-	749.535	
Mar 17 2014	44.128	2.110.739	16.374.747	-	16.374.747	11.392.370	-	-	582.779	30.767.202
Jun 16 2014	42.558	2.020.279	15.749.644	-	15.749.644	11.250.000	-	-	560.125	29.737.290
Sep 15 2014	41.048	1.933.337	15.137.336	-	15.137.336	11.250.000	-	-	538.370	29.010.298
Dic 15 2014	39.598	1.849.842	14.537.169	-	14.537.169	11.250.000	-	-	517.470	28.299.924
Mar 16 2015	38.206	1.769.660	13.960.186	-	13.960.186	11.250.000	-	-	497.398	27.617.096
Jun 15 2015	36.869	1.692.646	13.408.730	-	13.408.730	11.250.000	-	-	482.856	26.963.995
Sep 15 2015	35.976	1.636.468	12.878.007	-	12.878.007	11.250.000	-	-	459.356	26.340.379
Dic 15 2015	34.337	1.546.844	12.507.378	-	12.507.378	11.250.000	-	-	441.656	25.889.178
Mar 15 2016	33.062	1.478.581	11.885.045	-	11.885.045	11.250.000	-	-	428.812	25.157.881
Jun 15 2016	32.280	1.428.689	11.390.279	-	11.390.279	11.250.000	-	-	412.085	24.580.734
Sep 15 2016	31.167	1.364.452	11.062.678	-	11.062.678	11.250.000	-	-	392.142	24.185.732
Dic 15 2016	29.772	1.288.618	10.620.998	-	10.620.998	11.250.000	-	-	373.219	23.658.759
Mar 15 2017	28.531	1.217.182	10.082.969	-	10.082.969	11.250.000	-	-	366.244	23.024.578
Jun 15 2017	28.198	1.188.497	9.598.111	-	9.598.111	11.250.000	-	-	351.317	22.460.068
Sep 15 2017	27.248	1.133.814	9.417.233	-	9.417.233	11.250.000	-	-	334.794	22.235.245
Dic 15 2017	26.032	1.068.503	9.225.435	-	9.225.435	11.250.000	-	-	319.446	21.971.291
			8.561.133	-	8.561.133	11.250.000	-	-		21.225.114

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<b>ISSUER'S CASH FLOWS- PAYMENTS</b>										
<b>(AMOUNTS IN EURO)</b>										
<b>CPR = 12.00%</b>										
<b>1.500.000.000 Securitisation Bond Issue</b>										
<b>25.312.551 Subordinated Loan</b>										
<b>1.544.743 Initial Expenses</b>										
<b>23.250.000 Reserve Fund</b>										
<b>Payment Date</b>	<b>Issuer's Expense</b>	<b>Payment of Interest Bonds</b>	<b>Allocation for Repayment Fund</b>	<b>Effective Balance Increase of Repayment Account</b>	<b>Repayment of Principal Bonds</b>	<b>Replacement of the Reserve Fund</b>	<b>Interest Subordinated Loan</b>	<b>Principal Subordinated Loan</b>	<b>Variable Remuneration Subordinated Loan</b>	<b>Total</b>
<b>(1)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>
Mar 15 2018	24.901	1.008.130	7.947.115	-	7.947.115	11.250.000	-	-	312.598	20.542.745
Jun 15 2018	24.654	984.387	8.146.791	-	8.146.791	11.250.000	-	-	307.485	20.713.317
Sep 17 2018	24.350	957.452	7.644.020	-	7.644.020	11.250.000	-	-	286.552	20.162.374
Dic 17 2018	22.811	882.991	7.254.117	-	7.254.117	11.250.000	-	-	11.018.321	30.428.240
Mar 15 2019	21.359	813.591	146.481.444	-	146.481.444	-	-	-	-	147.316.394
	<b>3.799.760</b>	<b>194.553.180</b>	<b>1.500.000.000</b>	<b>28.582.826</b>	<b>1.500.000.000</b>	<b>899.107.396</b>	<b>1.671.255</b>	<b>25.312.551</b>	<b>51.477.919</b>	<b>2.704.504.889</b>

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ISSUER'S CASH FLOW - RECEIPTS (AMOUNTS IN EURO) CPR = 14.00%								
1.500.000.000 Bond Issue 25.312.551 Subordinated Loan 1.544.743 Initial Expenses 23.250.000 Reserve Fund								
Payment Date	Saldo Certificados Transmisión Hipoteca	Vivo de de	Amortización del Principal de los Certificados	Balance Efectivo Reducción Cuenta de Amortización	Interés (Neto del Swap)	Interés Reinversión	Fondo de Reserva Disponible	Total
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)
May 12 2005	1.500.000.000		-	-	-	-	-	-
Sep 15 2005	1.419.426.778		80.573.222	-	15.080.951	174.974	23.250.000	119.079.147
Dic 15 2005	1.357.546.054		61.880.724	-	10.322.505	125.546	23.250.000	95.578.775
Mar 15 2006	1.298.852.370		58.693.684	-	9.775.543	124.166	23.250.000	91.843.393
Jun 15 2006	1.241.329.533		57.522.837	-	9.565.569	126.925	23.250.000	90.465.332
Sep 15 2006	1.185.042.941		56.286.592	-	9.148.346	174.259	23.250.000	88.859.197
Dic 15 2006	1.132.851.959		52.190.982	64.957.059	8.661.923	476.302	23.250.000	149.536.266
Mar 15 2007	1.084.439.903		48.412.056	-	8.182.369	124.166	23.250.000	79.968.591
Jun 15 2007	1.034.874.619		49.565.284	-	7.997.888	126.925	23.250.000	80.940.097
Sep 17 2007	988.429.799		46.444.820	-	7.804.903	129.685	23.250.000	77.629.407
Dic 17 2007	944.420.568		44.009.231	-	7.221.230	125.546	23.250.000	74.606.007
Mar 17 2008	902.360.964		42.059.604	-	6.902.599	125.546	23.250.000	72.337.749
Jun 16 2008	862.056.619		40.304.345	-	6.597.963	125.546	23.250.000	70.277.854
Sep 15 2008	823.440.432		38.616.187	-	6.306.062	125.546	23.250.000	68.297.795
Dic 15 2008	786.442.468		36.997.964	-	6.026.390	125.546	23.250.000	66.399.899
Mar 16 2009	750.906.256		35.536.212	-	5.758.345	125.546	23.250.000	64.670.102
Jun 15 2009	716.874.113		34.032.144	-	5.501.023	125.546	23.250.000	62.908.713
Sep 15 2009	683.936.011		32.938.102	-	5.311.042	121.319	22.223.097	60.593.561
Dic 15 2009	652.749.996		31.186.015	-	5.013.165	114.487	21.202.016	57.515.683
Mar 15 2010	623.212.511		29.537.485	-	4.733.163	108.066	20.235.250	54.613.963
Jun 15 2010	594.310.456		28.902.055	-	4.617.129	105.469	19.319.588	52.944.240
Sep 15 2010	566.658.921		27.651.536	-	4.403.020	100.577	18.423.624	50.578.757
Dic 15 2010	540.484.041		26.174.880	-	4.153.579	94.855	17.566.427	47.989.740
Mar 15 2011	515.700.414		24.783.627	-	3.919.190	89.480	16.755.005	45.547.302
Jun 15 2011	491.458.435		24.241.980	-	3.820.703	87.274	15.986.713	44.136.669
Sep 15 2011	468.277.212		23.181.223	-	3.641.171	83.171	15.235.211	42.140.767
Dic 15 2011	446.354.377		21.922.835	-	3.432.665	78.387	14.516.594	39.950.480
Mar 15 2012	425.443.845		20.910.532	-	3.272.118	74.717	13.836.986	38.094.353
Jun 15 2012	404.806.366		20.637.478	-	3.150.815	71.999	13.188.759	37.049.052
Sep 17 2012	385.510.579		19.295.788	-	3.064.822	69.996	12.548.997	34.979.603
Dic 17 2012	367.268.298		18.242.280	-	2.826.430	64.532	11.950.828	33.084.071
Mar 15 2013	349.970.322		17.297.976	-	2.604.662	59.452	11.385.317	31.347.407
Jun 17 2013	333.068.716		16.901.606	-	2.649.979	62.751	11.250.000	30.864.335

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<b>ISSUER'S CASH FLOW - RECEIPTS</b>								
<b>(AMOUNTS IN EURO)</b>								
<b>CPR = 14.00%</b>								
<b>1.500.000.000 Bond Issue</b>								
<b>25.312.551 Subordinated Loan</b>								
<b>1.544.743 Initial Expenses</b>								
<b>23.250.000 Reserve Fund</b>								
<b>Payment Date</b>	<b>Saldo Certificados Transmisión Hipoteca</b>	<b>Vivo de de</b>	<b>Amortización del Principal de los Certificados</b>	<b>Balance Efectivo Reducción Cuenta de Amortización</b>	<b>Interés (Neto del Swap)</b>	<b>Interés Reinversión</b>	<b>Fondo de Reserva Disponible</b>	<b>Total</b>
<b>(1)</b>	<b>(2)</b>		<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>
Sep 16 2013	317.097.403		15.971.313	-	2.442.293	60.748	11.250.000	29.724.354
Dic 16 2013	301.836.015		15.261.388	-	2.325.332	60.748	11.250.000	28.897.468
Mar 17 2014	287.249.197		14.586.818	-	2.213.556	60.748	11.250.000	28.111.122
Jun 16 2014	273.316.430		13.932.767	-	2.106.755	60.748	11.250.000	27.350.270
Sep 15 2014	260.018.071		13.298.359	-	2.004.779	60.748	11.250.000	26.613.885
Dic 15 2014	247.325.944		12.692.127	-	1.907.448	60.748	11.250.000	25.910.323
Mar 16 2015	235.210.534		12.115.411	-	1.814.548	60.748	11.250.000	25.240.706
Jun 15 2015	223.646.694		11.563.840	-	1.725.873	60.748	11.250.000	24.600.461
Sep 15 2015	212.486.405		11.160.289	-	1.658.811	61.415	11.250.000	24.130.515
Dic 15 2015	201.948.507		10.537.898	-	1.559.519	60.748	11.250.000	23.408.164
Mar 15 2016	191.913.038		10.035.469	-	1.482.398	60.748	11.250.000	22.828.614
Jun 15 2016	182.228.033		9.685.006	-	1.424.034	61.415	11.250.000	22.420.455
Sep 15 2016	172.988.820		9.239.213	-	1.352.390	61.415	11.250.000	21.903.018
Dic 15 2016	164.272.801		8.716.019	-	1.270.448	60.748	11.250.000	21.297.215
Mar 15 2017	156.027.497		8.245.304	-	1.193.730	60.080	11.250.000	20.749.115
Jun 15 2017	147.988.621		8.038.876	-	1.158.614	61.415	11.250.000	20.508.906
Sep 15 2017	-		147.988.621	-	575.133	61.415	11.250.000	159.875.169
			<b>1.500.000.000</b>	<b>64.957.059</b>	<b>219.682.911</b>	<b>4.883.684</b>	<b>818.874.413</b>	<b>2.608.398.066</b>

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<b>ISSUER'S CASH FLOWS- PAYMENTS</b> <b>(AMOUNTS IN EURO)</b> <b>CPR = 14.00%</b>										
<b>1.500.000.000 Securitisation Bond Issue</b> <b>25.312.551 Subordinated Loan</b> <b>1.544.743 Initial Expenses</b> <b>23.250.000 Reserve Fund</b>										
<b>Payment Date</b>	<b>Issuer's Expense</b>	<b>Payment of Interest Bonds</b>	<b>Allocation for Repayment Fund</b>	<b>Effective Balance Increase of Repayment Account</b>	<b>Repayment of Principal Bonds</b>	<b>Replacement of the Reserve Fund</b>	<b>Interest Subordinated Loan</b>	<b>Principal Subordinated Loan</b>	<b>Variable Remuneration Subordinated Loan</b>	<b>Total</b>
<b>(1)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>
May 12 2005	-	-	-	-	-	-	-	-	-	-
Sep 15 2005										
	217.479	11.861.189	80.573.222	-	80.573.222	23.250.000	323.387	2.853.870	-	119.079.147
Dic 15 2005	149.033	8.067.976	61.880.724	-	61.880.724	23.250.000	206.429	2.024.613	-	95.578.775
Mar 15 2006	141.292	7.641.109	58.693.684	-	58.693.684	23.250.000	185.755	1.931.552	-	91.843.393
Jun 15 2006	138.514	7.482.994	57.522.837	8.670.467	48.852.370	23.250.000	171.934	1.899.052	-	99.135.798
Sep 15 2006	132.715	7.210.059	56.286.592	56.286.592	-	23.250.000	154.287	1.825.543	-	145.145.789
Dic 15 2006	125.659	7.131.689	52.190.982	-	117.148.041	23.250.000	135.831	1.745.046	-	84.579.207
Mar 15 2007	119.131	6.398.406	48.412.056	-	48.412.056	23.250.000	118.475	1.670.524	-	79.968.591
Jun 15 2007	116.897	6.263.932	49.565.284	-	49.565.284	23.250.000	105.584	1.638.400	-	80.940.097
Sep 17 2007	114.332	6.110.695	46.444.820	-	46.444.820	23.250.000	92.324	1.617.236	-	77.629.407
Dic 17 2007	106.052	5.653.139	44.009.231	-	44.009.231	23.250.000	74.513	1.513.072	-	74.606.007
Mar 17 2008	101.385	5.404.373	42.059.604	-	42.059.604	23.250.000	60.605	1.461.781	-	72.337.749
Jun 16 2008	97.202	5.166.628	40.304.345	-	40.304.345	23.250.000	47.169	1.412.509	-	70.277.854
Sep 15 2008	93.194	4.938.804	38.616.187	-	38.616.187	23.250.000	34.186	1.365.424	-	68.297.795
Dic 15 2008	89.353	4.720.522	36.997.964	-	36.997.964	23.250.000	21.636	1.320.424	243.591	66.643.491
Mar 16 2009	85.908	4.511.388	35.536.212	-	35.536.212	23.250.000	9.499	1.033.504	2.260.591	66.687.102
Jun 15 2009	82.364	4.310.516		-		22.223.097	-	-	2.210.204	62.858.325

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<b>ISSUER'S CASH FLOWS- PAYMENTS</b>										
<b>(AMOUNTS IN EURO)</b>										
<b>CPR = 14.00%</b>										
<b>1.500.000.000 Securitisation Bond Issue</b>										
<b>25.312.551 Subordinated Loan</b>										
<b>1.544.743 Initial Expenses</b>										
<b>23.250.000 Reserve Fund</b>										
<b>Payment Date</b>	<b>Issuer's Expense</b>	<b>Payment of Interest Bonds</b>	<b>Allocation for Repayment Fund</b>	<b>Effective Balance Increase of Repayment Account</b>	<b>Repayment of Principal Bonds</b>	<b>Replacement of the Reserve Fund</b>	<b>Interest Subordinated Loan</b>	<b>Principal Subordinated Loan</b>	<b>Variable Remuneration Subordinated Loan</b>	<b>Total</b>
<b>(1)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>
			34.032.144		34.032.144					
Sep 15 2009	79.838	4.163.401	32.938.102	-	32.938.102	21.202.016	-	-	2.089.803	60.473.160
Dic 15 2009	75.686	3.928.930	31.186.015	-	31.186.015	20.235.250	-	-	1.976.539	57.402.420
Mar 15 2010	71.778	3.708.573	29.537.485	-	29.537.485	19.319.588	-	-	1.928.725	54.566.149
Jun 15 2010	70.395	3.619.441	28.902.055	-	28.902.055	18.423.624	-	-	1.841.728	52.857.243
Sep 15 2010	67.481	3.451.586	27.651.536	-	27.651.536	17.566.427	-	-	1.740.643	50.477.672
Dic 15 2010	63.990	3.255.222	26.174.880	-	26.174.880	16.755.005	-	-	1.645.518	47.894.615
Mar 15 2011	60.705	3.070.739	24.783.627	-	24.783.627	15.986.713	-	-	1.604.881	45.506.665
Jun 15 2011	59.556	2.995.041	24.241.980	-	24.241.980	15.235.211	-	-	1.531.588	44.063.376
Sep 15 2011	57.111	2.854.251	23.181.223	-	23.181.223	14.516.594	-	-	1.446.421	42.055.600
Dic 15 2011	54.179	2.690.059	21.922.835	-	21.922.835	13.836.986	-	-	1.379.089	39.883.148
Mar 15 2012	51.851	2.564.122	20.910.532	-	20.910.532	13.188.759	-	-	1.341.402	38.056.666
Jun 15 2012	50.318	2.470.857	20.637.478	-	20.637.478	12.548.997	-	-	1.281.587	36.989.237
Sep 17 2012	49.292	2.402.109	19.295.788	-	19.295.788	11.950.828	-	-	1.196.075	34.894.090
Dic 17 2012	45.799	2.214.599	18.242.280	-	18.242.280	11.385.317	-	-	716.528	32.604.525
Mar 15 2013	42.652	2.040.251	17.297.976	-	17.297.976	11.250.000	-	-	592.238	31.223.117
Jun 17 2013	43.778	2.076.713	16.901.606	-	16.901.606	11.250.000	-	-	549.003	30.821.100
Sep 16 2013	40.695	1.913.342	15.971.313	-	15.971.313	11.250.000	-	-	525.384	29.700.734



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<b>ISSUER'S CASH FLOWS- PAYMENTS</b>										
<b>(AMOUNTS IN EURO)</b>										
<b>CPR = 14.00%</b>										
<b>1.500.000.000 Securitisation Bond Issue</b>										
<b>25.312.551 Subordinated Loan</b>										
<b>1.544.743 Initial Expenses</b>										
<b>23.250.000 Reserve Fund</b>										
<b>Payment Date</b>	<b>Issuer's Expense</b>	<b>Payment of Interest Bonds</b>	<b>Allocation for Repayment Fund</b>	<b>Effective Balance Increase of Repayment Account</b>	<b>Repayment of Principal Bonds</b>	<b>Replacement of the Reserve Fund</b>	<b>Interest Subordinated Loan</b>	<b>Principal Subordinated Loan</b>	<b>Variable Remuneration Subordinated Loan</b>	<b>Total</b>
<b>(1)</b>	<b>(9)</b>	<b>(10)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>
Dic 16 2013	39.102	1.821.594	15.261.388	-	15.261.388	11.250.000	-	-	502.800	28.874.885
Mar 17 2014	37.580	1.733.923	14.586.818	-	14.586.818	11.250.000	-	-	481.249	28.089.571
Jun 16 2014	36.126	1.650.128	13.932.767	-	13.932.767	11.250.000	-	-	460.700	27.329.721
Sep 15 2014	34.736	1.570.090	13.298.359	-	13.298.359	11.250.000	-	-	441.090	26.594.275
Dic 15 2014	33.410	1.493.697	12.692.127	-	12.692.127	11.250.000	-	-	422.366	25.891.599
Mar 16 2015	32.144	1.420.786	12.115.411	-	12.115.411	11.250.000	-	-	404.497	25.222.838
Jun 15 2015	30.936	1.351.188	11.563.840	-	11.563.840	11.250.000	-	-	391.240	24.587.204
Sep 15 2015	30.110	1.298.876	11.160.289	-	11.160.289	11.250.000	-	-	370.950	24.110.225
Dic 15 2015	28.670	1.220.647	10.537.898	-	10.537.898	11.250.000	-	-	355.491	23.392.706
Mar 15 2016	27.544	1.160.111	10.035.469	-	10.035.469	11.250.000	-	-	344.037	22.817.160
Jun 15 2016	26.837	1.114.576	9.685.006	-	9.685.006	11.250.000	-	-	329.613	22.406.032
Sep 15 2016	25.863	1.058.328	9.239.213	-	9.239.213	11.250.000	-	-	312.783	21.886.187
Dic 15 2016	24.663	993.749	8.716.019	-	8.716.019	11.250.000	-	-	296.902	21.281.334
Mar 15 2017	23.600	933.309	8.245.304	-	8.245.304	11.250.000	-	-	290.574	20.742.787
Jun 15 2017	23.293	906.163	8.038.876	-	8.038.876	11.250.000	-	-	11.004.590	31.222.922
Sep 15 2017	22.482	859.476	147.988.621	-	147.988.621	-	-	-	-	148.870.579
	<b>3.372.711</b>	<b>172.879.294</b>	<b>1.500.000.000</b>	<b>64.957.059</b>	<b>1.500.000.000</b>	<b>795.624.413</b>	<b>1.741.616</b>	<b>25.312.551</b>	<b>44.510.422</b>	<b>2.608.398.066</b>

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#### V.1.4. Notes to the table.

##### a) Receipts

- (1) Outstanding Balance of the Mortgage 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 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 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 to 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 to the income obtained from the balance of the Repayment Account.
- (7) Balance Reserve Fund (allocated on the previous Payment Date).
- (8) Total inflows on each Payment Date, corresponding to the sum of inflows (3), (4), (5), (6) and (7)

##### b) Payments

- (9) Fees, interest and repayment of the Liquidity Line.
- (10) Interest payable to the Bondholders.
- (11) Allocation for increase of Capital Repayment Fund.
- (12) Increase of Repayment Account
- (13) Principal repayment of the Securitisation Bonds.
- (14) Allocation for the Required Fund Reserve on each Payment Date
- (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).

#### V.I.5. Timing foreseen for the Issuer

##### a) Establishment Date

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

May 6, 2005

Establishment of the Issuer, issuance of and subscription for the Mortgage Transfer Certificates and issuance of the securitised Securitisation Bonds.

**b) Date of the Subscription Period**

May 10, 2005

Publication of the legal announcement of establishment of the Issuer. Subscription Period for the Securitisation Bonds.

**c) Closing Date**

May 12, 2005

Payment of the Securitisation Bonds and payment of the Mortgage Transfer Certificates. Interest on the Securitisation Bonds begins to accrue.

**d) Payment Dates of the Issuer**

March 15, June 15, September 15 and December 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 Resources as described in section V.5.1.B).2 of this Folleto.

**e) Legal Repayment Date**

Thirty six (36) months after the repayment of the last First Drawdown repaid, i.e. March 15, 2038, 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 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 Establishment, execute the agreements and take the steps described below.

The Gestora, so that it can undertake the operations of the Issuer on the terms determined in the Deed of Establishment 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

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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.

In particular, and given the open nature of the Issuer's liabilities, due to the possible execution of the Liquidity Line Agreement described in section V.3.6 below, the Gestora will, if necessary, obtain prior authorization from the CNMV, including the filing of supplementary information to this Folleto, before the Liquidity Line is granted .

### **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 Transfer Certificates;
- (ii) any other amounts relating to 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;
- (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; and
- (vi) only if the Liquidity Line Agreement is executed in accordance with the Commitment to Grant a Liquidity Line, the drawdowns of the Liquidity Line, pursuant to section V.3.6 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 annual Nominal 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 7<sup>th</sup>, 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 F1 according to

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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, 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 December 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, until the following Payment Date on which it will be returned to the relevant account for allocation, the difference in excess of the Treasury Account and the Repayment Account on 18% of Outstanding Principal Balance of the Securitisation Bonds to an account with an entity with an unsecured and non-subordinate short-term debt rating of A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch, and the maximum possible profitability shall be contracted for its balances.

After December 15, 2006, the Gestora shall transfer, until the following Payment Date on which it will be returned to the relevant account for allocation, the difference in the balance 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 rating of A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch, and the maximum possible profitability shall be contracted for its balances, which may differ from that contracted for with CAIXA CATALUNYA under this Agreement. (The account opened pursuant to the preceding paragraphs shall hereinafter be referred to as the "**Cash Surplus Account**").

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If the short-term rating of the entity at which the Cash Supplus Account is opened falls below A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch, 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, P-1 according to Moody's and F1 according to Fitch, or a guaranty on first demand from an entity with a short-term debt rating of A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch.

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 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 Legal Repayment Date of the Issuer or until the date of early liquidation 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 amounts deposited by the Issuer in an account open with said credit institution ("**Repayment Account**") in which the amounts relating to the Capital Repayment Fund are to be deposited, once all the Series A1 Bonds have been fully repaid or in the event of the Pro Rata Repayment of Class A. As from the Payment Date of December 15, 2006, and once the Series A1 Bonds have been fully repaid, such amounts shall be applied to the repayment of the principal of Series A2 Bonds, according to their repayment rules.

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 annual Nominal 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 7<sup>th</sup>, 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 F1 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

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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 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 December 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, until the following Payment Date on which it will be returned to the relevant account for allocation, 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 rating of A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch (the "**Cash Surplus Account**").
  - If the short-term rating of the entity at which the Cash Surplus Account is opened falls below A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch, 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, P-1 according to Moody's and F1 according to Fitch, or a guaranty on first demand from an entity with a short-term debt rating of A-1+ according to S&P, P-1 according to Moody's and F1 according to Fitch.

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 December 15, 2006, after it has been settled by the Gestora.

### V.3.3. Subordinated Loan Agreement for a maximum amount of 30,000,000 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 30,000,000 Euro (the "**Subordinated Loan** ") which will be used to finance the expenses of establishment of the Issuer and issue of the Securitisation



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Bonds, to partially finance the acquisition of Mortgage Transfer Certificates (in particular, the amount corresponding to interest earned due to the deferment of payment of the nominal amount of the Mortgage Transfer Certificates until the Closing Date, to pay due and payable interest on each of the First Drawdowns, at the date of issue of the Mortgage Transfer Certificates and to 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 First Drawdowns assigned to the issuer through 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 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 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 Order of Priority 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 Order of Priority 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 Order of Priority 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 March, June, September and December, for the last month of each quarterly period.

The Variable Remuneration that may have accrued at the closing of the months of December March, June and September 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 Order of Priority 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 Order of Priority 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 Legal Repayment Date of the Issuer or on the date of early liquidation of the Issuer, whichever comes first. 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 Resources for this purpose in the Treasury Account, in accordance with the Order of Priority 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 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 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 0.65%.

##### 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 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 all divided by the Interest Rate of Counterparty B, and
- (c) if CAIXA CATALUNYA is replaced as the Administrator of the Mortgage Loans, the product of dividing (i) the amount of the commission payable during the Determination Period immediately prior to the Payment Date for the

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management and keeping of the Mortgage Loans, by (ii) 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 Available Resources to make full payment of the Net Swap Amount due to Counterparty B, the Swap Agreement may be terminated at the request of Counterparty B. In such case, the Issuer will assume, if appropriate, liability for the liquidation payment due under the Agreement, all in accordance with the Order of Priority 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 the financial imbalance of the Issuer.

If on a Payment Date Counterparty B fails to satisfy its payment obligations for the total Net Swap Amount to be paid to the Issuer, the Swap Agreement may be terminated, at the request of the Gestora for and on behalf of the Issuer, without prejudice to the possibility of drawing from the cash deposit described below. In such case: (i) Counterparty B will assume, if appropriate, liability for the liquidation payment due under the Agreement, and (ii) the amounts to be paid by the Issuer to Counterparty B, in accordance with the Swap Agreement, if any, will take 12<sup>th</sup> place in the Order of Priority referred in section V.5.1.B.2) of this Folleto.

The Swap Agreement will remain in force the Legal Repayment Date of the Issuer or until the date of termination of the Issuer, pursuant to section III.8 of this Folleto.

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 Counterparty B fall to below A-1 according to MOODY'S and/or the short-term debt rating of Counterparty B fall to below F1, or A for long-term debt, according to FITCH's and/or if the continuation of Counterparty B as a counterparty to the Swap Agreement could cause a downgrading of the ratings granted by S&P to each of the Bond Series, Counterparty B 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 F1 and long-term debt rating of A 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 with a minimum long-term debt rating of A1 according to MOODY'S, a short-term debt rating of F1 and long-term debt rating of A according to FITCH and a short-term debt rating of A-1 according to S&P; or (iii) constitute a cash or securities deposit in favour of the Issuer in an account opened at another institution with a short-term debt rating of P-1, F1 and A-1 according to Moody's, Fitch and S&P, respectively, to secure the performance of its contractual obligations and for an amount calculated on the basis of the market value of the Swap Agreement (including the administration costs incurred in the event that CAIXA CATALUNYA were replaced as Administrator), so as to avoid jeopardizing the rating granted to the Securitisation Bonds by

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the Rating Agency and, as the case may be, if the rating assigned to Counterparty B were lower than Baa2 for long-term debt and P-2 for short-term debt, according to Moody's, and/or equal to BBB for long-term debt and F3 for short-term debt, according to Fitch, additionally either option (i) or (ii) above (in the understanding that this option (iii) will be adopted immediately). Furthermore, if the continuation of Counterparty B could cause a downgrading of the the ratings granted by S&P to the Securitisation Bonds, Counterparty B will be replaced immediately by a new counterparty with a minimum short-term debt rating of A-1, according to S&P, and according to the ratings required by Moody's and Fitch.

All costs, taxes and expenses arising from the replacement of Counterparty B as Counterparty to the Swap Agreement will be borne by Counterparty B.

### 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 1.55% of the initial nominal amount of the Securitisation Bonds, 23,250,000 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 Order of Priority envisaged in section V.5.1.B) 2, the amount of the Reserve Fund will vary according to the following and will be provided with the lower of the following amounts (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 an amount equal to 1.55% of the initial nominal balance of the Securitisation Bonds (i.e., 23,250,000 Euro);
- 2 an amount equal to the higher of the following amounts:
  - (i) 0.75% of the initial nominal balance of the Securitisation Bonds (i.e., 11,250,000 Euro), or
  - (ii) 3.10% of the Outstanding Nominal Balance of the Securitisation Bonds;

B).- If the Delinquency Ratio is equal to or greater than 3% it will be provided with the lower of the following amounts:

- 1.- an amount equal to 1.65% of the initial nominal balance of the Securitisation Bonds (i.e., 24,750,000 Euro) ("**Maximum Reserve Fund**");
- 2.- an amount equal to the higher of the following amounts:
  - (i) 0.85% of the initial nominal balance of the Securitisation Bonds (i.e., 12,750,000 Euro); or
  - (ii) 3.50% of the Outstanding Nominal Balance of the Securitisation Bonds.

"**Delinquency Ratio**" will be the ratio between (i) the Outstanding Balance of Mortgage Transfer Certificates in arrear for over ninety (90) days (excluding the Outstanding Balance

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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.

In any event, the Initial Reserve Fund will not be reduced:

- (i) until three (3) years after the Issuer Establishment Date;
- (ii) between two consecutive Payment Dates if the Required Reserve Fund had not been provided in full on the preceding Payment Date;
- (iii) if the Delinquency Ratio on the preceding Determination Date to the current Payment Date is higher than 1.5%.

**(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 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, if the Liquidity Line Agreement is executed.

**V.3.6. Commitment to Grant a Liquidity Line and its characteristics**

**V.3.6.1 Commitment to Grant a Liquidity Line**

Under the Deed of Establishment, CAIXA CATALUNYA will enter into a commitment with the Gestora, for and on behalf of the Issuer, whereby CAIXA CATALUNYA undertakes to grant to the Issuer a Liquidity Line with the characteristics set forth in section V.3.6.2 below, under a Liquidity Line Agreement to be executed on the same Determination Date as that on which the First Drawdowns in the Forbearance Period entail 35% or more of the Outstanding Balance of the Mortgage Portfolio (the "**Commitment to Grant a Liquidity Line**").

If the foregoing event occurs, before the Liquidity Line is granted the Gestora, in line with the open nature of the Issuer's liabilities, subject to the legislation in force from time to time, will obtain prior authorization, if necessary, from the CNMV, including the filing of supplementary information to this Folleto, and notify the Rating Agencies, provided that such actions are not prejudicial to the interests of the Bondholders.

If, at any time during the life of the Securitisation Bonds, rating of the long-term debt of CAIXA CATALUNYA is reduced according to the MOODY'S rating scale for short-term debt, falling to below P1, or is reduced according to the FITCH rating scale for short-term debt, falling to below F1, or the continuation of CAIXA CATALUNYA as a counterparty to the Commitment to Grant a Liquidity Line could give rise to a reduction of the ratings granted by S&P to each Series of Securitisation Bonds, CAIXA CATALUNYA will, without not more than thirty (30) days from notification of the reduction in the rating, be obliged to:

- i) seek a third party with a minimum rating of P1 for short-term debt according to the MOODY'S rating scale, of F1 for short-term debt according to the FITCH rating scale and of A-1 for short-term debt according to the S&P rating scale, to guarantee the obligations under the Commitment to Grant a Liquidity Line and to ensure that the ratings of the Securitisation Bonds are upheld;

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- ii) assign its contractual position under the Commitment to Grant a Liquidity Line to a third party with a minimum rating of P1 for short-term debt according to the MOODY'S rating scale, of F1 for short-term debt according to the FITCH rating scale and of A-1 for short-term debt according to the S&P rating scale, to guarantee the obligations under the Commitment to Grant a Liquidity Line and to ensure that the ratings of the Securitisation Bonds are upheld;
- iii) set up a cash deposit in a demand deposit to guarantee the obligations under the Commitment to Grant a Liquidity Line in an account opened at another institution with a short-term debt rating of P-1 according to S&P and the required Moody's and Fitch ratings which ensures that the ratings of the Securitisation Bonds are upheld.

All costs, taxes and expenses incurred in the performance of the foregoing obligations will be borne by CAIXA CATALUNYA.

CAIXA CATALUNYA will not receive any compensation whatsoever for entering into the Commitment to Grant a Liquidity Line.

#### **V.3.6.2 Liquidity Line Agreement**

If on a Determination Date the First Drawdowns in a Forbearance Period entail 35% or more of the Outstanding Balance of the Mortgage Portfolio and, accordingly, CAIXA CATALUNYA must fulfil its Commitment to Grant a Liquidity Line, the Liquidity Line Agreement to be executed between the Gestora, for and on behalf of the Issuer, with CAIXA CATALUNYA will have the following characteristics.

##### **(i) Amount**

The maximum amount of the Liquidity Line shall be equal to the lower of the following amounts: (i) 56,250,000 Euro, equal to 3.75% of the initial nominal balance of the Securitisation Bonds; and (ii) 7.50% 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) 56,250,000 Euro, equal to 3.75% of the initial nominal balance of the Securitisation Bonds;
- (ii) 7.50% of the outstanding balance of the issue of the Securitisation Bonds; and
- (iii) an amount equal to the interest not received of the First Drawdown within the Forbearance Period.

##### **(ii) Purpose**

The Liquidity Line is created to meet the interest payments of the Series of Securitisation Bonds 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 Order of 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

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- (ii) the amount of any interest of the Securitisation Bonds that cannot be satisfied on a Payment Date with 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 the following Payment Date, provided that there are Available Resources for such repayment, according to the Order of Priority.

**(vi) Maturity**

The Liquidity Line shall remain in effect until whichever of the following dates is earlier:

- a) on the Legal Repayment Date of the Issuer or until the date of early liquidation of the Issuer, whichever comes first.
- b) on the Payment Date on which there are no outstanding amounts under the Liquidity Line and the First Drawdowns in Forbearance Period represent less than 35% of the Outstanding Balance of the Mortgage Portfolio.

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. All costs incurred on the termination of the Liquidity Line will be borne by CAIXA CATALUNYA.

**(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 Order of Priority 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

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

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, 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 F1 for short-term debt, according to FITCH and of A-1 for short-term debt, according to S&P, ensuring that the ratings of the Securitisation Bonds are maintained; or
- (iii) create a cash deposit in a current account, to secure the obligations arising from the Liquidity Line, 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, BNP Paribas, 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 Underwriters and Placers of the Securitisation Bonds (or exclusively CAIXA CATALUNYA, if the underwriting commitment envisaged in II.19.above is given) will receive an underwriting and placement commission on the nominal amount of each of the Bonds of each Series underwritten by it under the Underwriting and Placement Agreement, which will be between the following amounts:

- underwriting and placement commission for Series A1 Securitisation Bonds: between 0.022% and 0.07%, both inclusive;
- underwriting and placement commission for Series A2 Securitisation Bonds: between 0.022% and 0.07%, both inclusive;
- underwriting and placement commission for Series B Securitisation Bonds: between 0.20%;
- underwriting and placement commission for Series C Securitisation Bonds: between 0.20%;



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

- underwriting and placement commission for Series D Securitisation Bonds: between 0.20%.

The underwriting and placement commissions applicable to Series A1 and Series A2 Securitisation bonds will be determined by common consent of the Lead Managers prior to 10:00 (CAT time) on the commencement day of the Subscription Period (May 10, 2005).

Notice of the final commissions applicable to the foregoing Series of Securitisation Bonds which have been set will be served by fax on the Gestora by the Lead Managers prior to 10:30 (CAT time) on May 9, 2005.

In the absence of an agreement or if the Gestora does not receive that notices from the Lead Managers before the projected time, the Gestora will set the underwriting and placement commissions for series A1 and/or Series A2 Securitisation Bonds at the following amounts:

- Series A1 Bonds: 0.022%
- Series A2 Bonds: 0.022%

The Gestora will serve notice of those commissions on the Lead Managers and on the Underwriters and Placers prior to commencement of the Subscription Period. The Gestora will also report them to the CNMV as additional information to 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;
- (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 Order of Priority 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.

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

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 F1 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, F1 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 March 15, 2038 (or if this is not a Business Day, until the next Business Day) or until the date on which 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 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 Transfer Certificates to be issued, described in section IV.1.c) of this Folleto, respectively, will be regulated in the Deed of Establishment of the Issuer.

#### **V.5 Order of Priority of Payments by the Issuer**

##### **V.5.1 Ordinary rules for the order of 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:
  - 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 Transfer Certificates that form the Issuer.
  - b) Payment of initial expenses of establishment 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 Resources"):
  - a) The proceeds received as principal of the Mortgage Transfer Certificates during each preceding Determination Period. ("**Amount of Principals**"). Such

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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 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, in accordance with the provisions of sections V.3.1 and V.3.2. of this Folleto, and in the Cash Surplus Account.
- 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) Only if the Liquidity Line Agreement is executed in accordance with the Commitment to Grant a Liquidity Line, 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 Resources**, 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 of Priority:

1<sup>st</sup> 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 Gestora 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 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.

2<sup>nd</sup> Payment to CAIXA CATALUNYA or, as the case may be, to the entity replacing it, of the Net Swap Amount of the Securitisation Bonds and also, only if the Swap Agreement is terminated due to breach by the Issuer, payment of the amount due by the Issuer that corresponds to the termination payment of the Swap Agreement.

3<sup>rd</sup> Payment of interest accrued on the Series A1 and Series A2 Securitisation Bonds.

4<sup>th</sup> Payment of interest accrued on the Series B Securitisation Bonds, unless that payment is deferred to 8<sup>th</sup> place in this order of priority.

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

If the Series A1 and Series A2 Bonds had not been fully repaid, and if such repayment were not to be made on the relevant Payment Date, the Available Resources applicable to this 4<sup>th</sup> place in the order of priority will be reduced by the amount of the Available Fund for Repayment, if the amount resulting from reducing the Outstanding Principal Balance of the Series A1 and A2 by the following amounts is greater than zero:

- a) the remaining Available Resources after deducting the amounts of the payment obligations in 1<sup>st</sup> through 4<sup>th</sup> place (including any interest accruing on the Series B Bonds);
- b) the Balance in the Repayment Account;
- c) the Outstanding Balance in the Mortgage Portfolio on the Payment Date in question.

and any interest accruing on the Series B Bonds which was unable to be paid in this place will then be deferred to 8<sup>th</sup> place

5<sup>th</sup> Payment of interest accrued on the Series C Securitisation Bonds, unless that payment is deferred to take 9<sup>th</sup> place in this order of priority.

If the Series A1, Series A2 and Series B Bonds had not been fully repaid, or if such repayment were not to be made on the relevant Payment Date, the Available Resources applicable to this 5<sup>th</sup> place in the order of priority will be reduced by the amount of the Available Fund for Repayment, if the amount resulting from reducing the Outstanding Principal Balance of Series B by the following amounts is greater than zero:

- a) the remaining Available Resources after deducting the amounts of the payment obligations in 1<sup>st</sup> through 5<sup>th</sup> place (including any interest accruing on the Series C Bonds);
- b) the Balance in the Repayment Account;
- c) the Outstanding Balance in the Mortgage Portfolio on the Payment Date in question.

and any interest accruing on the Series C Bonds which was unable to be paid in this place will then be deferred to 9<sup>th</sup> place.

6<sup>th</sup> Payment of interest accrued on the Series D Securitisation Bonds, unless that payment is deferred to 10<sup>th</sup> place in this order of priority.

If the Series A1, Series A2, Series B and Series C Bonds had not been fully repaid, or if such repayment were not to be made on the relevant Payment Date, the Available Resources applicable to this 6<sup>th</sup> place in the order of priority will be reduced by the amount of the Available Fund for Repayment, if the amount resulting from reducing the Outstanding Principal Balance of Series C by the following amounts is greater than zero:

- a) the remaining Available Resources after deducting the amounts of the payment obligations in 1<sup>st</sup> through 6<sup>th</sup> place (including any interest accruing on the Series D Bonds);
- b) the Balance in the Repayment Account;

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- c) the Outstanding Balance in the Mortgage Portfolio on the Payment Date in question.

and any interest accruing on the Series D Bonds which was unable to be paid in this place will then be deferred to 10<sup>th</sup> place.

- 7<sup>th</sup> Withholding of an amount sufficient to make the Provision for the Capital Repayment Fund under section II.11.3.5 of this Folleto.
- 8<sup>th</sup> Payment of interest accrued on the Series B Securitisation Bonds, whenever this payment is deferred.
- 9<sup>th</sup> Payment of interest accrued on the Series C Securitisation Bonds, whenever this payment is deferred.
- 10<sup>th</sup> Payment of interest accrued on the Series D Securitisation Bonds, whenever this payment is deferred.
- 11<sup>th</sup> 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.
- 12<sup>th</sup> 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.
- 13<sup>th</sup> Payment of Fixed Remuneration accrued on the Subordinated Loan.
- 14<sup>th</sup> Repayment of the principal amount of the Subordinated Loan as established in Section V.3.3. of the Folleto.
- 15<sup>th</sup> Payment of the Variable Remuneration of the Subordinated Loan.

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. Notwithstanding the foregoing, if the Pro Rata Repayment Conditions described in the following paragraph are met, the Capital Repayment Fund will be allocated to repay all Series (or to deposit the amounts allocated to repay 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, (ii) the Outstanding Principal Balance of Series A2 reduced by the balance, if any, of the amounts allocated to repay the principal of Series A2 deposited in the Repayment Account, at the Determination Date preceding the Payment Date in question, (iii) the Outstanding Principal Balance of Series B, (iv) the Outstanding Principal Balance of Series C, and (v) the Outstanding Principal Balance of Series D.
- 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:

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

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 Bonds
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 Bonds
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 Bonds.

#### **V.5.2 Exceptional rules for the order of priority of payments by the Issuer**

If the event giving rise to the Commitment to Grant a Liquidity Line occurs and, accordingly, the Liquidity Line is granted, the payment of the fees, interest and principal of that Liquidity Line will be ranked 3<sup>rd</sup> in said order of priority and the rest of the payments contained in the following items will be renumbered accordingly.

#### **V.5.3 Rules for the order of priority of payments in the event of the Issuer's liquidation**

The Gestora will liquidate the Issuer on the Payment Date on which the following takes place, pursuant to section III.8 of the Folleto, by allocation of the funds available from the following items: (i) the Available Resources; (ii) any amounts being obtained by the Issuer on the disposal of the assets relating to any remaining Mortgage Transfer Certificates and, if appropriate, (iii) any amount drawn down under a credit facility arranged to be used in full for the final repayment of the Series A1, Series A2, Series B, Series C and Series D Bonds pursuant to section III.8 in the following order of priority of payments (the "**Liquidation Order of Priority**"):

- 1<sup>st</sup>.- Reserve to cover tax, administrative or advertising expenses incurred on the termination and liquidation of the Issuer;
- 2<sup>nd</sup>.- Payment of the ordinary and extraordinary expenses of the Issuer, whether or not funded by the Gestora and duly evidenced, including the management fee due to the Gestora and the remaining expenses and fees for services.  
  
In this order of priority, payments will only be made to CAIXA CATALUNYA in relation to the management of 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.
- 3<sup>rd</sup>.- Payment to CAIXA CATALUNYA or, as the case may be, any entity that may replace it, of the Net Swap Amount of the Securitisation Bonds and also, only if the Swap Agreement is terminated due to breach by the Issuer, payment of the amount due by the Issuer as the payment for settlement of the Swap Agreement.
- 4<sup>th</sup>.- Payment of interest accrued on the Series A1 and A2 Bonds.
- 5<sup>th</sup>.- Repayment of principal of the Series A1 and A2 Bonds.
- 6<sup>th</sup>.- Payment of interest accrued on the Series B Bonds.
- 7<sup>th</sup>.- Repayment of principal of the Series B Bonds.
- 8<sup>th</sup>.- Payment of interest accrued on the Series C Bonds.

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

- 9<sup>th</sup>.- Repayment of principal of the Series C Bonds.
- 10<sup>th</sup>.- Payment of interest accrued on the Series D Bonds.
- 11<sup>th</sup>.- Repayment of principal of the Series D Bonds.
- 12<sup>th</sup>.- Payment of the Swap Agreement, should said Agreement be terminated due to breach by the other party, payment of the amount due by the Issuer as the payment for settlement of said Swap Agreement.
- 13<sup>th</sup>.- Payment of Fixed Remuneration accrued on the Subordinated Loan.
- 14<sup>th</sup>.- Repayment of the principal amount of the Subordinated Loan as established in Section V.3.3. of the Folleto.
- 15<sup>th</sup>.- Payment of the Variable Remuneration of the Subordinated Loan.

If in a single order of priority there are amounts claimable for different items on the Legal Repayment Date or on the Date of Payment on which early liquidation takes place, and the Available Resources are insufficient to cover all amounts claimable under those items, the remaining Available Resources will be allocated pro rata among said amounts claimable for each item, and the amount allocated to each item will be distributed according to the order of repayment of the claimable debts.

No document other than the Informative Prospectus (*Folleto Informativo*), as 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 8, FONDO DE TITULIZACIÓN DE ACTIVOS.

### **VI.1 Information on the Company, except for its capital.**

#### **VI.1.1 Name and registered office.**

- λ Name: GESTIÓN DE ACTIVOS TITULIZADOS, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN S.A.
- λ Registered Office: Fontanella 5-7, 08010 Barcelona
- λ N.I.F.: A61604955
- λ C.N.A.E.: 0074

#### **VI.1.2 Establishment 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 establishment, management and legal representation of both asset securitisation funds and of mortgage securitisation funds”.



No document other than the Informative Prospectus (*Folleto Informativo*), as 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 May 5], 2005. 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 Establishment 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 Establishment. 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 Establishment 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*), as 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. Jaime Sambola Pijuan
- Mr. Alberto Foz Val

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 30<sup>th</sup>, 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 20<sup>th</sup>, 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 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 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 establishment 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 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.**

**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 LETTERS**

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## **ANNEX 6**

### **DECLARATIONS OF CAIXA CATALUNYA IN RELATION TO THE CONTENT OF THE FOLLETO**

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## **ANNEX 7**

### **DEFINITIONS**