OFFERING CIRCULAR

October 28, 2003

RURAL HIPOTECARIO V

FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS

EUR 695,000,000

Series A1	EUR	566,800,000	Aaa
Series A2	EUR	100,000,000	Aaa
Series B	EUR	18,800,000	A2
Series C	EUR	9,400,000	Baa3

Backed by mortgage certificates and pass-through certificates

issued on mortgage loans by

CAIXA RURAL DE BALEARS
CAJA RURAL ARAGONESA Y DE LOS PIRINEOS
CAJA RURAL DE ARAGÓN
CAJA RURAL DE BURGOS
CAJA RURAL DE NAVARRA
CAJA RURAL DE TENERIFE
CAJA RURAL DE TERUEL
CAJA RURAL DE TOLEDO
CAJA RURAL DEL DUERO
CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA
CAJA RURAL DEL SUR
CAJA RURAL INTERMEDITERRÁNEA
CAJA RURAL SAN VICENTE FERRER DE VALL DE UXO

Lead Managers

BANCO COOPERATIVO ESPAÑOL

CRÉDIT AGRICOLE INDOSUEZ

DZ BANK

SG

Underwriters and Placement Agents

Banco Cooperativo

DZ BANK

Crédit Agricole Indosuez

Société Générale

Ahorro Corporación Financiera S.V.
Banesto
Caja Madrid
Dexia
InverCaixa
EBN Banco
Natexis Banques Populaires

Paying Agent and Treasury Account

Banco Cooperativo

Fund structured, constituted and managed by

edt Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Offering Circular entered in the Registers of the Comisión Nacional del Mercado de Valores

Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Material Event concerning **RURAL HIPOTECARIO V Fondo de Titulización de Activos**

As provided for in the Offering Circular or Prospectus for **RURAL HIPOTECARIO V Fondo de Titulización de Activos** (the "**Fund**") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On July 16, 2015 the Fund's Treasury Account is to be effectively transferred to CITIBANK INTERNATIONAL LTD, Sucursal en España ("**CITIBANK**"), following the signature, on July 9, 2015, of a new Guaranteed Interest Rate Account (Treasury Account) Agreement by the Management Company, for and on behalf of the Fund, CITIBANK and BANCO COOPERATIVO ESPAÑOL, S.A. and the relevant notice to BARCLAYS BANK, PLC Sucursal en España, as the former provider of the Fund's Treasury Account. CITIBANK is to be designated on the same effective date as the Bond Paying Agent, following the signature on July 9, 2015 of a new Paying Agent Agreement by the Management Company, for and on behalf of the Fund, CITIBANK and BANCO COOPERATIVO ESPAÑOL, S.A. and the relevant notice to BARCLAYS BANK, PLC Sucursal en España, as the former Paying Agent.

  The ratings for CITIBANK INTERNATIONAL LTD's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agencies are currently as follows:

	Moody's
Short-term	P-1
Long-term	A1

- As a result of the new Agreements referred to above, the following sections of the Fund Prospectus shall henceforth read as follows:

Section	**Description**
V.3.1 Prospectus Paragraphs 2 et seq. (Treasury Account)	CITIBANK shall pay an annual nominal interest rate, floating quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each Interest Accrual Period to the positive daily balances if any on the Treasury Account, equal to the higher of (i) zero percent (0.00%); and (ii) the interest rate resulting from increasing (a) the Euribor rate currently calculated and distributed by the financial information system Global Rate Set Systems Ltd (GRSS) under a European Money Markets Institute (EMMI) mandate and three- (3-) month EURIBOR ACI, set at 11am (CET) on the second Business Day preceding the first day of each interest accrual period (b) by a 0.20% margin. That interest will be in force until July 16, 2018. Interest shall be settled on each Payment Date and be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty (360-) day year. The first interest accrual period shall comprise the days elapsed between July 16, 2015 and September 15, 2015.

Lagasca, 120 (1º) -28006 MADRID- Telf.: (34) 91 411 84 67 – Fax: (34) 91 411 84 68 – www.edt-sg.com – info@edt-sg.com
Registro Mercantil de Madrid. Tomo 5461, Folio 49, Sección 8, Hoja M-89355, Inscripción 1ª Fecha 11/03/93 NIF A-80514466

Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Section	Description
	In the event that the short-term unsecured and unsubordinated debt obligations of CITIBANK INTERNATIONAL LTD or of the institution in which the Treasury Account is opened (the "Treasury Account Provider") should be downgraded below P-1 by Moody's, the Management Company shall, within not more than thirty (30) Business Days from the occurrence of that event, after notifying Moody's, do one of the following in order to allow a suitable level of guarantee to be maintained with respect to the Treasury Account Provider's commitments under this Agreement: a) Obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by CITIBANK of its obligation to repay the amounts credited to the Treasury Account, for such time as the downgrade below P-1 remains as aforesaid. b) Transfer the Fund's Treasury Account to a credit institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, arranging the highest possible yield for its balances, which may differ from that arranged with CITIBANK under this Agreement. c) If a) and b) above are not possible, obtain from the Originators, BANCO COOPERATIVO or a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español)*, in an amount sufficient to guarantee the commitments established in this Agreement and in order for the rating assigned to the Bonds by the Rating Agency not to be adversely affected. d) Moreover, if none of the above are possible on the terms laid down, the Management Company may invest the balances for not more than quarterly periods and maturing no later than the following Payment Date in short-term fixed-income assets in Euros issued by institutions with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with CITIBANK under this Agreement. In the event that the Treasury Account Provider's debt obligations should be downgraded or removed by the Rating Agency, it shall notify the Management Company All costs, expenses and taxes incurred in connection with putting in place and arranging the above options shall be borne by BANCO COOPERATIVO. BANCO COOPERATIVO shall agree, upon a credit rating downgrade of the Treasury Account Provider triggering one of a) or b) above, to use commercially reasonable efforts in order that the Management Company may do one of the above. In the event that the short-term unsecured and unsubordinated debt obligations of BANCO COOPERATIVO should subsequently be upgraded back to being at least as high as P-1 by Moody's, before July 16, 2018, the Management Company may transfer the balances to BANCO COOPERATIVO as the new treasury account provider subject to CITIBANK and BANCO COOPERATIVO so agreeing.

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Section	Description
V.3.6 Prospectus Paragraphs 3, 4 and 5 (Paying Agent Agreement)	Both in the event of a breach by CITIBANK of the obligations under this Agreement and of a downgrade of credit ratings of CITIBANK INTERNATIONAL LTD which may be detrimental to the ratings assigned to the Bonds by the Rating Agency, the Management Company may revoke the designation of CITIBANK as Paying Agent and designate another substitute institution, subject to notice being previously served on CITIBANK at least ten (10) Business Days in advance of the closest Payment Date, other than in the event of termination for breach. BANCO COOPERATIVO shall agree, forthwith upon a credit rating downgrade of CITIBANK INTERNATIONAL LTD as set out in the preceding paragraph, to use commercially reasonable efforts in order that the Management Company may do one of (i) or (ii) above. Notwithstanding the above, the Management Company shall not be able to revoke the designation of CITIBANK as Paying Agent until July 16, 2016. In addition, CITIBANK may decline to carry on discharging its duties from July 16, 2016. The Fund shall not pay CITIBANK any fee as Paying Agent.

Madrid, July 15, 2015

Mario Masiá Vicente
General Manager

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This document is an English-language translation of the Spanish Offering Circular. No document other than the Spanish Offering Circular which has been verified and entered in the official registers of the Comisión Nacional del Mercado de Valores may be considered as having any legal effect whatsoever in respect to the Bonds.

This translation has been prepared for information purposes only. In the event of any discrepancy betwen the Spanish Offering Circular and the translation, the Spanish Offering Circular shall prevail.

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The Appendixes mentioned in the Offering Circular have not been translated and are not included in this translation. These Appendixes are available in Spanish upon request from Management Company, and can be found in the Spanish version of the Offering Circular.

CHAPTER 0

SUMMARY OF THE OFFERING CIRCULAR

0.1 Summary of the characteristics of the issued or offered securities covered by this full offering circular and of the procedure for their placement and allocation among investors.

The following are the main terms and conditions of this Bond Issue:

Class of security: Asset-Backed Bonds (the "**Bonds**") represented by means of book entries.

Issuer: RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS

The Fund assets shall consist of the Mortgage Certificates and the Pass-Through Certificates issued by Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V. (the "**Originators**").

Issue Amount: Face value of EUR six hundred and ninety-five million (695,000,000) consisting of four Bond Series distributed as follows:

		Face Amount per Bond (EUR)	Number of Bonds	Series Total Face Amount (EUR)
Class A	Series A1	100,000.00	5,668	566,800,000.00
Class A	Series A2	100,000.00	1,000	100,000,000.00
Series B		100,000.00	188	18,800,000.00
Series C		100,000.00	94	9,400,000.00

Payment of interest and repayment of principal on the Series B and C Bonds is deferred with respect to the Class A Bonds, as provided in the Fund Priority of Payments.

Payment of interest and repayment of principal on the Series C Bonds is deferred with respect to the Class A Bonds and the Series B Bonds, as provided in the Fund Priority of Payments.

Issue price: 100 percent of the face value of each Bond, clear of taxes and subscription costs for the subscriber through the Fund.

Ratings: Provisional ratings have been assigned on the Fund constitution date by the Rating Agency Moody's Investors Service España, S.A. ("**Moody's**") for each of the Bond Series issued by the Fund, as follows:

Bond Series	**Moody's Ratings**
Series A1	**Aaa**
Series A2	**Aaa**
Series B	**A2**
Series C	**Baa3**

Moody's expects to confirm those provisional ratings as final by the start of the Bond Subscription Period. Failure to do so would result in the Fund not being constituted, the Bond Issue not being made and the Mortgage Certificates and the Pass-Through Certificates not being issued and subscribed for.

Moody's may revise, suspend or withdraw the final ratings at any time, which would not constitute an early amortisation event of the Fund.

Secondary Bond-Trading Market: AIAF FIXED-INCOME MARKET (*AIAF MERCADO DE RENTA FIJA*) ("**AIAF**").

The Management Company agrees that final listing of the Bonds on that market shall take place no later than one month after the Closing Date and shall at all events take place by the first Payment Date (December 15, 2003).

Institution in charge of the Bond accounting record: SOCIEDAD DE GESTIÓN DE LOS SISTEMAS DE REGISTRO, COMPENSACIÓN Y LIQUIDACIÓN DE VALORES S.A. (either "**Systems Company**" or "**Iberclear**").

Bondholders shall be identified as such when entered in the accounting record kept by the Members of Iberclear or any replacement institution.

0.1.1 Nominal Interest Rate:

The Bonds in each Series will accrue an annual nominal interest, variable quarterly and payable quarterly in arrears on each Payment Date, being the result of applying to the Outstanding Principal Balance of the Bonds in each Series the Nominal Interest Rate determined for each Series.

Accrual of interest:

Interest in each Series will accrue in respect of interest accrual periods.

a) The interest accrual periods of Series A1, B and C ("**Interest Accrual Period**") will comprise the exact number of days elapsed between every two consecutive Payment Dates (March 15, June 15, September 15 and December 15 or the following Business Day if any of those is not a Business Day), including the beginning Payment Date, but not including the ending Payment Date. The duration of the first Interest Accrual Period shall be equivalent to the time elapsed between the Closing Date, inclusive, and the first Payment Date, to wit December 15, 2003, exclusive.

b) The interest accrual periods of Series A2 will comprise the exact number of days elapsed between every two consecutive settlement dates on March 15, June 15, September 15 and December 15, even if they are not Business Days. Each interest accrual period shall include the beginning settlement date but shall not include the ending settlement date. Nevertheless, payment of interest accrued shall be made by interest accrual periods in arrears on the relevant Payment Date, which may not match the settlement date if the latter is not a Business Day. The duration of the first interest accrual period shall be equivalent to the time elapsed between the Closing Date, inclusive, and the first settlement date, to wit December 15, 2003, exclusive.

Interest shall be accrued at the Nominal Interest Rate applicable to each of the Series and on the exact number of days elapsed in each interest accrual period for which it was determined, calculated on the basis of a 360-day year.

The withholdings, contributions and taxes established now or in the future on the Bond principal, interest or income shall be exclusively payable by the Bondholders, and their amount shall be deducted, as the case may be, by the Management Company, for and on behalf of the Fund, in the manner statutorily prescribed.

Nominal Interest Rate.

a) Nominal Interest Rate applicable to Series A1, B and C.

The Nominal Interest Rate applicable to Series A1, B and C and determined for each Interest Accrual Period shall be the result of adding: (i) the Euribor Reference Rate and (ii) the following margins for each of Series A1, B and C, all of which shall be rounded up to the nearest thousandth of a percentage point.

- **Series A1:** margin ranging between 0.23% and 0.26%, both inclusive.
- **Series B:** margin ranging between 0.60% and 0.75%, both inclusive.
- **Series C:** margin ranging between 1.25% and 1.50%, both inclusive.

The margin applicable to each of Series A1, B and C, expressed as a percentage, shall be determined with one accord among the Lead Managers by 10am (CET time) on the day on which the Subscription Period begins (October 29, 2003).

Failing an agreement, the Management Company shall fix the specific margin in respect of those where no agreement was arrived at, as follows:

· **Series A1:** 0.26% margin.
· **Series B:** 0.75% margin.
· **Series C:** 1.50% margin.

The final margins applicable to each of Series A1, B and C fixed shall be notified by the Management Company by the start of the Subscription Period to the Lead Managers and to the Underwriters and Placement Agents, to be reported to investors interested in subscribing for the Series A1, B and C Bonds. The Management Company will also notify this to the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) ("**CNMV**") as information in addition to this Offering Circular.

Other than for the first Interest Accrual Period, the Euribor Reference Rate is three- (3-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding each Payment Date, and shall apply for the following Interest Accrual Period.

Exceptionally, the Nominal Interest Rate for Series A1, B and C for the first Interest Accrual Period shall be determined taking as the Euribor Reference Rate the rate resulting from the straight-line interpolation between the one- (1-) month and the two- (2-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, and shall be notified in writing by the Management Company by the start of the Subscription Period to the Lead Managers and to the Underwriters and Placement Agents, to be reported to investors interested in subscribing for the Series A1, B and C Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, the AIAF and Iberclear.

b) Nominal Interest Rate applicable to Series A2.

The Nominal Interest Rate applicable to Series A2 and determined for each Series A2 interest accrual period shall be the lower of (i) the rate applied by the EUROPEAN INVESTMENT BANK ("EIB Rate"), and (ii) the Euribor Reference Rate increased by a 0.13% margin, all of which shall be rounded up to the nearest hundred thousandth of a percentage point.

Other than for the first Series A2 interest accrual period, the EUROPEAN INVESTMENT BANK shall notify the EIB Rate to the Management Company within ten (10) days of the commencement date of each Series A2 interest accrual period.

Exceptionally, the Nominal Interest Rate applicable for Series A2 for the first interest accrual period shall be the two- (2-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, and shall be notified in writing by the Management Company by the start of the Subscription Period to the EUROPEAN INVESTMENT BANK. The Management Company will also notify this to the CNMV, the Paying Agent, the AIAF and Iberclear.

Payment of interest.

a) Payment of interest on the Series A1, B and C Bonds shall be made until they are amortised in respect of Interest Accrual Periods in arrears on each of the Payment Dates (March 15, June 15, September 15 and December 15 or the following Business Day if any of those is not a Business Day). The first Payment Date shall be December 15, 2003.
   In this Bond Issue, business days ("**Business Days**") shall mean any day other than a Saturday, Sunday or non-business day in the TARGET calendar.

b) Payment of interest on the Series A2 Bonds shall be made until final amortisation in respect of interest accrual periods in arrears on the Payment Dates falling on the Series A2 settlement dates (March 15, June 15, September 15 and December 15) which may not match the Series A2 settlement dates if the latter are not Business Days.

Payment of amounts due on each Series shall be made on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments described hereinafter.

0.1.2 Amortisation of the Bonds.

Redemption price: 100 percent of the face value of each Bond.

1. Amortisation of Series A1 Bonds.

Series A1 Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series A1, pro rated between the Bonds in Series A1 proper by reducing the face value of each Bond in Series A1.

The first Payment Date for amortisation of the Series A1 Bonds shall fall on December 15, 2003. After that Payment Date, the Available Funds for Amortisation shall be applied to the amortisation of Series A1, and shall be distributed for the amortisation of this Series in accordance with the rules for Distribution of Available Funds for Amortisation between each Series.

The final amortisation of the Series A1 Bonds shall occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

2. Amortisation of Series A2 Bonds.

Series A2 Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series A2, pro rated between the Bonds in Series A2 proper by reducing the face value of each Bond in Series A2.

1. Series A2 Bonds shall be amortised in twenty-eight (28) consecutive quarterly instalments on the Series A2 settlement dates comprised between December 15, 2006 and September 15, 2013, both inclusive, and in the amounts shown on the repayment schedule contained in section II.11.2.2.1 of the Offering Circular.

   Series A2 Bonds shall be amortised in accordance with the provisions of rule 2.1 for Distribution of Available Funds for Amortisation between each Series, also contained in section 0.2.5.3, on any of the settlement dates determined in the Series A2 repayment schedule or on the settlement dates after September 15, 2013 if the Series A2 principal has not been fully repaid. The repayment due on the relevant settlement date shall be the lower of the following amounts:

   1. The higher of:

      (i) The repayment instalment determined in the Series A2 repayment schedule for the relevant settlement date.

      (ii) The difference, if positive, between (a) the Outstanding Principal Balance of Series A2 on the Determination Date preceding the relevant Payment Date and (b) the outstanding principal balance of Series A2 determined in the Series A2 repayment schedule for the relevant settlement date or determined for the September 15, 2013 settlement date, if the relevant settlement date is after September 15, 2013.

   2. The Outstanding Principal Balance of Series A2 on the Determination Date preceding the relevant Payment Date.

In the event that any of the Payment Dates should not match the relevant Series A2 settlement date because the latter is not a Business Day, amortisation of Series A2 due on the settlement date shall take place on the following Payment Date.

Nevertheless, the amortisation of Series A2 Bonds for which provision is made in this section shall not be effective on any of the settlement dates determined in the Series A2 repayment schedule or on the settlement dates after September 15, 2013, if the Series A2 principal has not been fully repaid on the relevant Payment Dates on which the Pro Rata Amortisation of Class A applies in accordance with the provisions of paragraph 2 below.

2. The Series A2 Bonds will also be amortised on the Payment Dates on which the Pro Rata Amortisation of Class A applies in certain circumstances and in the amounts calculated as provided for in rule 2.2 for Distribution of Available Funds for Amortisation between each Series, which is also contained in section 0.2.5.3.

Without prejudice to the provisions of the preceding paragraphs in this section, the final amortisation of the Series A2 Bonds shall at all events occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

3. Amortisation of Series B Bonds.

Series B Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series B, pro rated between the Bonds in Series B proper by reducing the face value of each Bond in Series B.

The first partial amortisation of Series B Bonds shall occur on the Payment Date immediately after the Payment Date on which the Outstanding Principal Balance of Series B is equal to or greater than 5.40% of the Outstanding Principal Balance of the Bond Issue. After that Payment Date, the Available Funds for Amortisation shall be also applied, in addition to the amortisation of Class A, to the amortisation of Series B and Series C, and be distributed for the amortisation of Series B such that the above ratio of the Outstanding Principal Balances of Series B to the Bond Issue is kept at 5.40%, or a higher percentage closest thereto. The partial amortisation of Series B and Series C Bonds may however be stopped in certain circumstances for which provision is made in the rules for Distribution of Available Funds for Amortisation between each Series.

The final amortisation of the Series B Bonds shall occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

4. Amortisation of Series C Bonds.

Series C Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series C, pro rated between the Bonds in Series C proper by reducing the face value of each Bond in Series C.

The first partial amortisation of Series C Bonds shall occur on the Payment Date immediately after the Payment Date on which the Outstanding Principal Balance of Series C is equal to or greater than 2.70% of the Outstanding Principal Balance of the Bond Issue. After that Payment Date, the Available Funds for Amortisation shall be also applied, in addition to the amortisation of Class A, to the amortisation of Series B and Series C, and be distributed for the amortisation of Series C such that the above ratio of the Outstanding Principal Balances of Series C to the Bond Issue is kept at 2.70%, or a higher percentage closest thereto. The partial amortisation of Series B and Series C Bonds may however be stopped in certain circumstances for which provision is made in the rules for Distribution of Available Funds for Amortisation between each Series.

The final amortisation of the Series C Bonds shall occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

0.1.3 Subscription and placement procedure for the Series A1, B and C Bonds.

Lead Managers:	· **BANCO COOPERATIVO**
	· **CRÉDIT AGRICOLE INDOSUEZ**
	· **DZ BANK**
	· **SOCIÉTÉ GÉNÉRALE**
Underwriters and Placement Agents:	· **BANCO COOPERATIVO**
	· **CRÉDIT AGRICOLE INDOSUEZ**
	· **DZ BANK**
	· **SOCIÉTÉ GÉNÉRALE**
	· **AHORRO CORPORACIÓN FINANCIERA S. V.**
	· **BANESTO**
	· **CAJA MADRID**
	· **DEXIA**
	· **EBN BANCO**
	· **INVERCAIXA**
	· **NATEXIS BANQUES POPULAIRES**

Investors to whom the Bonds are offered.

The placement of the Series A1, B and C Bonds is targeted at institutional investors.

Subscription Period.

The Subscription Period for the Series A1, B and C Bonds shall commence at 1pm (CET time) on October 29, 2003, and end at 4pm (CET time) on the same day.

Payment method and date.

The investors to whom the Series A1, B and C Bonds are allocated shall pay the relevant Underwriter and Placement Agent by 12 o'clock noon (CET time) on October 31, 2003 ("**Closing Date**"), for same day value, the relevant issue price for each Bond allocated for subscription.

0.1.4 Subscription for the Series A2 Bonds.

The Series A2 Bonds shall be fully subscribed for by the EUROPEAN INVESTMENT BANK under the Series A2 Bond Subscription Agreement.

The EUROPEAN INVESTMENT BANK shall pay to the Paying Agent on the Closing Date, for same day value, the Series A2 Bond subscription amount.

0.1.5 National laws governing the securities and jurisdiction in the event of litigation.

The constitution of the Fund and the issue of the Bonds are subject to Spanish Law, and specifically to the legal system established by Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**"), Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7, ("**Act 19/1992**") failing a provision in Royal Decree 926/1998 and to the extent applicable, by Securities Market Act 24/1988, July 28 (the "**Securities Market Act**"), as amended by Act 37/1998, November 16, and by Act 44/2002, November 22, Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other changes relating to the financial system ("**Act 3/1994**") and Financial System Reform Measures Act 44/2002, November 22, ("**Act 44/2002**"), and as prescribed by Royal Decree 291/1992, March 27, on Issues of and Public Offerings for the Sale of Securities ("**Royal Decree 291/1992**"), as amended by Royal Decree 2590/1998, December 7, and the Order dated July 12, 1993 implementing the same, and National Securities Market Commission Circular 2/1994, March 16, approving the standard Offering Circular for constituting Mortgage Securitisation Funds ("**Circular 2/1994**"), and National Securities Market Commission Circular 2/1999, April 22, approving certain standard offering circulars for use in public issues and offerings of securities ("**Circular 2/1999**").

The constitution of the Fund, the Bond issue and the agreements for transactions hedging financial risks and the rendering of services to be entered into by the Management Company on behalf of the Fund are subject to Spanish Law. In any event, the Deed of Constitution shall be governed by and construed in accordance with Spanish Laws.

All matters, disagreements, actions and claims deriving from the Management Company's constitution, administration and legal representation of RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS, and the Bond Issue by the same, shall be heard and decided by the competent Spanish Courts and Tribunals.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against Obligors who may have defaulted on their payment obligations under the Mortgage Loans. Any such rights shall lie with the Management Company, representing the Fund holding the Mortgage Certificates and the Pass-Through Certificates issued backed by the Mortgage Loans.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of default of amounts due by the Fund resulting from a default of the Mortgage Loans by the relevant obligors or breach by the other parties to the transactions arranged for and on behalf of the Fund.

The Bondholders and the remaining creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties and obligations or inobservance of the provisions of the Deed of Constitution and of the Offering Circular. Those actions shall be resolved by means of the relevant ordinary declaratory proceedings depending on the amount claimed. Moreover, the Management Company shall be liable for such penalties as may be levied under the provisions of Act 19/1992.

0.2 Considerations regarding activities, financial position and most relevant circumstances of the Fund.

0.2.1 Nature of the Fund.

The constitution of and the issue of the Bonds by the Fund shall be subject to (i) the Deed of Constitution; (ii) Royal Decree 926/1998 and implementing regulations; (iii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable; (iv) Act 3/1994; (v) Act 44/2002; (vi) Securities Market Act 24/1988, and (vii) all other legal and statutory provisions in force and applicable from time to time.

The Fund shall be a separate closed-end fund, devoid of legal personality. Its assets shall comprise the Mortgage Certificates and the Pass-Through Certificates pooled therein upon being constituted, and the Cash Reserve credited to the Treasury Account, and its liabilities shall comprise the Bonds issued, the Start-Up Loan and the Subordinated Loan, and the net worth of the Fund shall be nil.

The Fund shall be in existence until no later than March 15, 2035 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue.

0.2.2 Representation of the Fund: Management Company.

The management and representation of the Fund shall lie with the Management Company, EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, on the terms set in Royal Decree 926/1998, Act 19/1992 and other applicable laws, without prejudice to the provisions of the Deed of Constitution.

It is also the Management Company’s duty, as the manager of third-party funds, to represent and defend the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall safeguard at all times the interests of the Bondholders and all other creditors of the Fund, making its actions conditional on their protection and observing the provisions statutorily prescribed for that purpose. The Bondholders and the remaining creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties and obligations or inobservance of the provisions of the Deed of Constitution and this Offering Circular.

The Management Company shall notify the Bondholders of all and any circumstances that may be relevant to them, by publishing appropriate notices on the terms established in sections III.4.1 and III.4.2 of the Offering Circular.

The Management Company may be substituted on the terms and in the events provided in the Offering Circular.

0.2.3 Assets pooled in the Fund.

The Fund shall pool:

(i) Mortgage Certificates and Pass-Through Certificates issued by:

- CAIXA RURAL DE BALEARS S.C.C.
- CAJA RURAL ARAGONESA Y DE LOS PIRINEOS S.C.C.
- CAJA RURAL DE ARAGÓN S.C.C.
- CAJA RURAL DE NAVARRA S.C.C.
- CAJA RURAL DE TOLEDO S.C.C.
- CAJA RURAL DEL DUERO S.C.C.
- CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C.
- CAJA RURAL DEL SUR S.C.C.
- CAJA RURAL INTERMEDITERRÁNEA S.C.C.

(ii) Mortgage Certificates issued by:

- CAJA RURAL DE BURGOS S.C.C.
- CAJA RURAL DE TENERIFE S.C.C.
- CAJA RURAL DE TERUEL S.C.C.
- CAJA RURAL SAN VICENTE FERRER DE VALL DE UXO S.C.C.V.

The Originators shall issue mortgage participation certificates (the "**Mortgage Certificates**") and pass-through certificates (the "**Pass-Through Certificates**") on loans owned by the Originators granted to individuals with real estate mortgage security on finished homes located within Spanish territory, both directly and through subrogations of financing granted to developers for building homes (the "**Mortgage Loans**"). In this Chapter and elsewhere in the Offering Circular, the term "Mortgage Loans" shall be used in some definitions to generically refer to the Mortgage Certificates and the Pass-Through Certificates together, other than where reference is specifically made to the Mortgage Certificates and Pass-Through Certificates as such.

The total face value of the issue of Mortgage Certificates and of Pass-Through Certificates shall be at least equal to EUR six hundred and ninety-five million (695,000,000.00), the amount of the face value of the Bond Issue.

In the Deed of Constitution, the Management Company, for and on behalf of the Fund, and the Originators shall perfect the issue by the Originators of the Mortgage Certificates and the Pass-Through Certificates, making up an as yet indeterminate number, on the Mortgage Loans and up to the maximum amounts established by their Management Boards in their respective resolutions, and their subscription by the Fund.

The Mortgage Certificates shall be issued on Mortgage Loans meeting the requirements laid down in Section 2 of Mortgage Market Regulation Act 2/1981, March 25. Mortgage Loans failing to meet those requirements because the outstanding principal balance as of the date of constitution is in excess of 80 percent of the appraisal value of the mortgaged property, shall be the subject of an issue of Pass-Through Certificates also in accordance with the provisions of additional provision five of Act 3/1994 as worded by Financial System Reform Measures Act 44/2002, November 22.

The issue of the Mortgage Certificates and of the Pass-Through Certificates shall be made in respect of 100 percent of the outstanding principal and ordinary and late-payment interest on the relevant Mortgage Loan, as well as all other amounts, assets or rights attaching to each of the Mortgage Loans, excluding the total or partial early termination fees.

The issue price of the Mortgage Certificates and of the Pass-Through Certificates will be equal to the face value of the outstanding capital or principal of the underlying Mortgage Loan.

The Fund's rights resulting from the Mortgage Certificates and the Pass-Through Certificates will all be linked to the payments made by the obligors of the Mortgage Loans and shall therefore be directly affected by their progress, delays, prepayments or any other incident related thereto.

The Originators issuing the Mortgage Certificates and the Pass-Through Certificates shall not bear the risk of default on the Mortgage Loans and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing by the Obligors under the Mortgage Loans. They will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Mortgage Certificates and the Pass-Through Certificates, other than where any of these or of the Mortgage Loans fail to conform to the representations set down in section IV.1.a) of this Offering Circular or the specific characteristics the Originators may have communicated to the Management Company, due to a failure by the relevant Mortgage Loan to so conform.

The Mortgage Loans shall consist of most of a selection of mortgage loans whose characteristics are described in section IV.4 of this Offering Circular. The outstanding principal on the 10,940 mortgage loans selected as of October 6, 2003 amounted on that date to EUR 749,434,533.26, of which EUR 749,359,994.07 was the outstanding principal and EUR 74,539.19 the overdue principal.

The following are the details of the selected mortgage loans depending on whether the ratio of the outstanding principal as of October 6, 2003 to the appraisal value of the mortgaged property is greater or lower than 80 percent:

	Mortgage Loans	**Outstanding Principal**			**Ratio (%)**	
			Outstanding	**Overdue**	**Weighted Average** [1]	**Maximum**
Equal to or less than 80%	10,344	695,145,662.39	695,076,435.26	69,227.13	60.96%	79.99%
Greater than 80%	596	54,288,870.87	54,283,558.81	5,312.06	86.88%	98.98%
Total	**10,940**	**749,434,533.26**	**749,359,994.07**	**74,539.19**	**62.84%**	

[1] Average weighted to the outstanding principal

The following are the most significant characteristics of the 10,940 mortgage loans selected as of October 6, 2003:

- **Originators:**

CAIXA RURAL DE BALEARS	291 loans	€ 22,309,522.33 (2.98%)
CAJA RURAL ARAGONESA Y DE LOS PIRINEOS	502 loans	€ 34,201,464.36 (4.56%)
CAJA RURAL DE ARAGÓN	833 loans	€ 63,875,925.34 (8.52%)
CAJA RURAL DE BURGOS	238 loans	€ 13,431,623.77 (1.79%)
CAJA RURAL DE NAVARRA	1,132 loans	€ 100,525,919.27 (13.41%)
CAJA RURAL DE TENERIFE	521 loans	€ 29,966,194.40 (4.00%)
CAJA RURAL DE TERUEL	381 loans	€ 16,845,537.99 (2.25%)
CAJA RURAL DE TOLEDO	724 loans	€ 65,739,603.21 (8.77%)
CAJA RURAL DEL DUERO	1,060 loans	€ 53,722,936.24 (7.17%)
CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA	1,746 loans	€ 96,870,699.26 (12.93%)
CAJA RURAL DEL SUR	152 loans	€ 11,312,682.42 (1.51%)
CAJA RURAL INTERMEDITERRÁNEA	3,203 loans	€ 232,712,450.67 (31.05%)
CAJA RURAL S. VICENTE FERRER DE VALL DE UXO	157 loans	€ 7,8745,434.81 (1.05%)

- **Outstanding principal:** EUR 68,497.26 (average)
  EUR 62.84 (minimum)
  EUR 295,064.76 (maximum)
- **Age (by origination date):** 20.22 months (weighted average*)
  6.21 months - 31/03/2003 (minimum)
  143.08 months - 06/11/1991 (maximum)

- **Type of interest rate:** Floating interest throughout

- **Outstanding principal percentages according to benchmark indices and margin over weighted average index (“margin$_{wa}$”):**
  88.35% 1-year Euribor/Mibor (+0.87 margin$_{mp}$*)
  0.04% SCSV Lending Rate (+0.30 margin$_{mp}$*)
  0.09% MLAR Banks (+0.28 margin$_{mp}$*)
  6.75% MLAR Savings Banks (+0.28 margin$_{mp}$*)
  4.77% MLAR All Institutions (+0.31 margin$_{mp}$*)

- **Nominal interest rate:** 3.58% (weighted average*)
  2.51% (minimum)
  9.50% (maximum)

- **Final maturity date:** 31/03/2033 (maximum)
  30/06/2005 (minimum)
  264.40 months (weighted average final maturity*)

- **Loan-to-Value ratio:** 62.83% (weighted average*)
  0.03% (minimum)
  98.98% (maximum)

• **Geographical distribution by Autonomous Communities:**	14.94% Andalusia 14.00% Valencian Community 13.17% Aragón 8.33% Castile and Leon 8.14% Murcia 7.85% Catalonia 7.58% Madrid 7.24% Navarre 18.76% 11 Communities (below 5%)

*** Average weighted to outstanding principal of the selected mortgage loans.**

0.2.4 Financial transactions arranged for on behalf of the Fund.

In order to consolidate the financial structure of the Fund, enhance the safety or regularity in payment of the Bonds, cover the timing differences between the scheduled principal and interest flows on the Mortgage Loans and the Bonds, or, generally, transform the financial characteristics of the Mortgage Loans, and supplement management of the Fund, the Management Company shall, on behalf of the Fund, upon executing the Deed of Constitution, proceed to formally enter into the agreements established hereinafter, in accordance with the provisions of article 6.1 of Royal Decree 926/1998:

(i) Guaranteed Interest Rate Account (Treasury Account) Agreement.

(ii) Start-Up Loan Agreement.

(iii) Subordinated Loan Agreement.

(iv) Mortgage Loan Servicing Agreement.

(v) Mortgage Certificate and Pass-Through Certificate Custody Agreement.

(vi) Series A1, B and C Bond Management and Underwriting and Placement Agreement.

(vii) Series A2 Bond Subscription Agreement.

(viii) Bond Paying Agent Agreement.

(ix) Financial Intermediation Agreement.

The Management Company may extend or amend the agreements entered into on the Fund's behalf, substitute each of the service providers to the Fund under those agreements and indeed, if necessary, enter into additional agreements, including new credit facility agreements, provided that the circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agency, and that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Deed of Constitution or the agreements may also be amended upon a request by the CNMV.

0.2.5 Ordinary priority rules in payments by the Fund.

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

1. Source.

The available funds (the "**Available Funds**") on each Payment Date to meet the Fund's payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account:

a) Mortgage Certificate and Pass-Through Certificate principal repayment income received between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

b) Ordinary and late-payment interest income received on the Mortgage Certificates and the Pass-Through Certificates between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

c) The return received on the amounts credited to the Treasury Account, which shall include the amount with which the Cash Reserve is provisioned.

d) The amount with which the Cash Reserve is provisioned.

e) Any other amounts received by the Fund between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive, including those resulting from the sale or utilisation of properties awarded to the Fund.

f) The remainder upon drawing down the Start-Up Loan to the relevant extent for covering the timing difference between interest on the Mortgage Certificates and the Pass-Through Certificates, and on the Bonds on the first Payment Date.

2. Application.

The Available Funds shall be applied to meeting payment or withholding obligations falling due on each Payment Date in the following priority of payments (the "**Priority of Payments**"), irrespective of the time of accrual, other than item number 1, which may be made at any time as and when due:

1. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement and the Mortgage Certificate and Pass-Through Certificate Custody Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and amounts reimbursable to the Servicers, provided they are all properly supported, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of interest due on the Series A1 and Series A2 Bonds.

3. Payment of interest due on the Series B Bonds.

4. Payment of interest due on the Series C Bonds.

5. Amortising Bond principal in an amount equivalent to the positive difference, if any, between (i) the Outstanding Principal Balance of the Bond Issue on the day preceding the relevant Payment Date, and (ii) the Outstanding Balance of the Mortgage Loans on the relevant Payment Date in good standing in payments of amounts due or, if delinquent, with an arrears of less than eighteen (18) months.

   Depending on the liquidity existing on each Payment Date, the amount actually applied in accordance with the preceding paragraph to amortising Bond principal shall make up the Available Funds for Amortisation which shall be applied to each of the Series in accordance with the rules for Distribution of Available Funds for Amortisation between each Series established hereinafter in this same section.

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

   This application shall not occur on the Final Maturity Date or on the last Payment Date or Fund liquidation date.

   Furthermore, this application will be replaced on the last Payment Date or the Fund liquidation date with interest payment and principal repayment on the credit facility, if any, arranged for by the Management Company for the Early Amortisation of the Bond Issue.

7. Payment of interest due on the Start-Up Loan.

8. Payment of interest due on the Subordinated Loan.

9. Repayment of Start-Up Loan principal in the amortised amount.

10. Repayment of Subordinated Loan principal in the amortised amount.

11. Payment to the Servicers under the Servicing Agreement of the fee for servicing the Mortgage Loans.

    In the event that any other institution should replace any of the Servicers as Servicer, payment of the Mortgage Loan servicing fee earned by the other institution, to wit the new servicer, shall be included in item 1 above, along with the other payments included in the relevant item, other than in the event that the new servicer should be BANCO COOPERATIVO, in which case payment of the servicing fee shall remain in the same item 11.

12. Payment of the financial intermediation margin established as a variable remuneration under the Financial Intermediation Agreement.

Other than Bond principal repayment, which shall take place in accordance with the rules for Distribution of Available Funds for Amortisation among each Series established in paragraph 3 below, when accounts for different items exist in a same priority of payments and the remaining Available Funds are not sufficient to settle the amounts due under all of them, the remaining Available Funds shall be pro rated among the amounts payable under each such item, and the amount applied to each item shall be applied in the priority in which the accounts payable fall due.

3. Distribution of Available Funds for Amortisation among each Series.

The Available Funds for Amortisation shall be applied on each Payment Date to amortising each of the Series in accordance with the following rules ("**Distribution of Available Funds for Amortisation between each Series**"):

1. Until the first Payment Date (inclusive) on which the Outstanding Principal Balances of Series B and C are respectively equal to or in excess of 5.40% and 2.70% of the Outstanding Principal Balance of the Bond Issue, the Available Funds for Amortisation shall be fully applied to amortising Class A Bonds, in accordance with rule 2 below.

2. The Available Funds for Amortisation applied to amortising Class A, both under rule 1 above and under rules 3 and 4 below, shall be applied as follows:

2.1 Ordinary application in the following order:

   1. Repayment of Series A2 Bond principal in the amount of the repayment falling due on the Payment Date in accordance with the repayment schedule established for Series A2.
   2. Repayment of Series A1 Bond principal.

2.2 Exceptional pro rata application of Class A ("**Pro Rata Amortisation of Class A**"): the application priority of paragraph 2.1 above and repayment of Series A2 Bond principal in the amount of the repayment instalment in accordance with the repayment scheduled established for Series A2 shall be stopped on any Payment Date if any of the circumstances established below should occur.

   a) In the event that on the Determination Date immediately preceding the relevant Payment Date the amount of (i) the Outstanding Balance of Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due in relation to (ii) the amount of the Outstanding Balance of Mortgage Loans in good standing in payment of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date, is in excess of 2.00%.

      In that event, on the relevant Payment Date, the Available Funds for Amortisation applied to amortising Class A shall be applied to amortising Series A1 and Series A2 and be prorated among the same directly in proportion to the Outstanding Principal Balances of Series A1 and of Series A2 on the Determination Date preceding the relevant Payment Date.

   b) In the event that on the relevant Payment Date, if upon calculating the Available Funds for Amortisation and their distribution for repayment of principal of each of the Series in accordance with the remaining rules of this section, the Outstanding Principal Balance of Series A2 were to be in excess of 25.00% of the Outstanding Principal Balance of the Bond Issue.

      In that event, on the relevant Payment Date the Available Funds for Amortisation applied to amortising Class A shall be applied to amortising Series A1 and Series A2 and be distributed among the same in such a way that the ratio of (i) the Outstanding Principal Balance of Series A2 to (ii) the Outstanding Principal Balance of the Bond Issue is kept at 25.00% or lower percentage closest thereto.

3. From the Payment Date after the date on which the ratios established in rule 1 above are respectively equal to or greater than said 5.40% or 2.70%, the Available Funds for Amortisation shall be applied to amortising Class A and Series B and C, and be distributed among the same in such a way that the

above ratios of (i) the Outstanding Principal Balances of Series B and Series C to (ii) the Outstanding Principal Balance of the Bond Issue are respectively kept at 5.40% or 2.70%, or higher percentages closest thereto.

The Available Funds for Amortisation shall not however be applied to amortising Series B and Series C on the Payment Date upon the occurrence of any of the following circumstances:

a) That the amount of the Cash Reserve provisioned is less than the Required Cash Reserve.

b) That, on the Determination Date preceding the relevant Payment Date, the amount of (i) the Outstanding Balance of Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due in relation to (ii) the amount of the Outstanding Balance of Mortgage Loans in good standing in payment of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date, is in excess of 1.50%.

4. From the Payment Date, inclusive, on which the amount of the Outstanding Balance of the Mortgage Loans is less than 10% of the initial Outstanding Balance upon the Fund being constituted or on the Payment Date on which the Fund is liquidated, the Available Funds for Amortisation shall be sequentially applied firstly to amortising Class A, in accordance with rule 2 above, until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

0.2.6 Liquidation and termination of the Fund.

Termination of the Fund.

The Fund shall terminate in the following events:

i) Upon the Mortgage Certificates and the Pass-Through Certificates pooled therein being fully amortised.

ii) By the Early Liquidation procedure established in section III.7.1 of the Offering Circular.

iii) At all events, on the Final Maturity Date established for final Bond amortisation.

iv) Upon the Fund constitution terminating in the event that the Rating Agency should not confirm the assigned provisional ratings as final ratings by the start of the Subscription Period.

Early Liquidation of the Fund.

Following notice served on the CNMV, the Management Company shall be entitled to proceed to an early liquidation ("**Early Liquidation**") of the Fund and thereby an early amortisation, on a Payment Date, of the entire Bond Issue ("**Early Amortisation**"), when, in addition to the other Early Liquidation Events contained in section III.7.1, the Outstanding Balance of the Mortgage Loans pending amortisation is less than 10 percent of the initial Outstanding Balance and provided that the payment obligations derived from the Bonds issued by the Fund may be honoured and settled in full in the Priority of Payments, in accordance with the authorisation established in article 5.3 of Act 19/1992, and subject to the same requirements and procedures contained in said section III.7.1.

In order to proceed to that Early Liquidation of the Fund, it shall be necessary for the authorisations required to do so, as the case may be, to have been obtained from the CNMV or competent administrative authorities or bodies, and for Bondholders to be given fifteen (15) Business Days' notice, as prescribed in section III.4.2 of the Offering Circular, of the Management Company's resolution to proceed to an early liquidation of the Fund.

0.3 Risks inherent in the Bonds.

a) Risk of default on the Mortgage Certificates and the Pass-Through Certificates.

The holders of Bonds issued by the Fund shall bear the risk of default on the Mortgage Certificates and the Pass-Through Certificates pooled therein.

The Originators issuing the Mortgage Certificates and the Pass-Through Certificates shall not bear the risk of default on the Mortgage Certificates and the Pass-Through Certificates and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing by the Obligors under the Mortgage Loans. They will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to repurchase the Mortgage Certificates and the Pass-Through Certificates, other than where any of the Mortgage Certificates and of the Pass-Through Certificates or of the Mortgage Loans fail to conform to the representations set down in section IV.1.1 of this Offering Circular or the specific characteristics of the Mortgage Loans the Originators may have communicated to the Management Company.

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

b) Early amortisation risk of the Mortgage Certificates and of the Pass-Through Certificates.

There will be an early amortisation of the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund when the borrowers of the Mortgage Loans prepay the portion of principal pending repayment, on the terms set in each of the Mortgage Loan documents. Similarly, there will be a full amortisation of the Mortgage Certificates and the Pass-Through Certificates in the event that the Originators should be substituted in the relevant Mortgage Loans by any other financial institution licensed to do so or in any other event having the same effect.

The risk of that early amortisation shall pass quarterly on each Payment Date to the Bondholders by the partial amortisation of the Bonds.

c) Limited hedging.

An investment in the Bonds may be affected, among other circumstances, by a downturn in general economic conditions adversely affecting payments of the Mortgage Loans backing the Bond Issue of the Fund. A high level of delinquency might reduce or indeed eliminate the limited hedging provided by the Required Cash Reserve described in section III.2.3 of this Offering Circular. Moreover, the degree of subordination in payment of interest and repayment of Series C Bond principal with respect to the Class A Bonds and Series B Bonds and of the Series B Bonds with respect to the Class A Bonds derived from their position in the Fund Priority of Payments, is also a mechanism for distinctly hedging the different Series.

d) Liquidity.

There is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

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

The Fund may in no event repurchase the Bonds from Bondholders. Nevertheless, the Bonds may be fully subject to early amortisation in the event of Early Liquidation of the Fund.

e) Yield.

Repayment of the Mortgage Loans is influenced by a number of geographic, economic and social factors such as seasonality, market interest rates, the Obligors' employment and economic status and the general level of economic activity, preventing their predictability.

Calculation of the internal rate of return, average life and duration of the Bonds as described in the Offering Circular is subject to assumed Mortgage Loan prepayment rates that may not be fulfilled, and to future market interest rates, given the floating nature of the nominal interest rate of each Series.

f) Late-payment interest.

Late payment of interest accrued to the Series A1, B and C Bondholders shall not result in late-payment interest accruing to their favour. Furthermore, late payment of principal repayment to the Bondholders in any of the Series shall not result in late-payment interest accruing to their favour either.

g) No right of action.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against Obligors of the Mortgage Loans who may have defaulted on their payment obligations thereunder. Any such rights shall lie with the Management Company, representing the Fund holding the Mortgage Certificates and the Pass-Through Certificates.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of default of amounts due by the Fund resulting from a default of the Mortgage Loans by the relevant Obligors or breach by the other parties to the transactions arranged for and on behalf of the Fund.

Neither the Fund nor the Bondholders shall have any right of action respectively against the issuer of the Mortgage Certificates and of the Pass-Through Certificates or against the Management Company, other than as derived from breaches of their respective duties and hence at no event as a result of the existence of default or early amortisation.

CHAPTER I

PERSONS TAKING RESPONSIBILITY FOR AND BODIES SUPERVISING THE CONTENTS OF THE OFFERING CIRCULAR

I.1 Persons taking responsibility for the contents of the Offering Circular.

I.1.1 Full name, Spanish identity or personal identification document number and position or powers of the individual(s) taking responsibility for the contents of the Offering Circular on behalf of the Management Company.

Mr MARIO MASIÁ VICENTE, of full age, who holds Spanish Tax Identification number 50,796,768-A, acting as General Manager for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the "**Management Company**"), and using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, and by the Board's Executive Committee at its meeting held on September 5, 2003, takes responsibility for the contents of this Offering Circular.

EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, with registered office at Madrid, Calle Lagasca, 120, having VAT Reg. no. A-80514466, sponsors RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS (hereinafter also the "**Fund**"), and shall be responsible for managing and legally representing the same.

I.1.2 Specification that the above-mentioned individual(s) believe(s) that the information contained in the Offering Circular is truthful and that no fact has been omitted that might alter its scope.

Mr MARIO MASIÁ VICENTE confirms that the facts and figures contained in the Offering Circular are truthful and that no relevant detail has been omitted nor has misleading information been included.

I.2 Supervisory Bodies.

The constitution of the Fund and issue of the Asset-Backed Bonds (hereinafter also the "**Bonds**") are subject to the condition precedent of their registration in the official registers of the Comisión Nacional del Mercado de Valores (the "**CNMV**").

This full Offering Circular regarding the constitution of the Fund and issue of the Bonds (hereinafter also the "**Offering Circular**") has been entered in the Official Registers of the CNMV on October 28, 2003.

Registration of the Offering Circular by the CNMV does not imply recommending subscription for or purchase of the securities referred to therein, nor indeed any statement whatsoever as to the credit rating of the Fund or yield of the issued or offered securities.

I.3 Name, address and qualifications of the auditors who have verified the number, amount and characteristics or features of the assets securitised through the Fund.

Appendix V to this Offering Circular contains the audit report drawn up by the firm PricewaterhouseCoopers Auditores, S.L. on a selection of mortgage loans from the portfolios of Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., part of which are the Mortgage Loans that are to be assigned to the Fund upon being constituted by means of the issue of the Mortgage Certificates and the Pass-Through Certificates. The firm PricewaterhouseCoopers Auditores, S.L. is entered in the Official Register of Auditors (ROAC) under number S0242 and has its registered office in Madrid, Paseo de la Castellana number 43.

In addition to other matters, that Report deals with verifying fulfilment by the selected mortgage loans of the terms required by Mortgage Market Regulation Act 2/1981, March 25 ("**Act 2/1981**") for the issue of Mortgage Certificates, and Act 2/1981 and article 18 of Act 44/2002 for the issue of Pass-Through Certificates. Loans in respect of which errors are detected in verifying the sample shall not be included by the Originators for issuing the Mortgage Certificates and the Pass-Through Certificates.

That audit was made using sampling techniques consisting of analysing a number of loans fewer (sample) than the full selection of loans (population), allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative features regarding the sample loans and specifically regarding: purpose of the loan, identification of the borrower, address of the mortgaged property, date of origination, date of maturity, initial amount, current balance, reference rate or index, interest rate applied, appraisal value, current balance/appraisal value ratio, arrears in payments, damage insurance and mortgage security.

Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V. undertake, in accordance with the provisions of section IV.1.4 of this Offering Circular that, if in spite of its own enquiries and those of the above-mentioned auditor, the existence of any Mortgage Certificate or Pass-Through Certificate, or their underlying Mortgage Loans, not fully observing the representations contained in section IV.1.1 of this Offering Circular or the specific characteristics of the Mortgage Loans the Originators shall have communicated to the Management Company should be detected, then the Originators will forthwith replace the relevant Mortgage Certificate or Pass-Through Certificate or proceed to an early amortisation thereof, as the case may be, in accordance with the provisions of section IV.1.4.

CHAPTER II

INFORMATION REGARDING THE SECURITIES ISSUED BY THE FUND

II.1 Information on prerequisites and resolutions necessary for the Fund to be constituted and on the securities issued by the Fund, and also on the terms for the Fund to acquire the assets (Mortgage Loans for the Mortgage Certificates and Pass-Through Certificates) subject of the securitisation process.

II.1.1 Issue resolutions and statutory requirements.

a) Corporate resolutions.

Resolution to issue Mortgage Certificates and Pass-Through Certificates:

The Management Boards of Caixa Rural de Balears S.C.C. at a meeting held on September 15, 2003, of Caja Rural Aragonesa y de los Pirineos S.C.C. at a meeting held on April 29, 2003, of Caja Rural de Aragón S.C.C. at a meeting held on July 31, 2003, of Caja Rural de Burgos S.C.C. at a meeting held on September 3, 2003, of Caja Rural de Navarra S.C.C. at a meeting held on August 22, 2003, Caja Rural de Navarra S.C.C., of Caja Rural de Tenerife S.C.C. at a meeting held on September 15, 2003, of Caja Rural de Teruel S.C.C. at a meeting held on September 18, 2003, of Caja Rural de Toledo S.C.C. at a meeting held on September 8, 2003, of Caja Rural del Duero S.C.C. at a meeting held on September 19, 2003, of Caja Rural del Mediterráneo, Ruralcaja, S.C.C. at a meeting held on September 12, 2003, of Caja Rural del Sur S.C.C. at a meeting held on September 23, 2003, of Caja Rural Intermediterránea S.C.C. at a meeting held on September 23, 2003 and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V. at a meeting held on September 15, 2003 (the **"Originator(s)**"), resolved to authorise the issue of the Mortgage Certificates and the Pass-Through Certificates to be fully subscribed for by the Fund forthwith upon being constituted. The characteristics of the issue of the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund are described in Chapter IV.1. Attached as Appendix II to this Offering Circular is a photocopy of the transcript of the resolutions of each of the Originators' Management Boards.

Resolution to set up the Fund:

At its meeting dated September 5, 2003, the Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN resolved that RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998 and in Act 19/1992, that the Mortgage Certificates and the Pass-Through Certificates issued by the Originators be subscribed for, and that the Bonds be issued by the Fund. Attached as Appendix III hereto is a photocopy of the transcript of the resolutions of the Executive Committee of the Management Company's Board of Directors.

b) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Offering Circular and by October 29, 2003, without the Bond Subscription Period having yet begun, the Management Company along with the Originators issuing the Mortgage Certificates and the Pass-Through Certificates to be subscribed for by the Fund, shall proceed to execute a public deed whereby RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS will be constituted, the Mortgage Certificates and the Pass-Through Certificates will be issued and subscribed for and the Bonds will be issued (the "**Deed of Constitution**"), on the terms provided in Act 19/1992.

The following summarises the contents of the Deed of Constitution: (i) the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund and the rules for replacement in the event of early amortisation thereof will be specified, (ii) the terms of the Bonds to be issued will be precisely defined, (iii) the rules to be observed by the Fund will be set and (iv) the transactions that the Management Company may carry out on behalf of the Fund will be established in order to enhance the safety of or regularity in payment of the Bonds and cover timing differences between the scheduled flows of principal and interest on the Mortgage Certificates and the Pass-Through Certificates and on the Bonds. In this sense, the Deed of Constitution shall provide that the Fund may, through its Management Company, enter into the agreements specified in section V.3 of the Offering Circular.

The Deed of Constitution shall be submitted to the CNMV to be entered in the public registers before the Bond Subscription Period begins.

II.1.2 Information on prerequisites and resolutions for listing on the Stock Exchange or on an organised secondary market.

In accordance with article 5.9 of Act 19/1992, the Bonds issued by the Fund shall be exclusively represented by means of book entries and the Fund Deed of Constitution shall have the effects provided in article 6 of the Securities Market Act. The Management Company shall, for and on behalf of the Fund, forthwith upon the execution of the Deed of Constitution, apply for the issue to be included in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A., ("**IBERCLEAR**") or any other institution hereafter taking its stead, and, once the Bonds have been paid up, for this Bond issue to be included in AIAF Fixed-Income Market ("**AIAF**"), which is a recognised official secondary securities market, in order for the Bonds to be traded, cleared and settled in accordance with the operating rules which may be established to that end or henceforth approved by IBERCLEAR and AIAF, or any other replacement institution. It is expected that definitive AIAF listing will be achieved not later than one month after the Closing Date.

II.2 Administrative authorisation prior to the issue or offering, specifying resultant details or restrictions. Specification of the warnings and considerations made by the CNMV pursuant to article 1.9 of the Economy and Finance Ministry's Order dated July 12, 1993 on offering circulars.

No prior administrative authorisation other than registration in the official registers of the CNMV is required.

The CNMV has made no warning or consideration whatsoever concerning the constitution of the Fund and issue of the Bonds.

II.3 Assessment of the risk inherent in the securities issued by the Fund by a rating firm recognised by the CNMV.

The Management Company has entrusted the assessment of the credit risk of the Bonds to Moody's Investors Service España, S.A. (hereinafter "**Moody's**" or the "**Rating Agency**"), a rating agency recognised by the CNMV, for the purposes of the provisions of article 5.8 of Act 19/1992.

Rating assigned to the Bond issue.

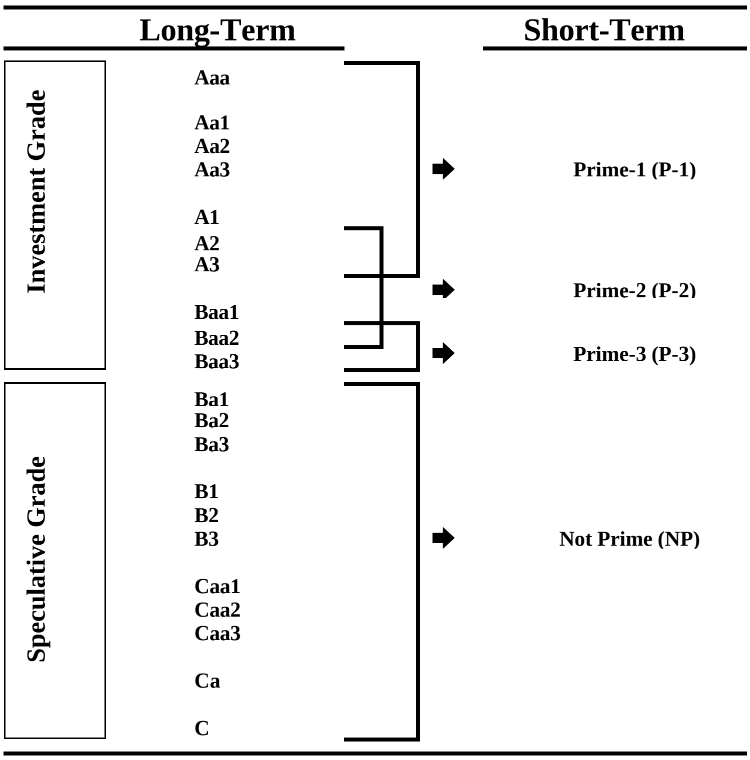
On October 28, 2003, Moody's assigned the following provisional ratings to each of the Bond Series, and expects to assign the same final ratings by the start of the Bond Subscription Period. Appendix IV to this Circular contains a copy of the letter from Moody's notifying the provisional ratings assigned.

Bond Series	Moody's Rating
Series A1	**Aaa**
Series A2	**Aaa**
Series B	**A2**
Series C	**Baa3**

If the Rating Agency should not confirm the assigned provisional ratings as final by the start of the Subscription Period, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section III.4.2.c). Furthermore, this circumstance would result in the Fund constitution, issue of and subscription for the Mortgage Certificates and the Pass-Through Certificates and Bond Issue being terminated.

Ratings given by Moody's.

The following are Moody's rating scales for long- and short-term debt issues:



The following is the meaning ascribed by Moody's to the long- and short-term ratings used in this Offering Circular.

Long-Term

Aaa Bonds which are rated "Aaa" are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt-edged". Interest payments are protected by a large or by an exceptionally stable margin and the principal is secure.

Aa Bonds which are rated "Aa" are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

A Bonds which are rated "A" possess many favourable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest payments are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

Baa Bonds which are rated "Baa" are considered as medium-grade obligations. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Short-Term

P-1 Superior ability to repay short-term debt obligations.

Moody's applies numerical modifiers 1, 2, and 3 in each long-term rating category from Aa through Caa, inclusive. Modifier 1 indicates that the security ranks in the higher end of its rating category; modifier 2 indicates a mid-range ranking; and modifier 3 indicates a ranking in the lower end.

Rating considerations.

The ratings assigned to each of the Bond Series is the Rating Agency's opinion about the credit risk, the Fund's ability to meet payments of interest as they fall due on each set Payment Date and of the principal of the issue throughout the life of the transaction and, at all events, before the Final Maturity Date. The rating takes into account the structure of the Bond issue, the legal aspects thereof and of the issuing Fund, the characteristics of the mortgage loans selected for issuing the Mortgage Certificates and the Pass-Through Certificates and the regularity and continuity of the operating flows.

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

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

(i) are assigned by Moody's based on manifold information received with respect to which Moody's gives no assurance, nor even as to their accuracy or wholeness, wherefore Moody's may in no event be deemed to be responsible therefor; and

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

Moody's may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to its notice. Those events, which shall not constitute early liquidation events of the Fund, shall forthwith be notified to both the CNMV and the Bondholders, in accordance with the provisions of section III.4.2.

In carrying on the rating and monitoring process, Moody's relies on the accuracy and wholeness of the information provided by the Originators, the Management Company, auditors, lawyers and other experts.

Undertakings by the Management Company.

The Management Company, on behalf of the Fund, agrees to report regularly to Moody's as to the status of the Fund and the performance of the Mortgage Certificates and of the Pass-Through Certificates. It shall also report when reasonably required to do so and in any event whenever there is a change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the parties concerned.

II.4 Nature and denomination of the securities offered specifying the issue or series number.

The amount of the issue of asset-backed bonds (the "**Bond Issue**" or generically the "**Bonds**") totals a face value of EUR six hundred and ninety-five million (695,000,000.00) and consists of six thousand nine hundred and fifty (6,950) Bonds having a unit face value of EUR one hundred thousand (100,000), pooled in four (4) Bond Series as detailed in section II.6 hereinafter.

II.4.1 Legal system of the securities, specifying the procedures guaranteeing the certainty and effectiveness of the rights of their first and subsequent holders. Servicing implications in each of the series of securities issued by the Fund of the compulsory connection between the schedule of principal and interest payments on those securities and the cash flows of the assets securitised through the Fund.

The constitution of and the Bond Issue by the Fund are carried out pursuant to Royal Decree 926/1998 and Act 19/1992 failing a provision in Royal Decree 926/1998 and to the extent applicable.

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

As provided in section II.5 of this chapter, the Bonds shall be represented by means of book entries. The Bondholders will be identified as such when entered in the accounting record kept by Iberclear or any other replacement organisation, and the relevant member may issue certificates of title when so requested by the Bondholder and at the Bondholder's expense; the provisions of Title I, Chapter I, section four of the Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14, ("**Royal Decree 116/1992**") will apply in this connection.

The Bonds may be freely transferred by any means admissible at Law. A transfer in the accounts will convey the ownership of each Bond. The effects of entering the conveyance to the transferee in the accounting record shall be the same as handing over the certificates and the transfer shall thereupon be enforceable on third parties. In this sense, no claim may be lodged against a third party acquiring the Bonds represented by book entries for valuable consideration from whoever has capacity to transfer the same, according to the book entries, unless he acted in bad faith or with gross negligence at the time of the acquisition.

The Bondholders are bound in respect of interest payment and principal repayment of the Bonds in each Series by the Fund Priority of Payments.

In order to cover timing differences between the scheduled flows of repayment of principal and interest on the Mortgage Certificates and on the Pass-Through Certificates and on the Bonds in each Series, the Management Company, on behalf of the Fund, shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement with BANCO COOPERATIVO whereby the amounts received by the Fund from the Mortgage Certificates and the Pass-Through Certificates, as both repayment of principal and interest, as well as the amounts referred to in section V.3.1 of the Offering Circular, will be invested until the following Bond Payment Date, on which the principal repayment and interest payment on the Bonds shall fall due. Furthermore, the Fund has other financial hedging transactions covering up to a limit the risk of shortfall of the Fund's resources to service the Bonds and which have been deemed sufficient by the Rating Agency to assign each Bond Series the rating referred to in section II.3 of this Offering Circular.

II.4.2 Other implications and risks that might, due to the legal and economic nature of the assets pooled in the Fund, affect servicing of the securities issued by the Fund as a result of the process for securitising those assets.

a) Risk of default on the Mortgage Certificates and the Pass-Through Certificates:

The holders of Bonds issued by the Fund shall bear the risk of default on the Mortgage Certificates and the Pass-Through Certificates pooled therein.

The Originators shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Mortgage Loans. The Originators will have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Mortgage Certificates and the Pass-Through Certificates, other than where any of the Mortgage Certificates or of the Pass-Through Certificates or of the underlying Mortgage Loans fail to conform to the representations contained in section IV.1.1 of this Offering Circular, or the specific characteristics of the Mortgage Loans notified by the Originators to the Management Company.

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

b) Early amortisation risk of the Mortgage Certificates and of the Pass-Through Certificates:

There will be an early amortisation of the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund when the borrowers of the Mortgage Loans prepay the portion of principal pending repayment, on the terms set in each of the Mortgage Loan documents. Similarly, there will be a full amortisation of the Mortgage Certificates and the Pass-Through Certificates in the event that the Originators should be substituted in the relevant Mortgage Loans by any other financial institution licensed to do so, subject to Mortgage Loan Subrogation and Amendment Act 2/1994, March 30 ("**Act 2/1994**").

The risk of that early amortisation shall pass quarterly on each Payment Date to the Bondholders by the partial amortisation of the Bonds, in accordance with the provisions of section II.11.3.3 of this Offering Circular.

c) Limited hedging.

An investment in the Bonds may be affected, among other circumstances, by a downturn in general economic conditions adversely affecting payments of the Mortgage Loans backing the Bond Issue of the Fund. A high level of delinquency might reduce or indeed eliminate the limited hedging provided by the Required Cash Reserve described in section III.2.3 of this Offering Circular. Moreover, the degree of subordination in payment of interest and repayment of Series C Bond principal with respect to the Class A Bonds and Series B Bonds and of the Series B Bonds with respect to the Class A Bonds derived from their position in the Fund Priority of Payments, is also a mechanism for distinctly hedging the different Series.

d) Liquidity.

There is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

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

The Fund may in no event repurchase the Bonds from Bondholders. Nevertheless, the Bonds may be fully subject to early amortisation in the event of Early Liquidation of the Fund, on the terms established in section III.7.1 of this Offering Circular.

e) Yield.

Repayment of the Mortgage Loans is influenced by a number of geographic, economic and social factors such as seasonality, market interest rates, the Obligors' employment and economic status and the general level of economic activity, preventing their predictability.

Calculation of the internal rate of return, average life and duration of the Bonds is subject to assumed Mortgage Loan prepayment rates that may not be fulfilled, and to future market interest rates, given the floating nature of the nominal interest rate of each Series.

f) Late-payment interest.

Late payment of interest accrued to the Series A1, B and C Bondholders shall not result in late-payment interest accruing to their favour. Furthermore, late payment of principal repayment to the Bondholders in any of the Series shall not result in late-payment interest accruing to their favour either.

g) No right of action.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against Obligors of the Mortgage Loans who may have defaulted on their payment obligations thereunder. Any such rights shall lie with the Management Company, representing the Fund holding the Mortgage Certificates and the Pass-Through Certificates.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of default of amounts due by the Fund resulting from a default of the Mortgage Loans by the relevant Obligors or breach by the other parties to the transactions arranged for and on behalf of the Fund.

Neither the Fund nor the Bondholders shall have any right of action respectively against the Originators issuing the Mortgage Certificates and the Pass-Through Certificates or against the Management Company, other than as derived from breaches of their respective duties and hence at no event as a result of the existence of default or early amortisation.

II.5 Form of representation and name and place of business of the institution in charge of the accounting record.

The Bonds issued by the Fund will be exclusively represented by means of book entries, in accordance with the provisions of article 5.9 of Act 19/1992, and will become such Bonds when entered in the appropriate accounting record. In this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Iberclear shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities listed on the AIAF, and represented by book entries, established now or henceforth by Iberclear or any other replacement institution. Such designation shall be entered in the Official Registers of the CNMV. Bondholders shall be identified as such when entered in the accounting record kept by the members of Iberclear or any other replacement institution.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., has its place of business at calle Pedro Teixeira, no. 8, Madrid.

II.6 Face amount of the securities altogether issued by the Fund, number of securities comprised and their numbering, as the case may be, itemised by the various constituent series.

The amount of the Bond Issue totals a face value of EUR six hundred and ninety-five million (695,000,000.00) and consists of 6,950 Bonds represented by means of book entries, pooled in four Bond Series distributed as follows:

a) Class A comprising two Series having a total face amount of EUR six hundred and sixty-six million eight hundred thousand (666,800,000.00) (either "**Class A**" or the "**Class A Bonds**"):

   i) Series A1 having a total face amount of EUR five hundred and sixty-six million eight hundred thousand (566,800,000.00) comprising five thousand six hundred and sixty-eight (5,668) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A1**" or the "**Series A1 Bonds**").

   ii) Series A2 having a total face amount of EUR one hundred million (100,000,000.00) comprising one thousand (1,000) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A2**" or the "**Series A2 Bonds**").

b) Class B comprising a single Series B having a total face amount of EUR eighteen million eight hundred thousand (18,800,000.00) comprising one hundred and eighty-eight (188) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or the "**Series B Bonds**").

c) Class C comprising a single Series C having a total face amount of EUR nine million four hundred thousand (9,400,000.00) comprising ninety-four (94) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or the "**Series C Bonds**").

Payment of interest and repayment of principal on the Series B and C Bonds is deferred with respect to the Class A Bonds, as provided in the Fund Priority of Payments.

Payment of interest and repayment of principal on the Series C Bonds is deferred with respect to the Class A Bonds and the Series B Bonds, as provided in the Fund Priority of Payments.

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

II.7 Face and actual amounts of each security, specifying the issue premium, if any, expressed in proportion to the face value and in monetary units per security. Currency in which each of the Series of securities issued by the Fund is denominated.

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

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

II.8 Fees and related expenses of every description that must be borne by the investors upon subscribing for the securities issued by the Fund.

The Fund, as Bond issuer, shall neither shift to nor charge the investor any expense item whatsoever for subscribing for the Bonds. The issue price detailed in section II.7 above is clear of taxes and subscription costs for the subscriber through the Fund.

II.9 Specification, as appropriate, of the existence, as the case may be, of fees to be borne by the holders of the securities issued by the Fund, mandatorily represented as book entries, for entering and maintaining a balance.

The expenses of including and excluding the Bond Issue in and from the accounting record of Iberclear shall be borne by the Fund and may not be shifted to the Bondholders. Iberclear charges no fee whatsoever for maintaining a balance.

In accordance with the laws in force for the time being, the members of Iberclear may nevertheless establish such fees and expenses to be charged to the Bondholder, for managing securities, as they may freely determine, and duly notified to the Bank of Spain or the CNMV, being their supervisory bodies.

II.10 Interest rate clause:

II.10.1 Bond interest rate.

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

The resultant yearly nominal interest rate (the "**Nominal Interest Rate**") for each of the Series shall be payable quarterly in arrears on each Payment Date on the Outstanding Principal Balance of the Bonds in each Series, provided that the Fund has sufficient liquidity in the Priority of Payments.

II.10.1.1 Interest accrual.

The term of each Bond Series shall be divided into successive interest accrual periods:

a) Interest Accrual Periods for Series A1, B and C.

The interest accrual periods of Series A1, B and C ("**Interest Accrual Period**") will comprise the exact number of days elapsed between every two consecutive Payment Dates (March 15, June 15, September 15 and December 15 or the following Business Day if any of those is not a Business Day), each Interest Accrual Period including the beginning Payment Date, but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the time elapsed between the Closing Date, inclusive, and the first Payment Date, to wit December 15, 2003, exclusive.

Interest shall be accrued at the Nominal Interest Rate applicable and on the exact number of days elapsed in each Interest Accrual Period for which it was determined, calculated on the basis of a 360-day year.

b) Interest accrual periods for Series A2.

The interest accrual periods of Series A2 will comprise the exact number of days elapsed between every two consecutive settlement dates on March 15, June 15, September 15 and December 15, even if they are not Business Days. Each interest accrual period shall include the beginning settlement date but shall not include the ending settlement date. Nevertheless, as established in section II.10.3.b), payment of interest accrued shall be made by interest accrual periods in arrears on the relevant Payment Date, which may not match the settlement date if the latter is not a Business Day.

In the event that any of the Payment Dates should not match the relevant Series A2 settlement date because the latter is not a Business Day, interest accrued until the Series A2 settlement date, not inclusive, shall be paid on the following Payment Date and the then-current interest accrual period of Series A2 shall not be extended until said following Payment Date.

Exceptionally, the duration of the first interest accrual period of Series A2 shall be equivalent to the time elapsed between the Closing Date, inclusive, and the first Series A2 settlement date, to wit December 15, 2003, exclusive.

Interest shall be accrued at the Nominal Interest Rate applicable and on the exact number of days elapsed in each interest accrual period for which it was determined, calculated on the basis of a 360-day year.

The withholdings, contributions and taxes established now or in the future on the Bond principal, interest or income shall be exclusively payable by the Bondholders, and their amount shall be deducted, as the case may be, by the Management Company, for and on behalf of the Fund, in the manner statutorily prescribed.

II.10. 1.2 Nominal Interest Rate.

a) Nominal Interest Rate applicable to Series A1, B and C.

The Nominal Interest Rate applicable to Series A1, B and C and determined for each Interest Accrual Period shall be the result of adding:

(i) the Euribor Reference Rate (the "**Euribor Reference Rate**") as defined in the following section, and

(ii) a margin for each of Series A1, B and C as follows:

- **Series A1:** margin ranging between 0.23% and 0.26%, both inclusive.
- **Series B:** margin ranging between 0.60% and 0.75%, both inclusive.
- **Series C:** margin ranging between 1.25% and 1.50%, both inclusive.

The margin applicable to each of Series A1, B and C, expressed as a percentage, shall be determined with one accord among the Lead Managers by 10am (CET time) on the day on which the Subscription Period begins (October 29, 2003).

Failing an agreement, the Management Company shall fix the specific margin in respect of those where no agreement was arrived at, as follows:

· **Series A1:** 0.26% margin.
· **Series B:** 0.75% margin.
· **Series C:** 1.50% margin.

The final margins applicable to each of Series A1, B and C fixed shall be notified by the Management Company by the start of the Subscription Period to the Lead Managers and to the Underwriters and Placement Agents, to be reported to investors interested in subscribing for the Series A1, B and C Bonds. The Management Company will also notify this to the CNMV as information in addition to this Offering Circular. The final margin applicable to each of the Series shall be set down on the notarial certificate recording payment of the Bond Issue.

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

b) Nominal Interest Rate applicable to Series A2.

The Nominal Interest Rate applicable to Series A2 and determined for each Series A2 interest accrual period shall be the lower of (i) the EIB Rate, as defined in the following section, and (ii) the Euribor Reference Rate, as defined in the following section, increased by a 0.13% margin.

Exceptionally, the Nominal Interest Rate applicable to Series A2 for the first interest accrual period shall be the two- (2-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date, and shall be notified in writing by the Management Company by the start of the Subscription Period to the EUROPEAN INVESTMENT BANK. The Management Company will also notify this to the CNMV, the Paying Agent, the AIAF and Iberclear.

The resultant Nominal Interest Rate shall be expressed rounded to the nearest hundred thousandth of a percentage point.

II.10.1.3 Reference Rate and determining the same.

a) Euribor Reference Rate.

Euribor Reference Rate defined as:

(i) Euribor, "Euro Interbank Offered Rate", calculated and distributed by the BRIDGE financial information system under an FBE ("Federation Bancaire de l'Union Europeene") mandate, with a three- (3-) month maturity, other than for the first Interest Accrual Period, fixed at 11am (CET time "Central European Time") on the second Business Day preceding each Payment for Series A1, B and C , and each settlement date for Series A2. The Euribor rate is currently published on electronic pages EURIBOR01 supplied by Reuters, and 248 supplied by Dow Jones Markets (Bridge Telerate), or any other page taking their stead in providing these or other services.

Exceptionally, the Euribor Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between the one- (1-) month Euribor rate and the two- (2-) month Euribor rate bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [((D-30)/30) \text{ x } E2] + [(1-((D-30)/30)) \text{ x } E1]$$

Where:
IR = Reference Rate for the first Interest Accrual Period.
D = Number of days in the first Interest Accrual Period.
E1 = One- (1-) month Euribor rate.
E2 = Two- (2-) month Euribor rate.

The Euribor rate is currently the term interbank deposit offered rate in euros calculated as the daily average of the quotations supplied by a panel consisting of 57 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET time), accurate to three decimal places.

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

(ii) In the event that the rate established in paragraph (i) above should not be available or be impossible to obtain, the substitute for the Euribor rate shall be the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable deposit transactions in euros with a three- (3-) month maturity in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by four (4) prime banks in the Euro zone, following a simultaneous request to the headquarters of each of them made by the Paying Agent after and around 11am (CET time) on the second Business Day preceding each Payment Date for Series A1, B and C and each settlement date for Series A2.

If at least two (2) written quotations are obtained from the banks as provided for in the preceding paragraph, the interest rate resulting from applying the simple arithmetic mean of the interest rates declared on those written quotations shall be applicable. If at least two (2) written quotations are not obtained, the substitute for the Euribor rate shall be the interest rate resulting from finding the simple arithmetic mean of the offered interest rates for lending transactions in euros with a three- (3-) month maturity to prime banks in the Euro zone in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by at least two (2) prime banks in the Euro zone, following a request to the headquarters of each of them made by the Paying Agent after and around 11am (CET time) on the second Business Day preceding each Payment Date for Series A1, B and C and each settlement date for Series A2 Interest Rate Fixing.

Exceptionally, and in the event that the Euribor rate established in paragraph (i) above for the first Interest Accrual Period should not be available or be impossible to obtain, the substitute for the Euribor rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable deposit transactions in euros with a one- (1-) month maturity and the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable deposit transactions in euros with a two- (2-) month maturity in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by the banks in accordance with the provisions of paragraph one above, following a simultaneous request to the headquarters of each of them made by the Paying Agent after and around 11am (CET time) on the second Business Day preceding the Closing Date for Series A1, B and C.

(iii) Other than for the Series A2 Bonds, if the rates established in paragraphs (i) and (ii) above should not be available or be impossible to obtain, the last Euribor Reference Rate or substitute rate applied to the last Interest Accrual Period shall apply, and so on for successive Interest Accrual Periods whilst matters remain the same.

On each of the Interest Rate Fixing Dates, the Paying Agent shall notify the Management Company of the Euribor Reference Rate or the substitute rate determined in accordance with paragraphs (i) and (ii) above.

b) EIB Rate.

The rate applied by the EUROPEAN INVESTMENT BANK (the "**EIB Rate**") is defined as the annual nominal interest rate determined quarterly by the EUROPEAN INVESTMENT BANK, in accordance with the policies and procedures established by its Board of Directors, applicable at the start of each interest accrual period (on March 15, June 15, September 15 and December 15) to floating rate loan transactions and borrowings and calculated taking into account the financing backing the same with debt securities, securities issues or other resources or funds obtained in euros by the EUROPEAN INVESTMENT BANK on the national or international capitals markets, allowing the EUROPEAN INVESTMENT BANK to finance with this floating interest rate at a variable margin.

II.10.1.4 Nominal Interest Rate Fixing Date.

a) Nominal Interest Rate fixing date applicable to Series A1, B and C.

The Nominal Interest Rate applicable to Series A1, B and C for every Interest Accrual Period shall be determined by the Management Company, for and on behalf of the Fund, as provided in sections II.10.1.2.a) and II.10.1.3.a) above, based on the Euribor Reference Rate, on the second Business Day before each Payment Date and will apply for the following Interest Accrual Period.

Exceptionally, the Nominal Interest Rate of the Series A1, B and C Bonds for the first Interest Accrual Period shall be determined by the Management Company as provided in sections II.10.1.2.a) and II.10.1.3.a) above, taking as the Euribor Reference Rate the rate resulting from the straight-line interpolation of one- (1-) and two- (2-) month Euribor rate on the second Business Day preceding the Closing Date, and shall be notified in writing by the Management Company by the start of the Subscription Period to the Lead Managers and to the Underwriters and Placement Agents in order to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, the AIAF and Iberclear.

The Nominal Interest Rates determined for Series A1, B and C for successive Interest Accrual Periods shall be communicated to the Bondholders within the time period and in the manner for which provision is made in sections III.4.2.a) and c).

b) Nominal Interest Rate Fixing Date applicable to Series A2.

The Nominal Interest Rate applicable to Series A2 for each interest accrual period shall be determined by the Management Company, for and on behalf of the Fund, in the manner for which provision is made in sections II.10.1.2.b) and II.10.1.3.b) above, based on:

1. The Euribor Reference Rate.

   The Euribor Reference Rate determined on the second Business Day preceding each Series A2 settlement date.

2. EIB Rate.

   The EIB Rate determined quarterly by the EUROPEAN INVESTMENT BANK applicable for each Series A2 interest accrual period, which it shall have notified the Management Company within ten (10) days of the beginning date of each interest accrual period. The Management Company shall request the EUROPEAN INVESTMENT BANK, within fifteen (15) days preceding the beginning date of each Series A2 interest accrual period, to notify it of the EIB Rate applicable to the following interest accrual period.

Exceptionally, the Nominal Interest Rate applicable for Series A2 for the first interest accrual period shall be the two- (2-) month Euribor rate, fixed at 11am (CET time) on the second Business Day preceding the Closing Date.

II.10.1.5 Formula for calculating the interest.

Interest settlement for each of the Series, payable on each Payment Date, shall be calculated in accordance with the following formula:

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

Where for Series A1, B and C:

I = *Interest payable on the Series A1, B and C Bonds on a given Payment Date, rounded up to the nearest euro cent.*

P = Outstanding Principal Balance of the Bonds in the Series at the beginning of the Interest Accrual Period for that Payment Date.
R = Nominal Interest Rate of the Series expressed as a yearly percentage.
d = Number of days actually corresponding to each Interest Accrual Period.

And where for Series A2:

I = Interest payable on the Series A2 Bonds on a given Payment Date for an interest accrual period matured on Series A2 , rounded up to the nearest euro cent.
P = Outstanding Principal Balance of the Series A2 Bonds at the beginning of the interest accrual period for that Payment Date.
R = Nominal Interest Rate applicable to Series A2 expressed as a yearly percentage.
d = Number of days actually corresponding to each interest accrual period.

a) Example for fixing the Nominal Interest Rate.

As established in this section and for an easier understanding by the subscriber of the system for fixing the Nominal Interest Rate and the amount of the interest to be received for each Bond in each Series on the first Payment Date, the manner of calculating the same for the following event is shown below:

		Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds
1	Outstanding Principal Balance per Bond (EUR)	100,000.00	100,000.00	100,000.00	100,000.00
2	Interest Accrual Period days	45	45	45	45
3	1- to 2-month interpolated Euribor rate* EIB Rate**	2.1075	2.1120	2.1075	2.1075
4	Margin***	0.245		0.675	1.375
5	Nominal interest rate: rounded up to the nearest thousandth/hundred thousand of a percentage point	2.353	2.11200	2.783	3.483
6	Calculation of interest accrued per Bond (1)*(2)*(5)/36000	294.125	264.000	347.875	435.375
7	Amount of interest payable per Bond: rounded to the nearest euro cent	294.13	264.00	347.88	435.38

* 1-month Euribor 2.103% and 2-month Euribor 2.112%, as of October 13, 2003.
** 2-month Euribor 2.112%, as of October 13, 2003.
*** Average margin within the range established for each Bond Series.

b) Informative table on the evolution of the reference rate to be used.

For merely illustrative purposes, below are details of the three- (3-) month Euribor rates published on certain dates over the last two years, which, other than the first date, would match the Payment Dates on the EURIBOR01 electronic page supplied by Reuters, and the Nominal Interest Rate that would result if applied to each of Series A1, B and C Bonds, in the event that the applicable margins should be 0.245% for the Series A1 Bonds, 0.675% for the Series B Bonds and 1.375% for the Series C Bonds:

Dates	3-month Euribor	Series A1 Bonds	Series B Bonds	Series C Bonds
October 13, 2003	2.136	2.381	2.811	3.511
September 11. 2003	2.152	2.397	2.827	3.527
August 14, 2003	2.138	2.383	2.813	3.513
July 11, 2003	2.129	2.374	2.804	3.504
June 12, 2003	2.124	2.369	2.799	3.499
May 13, 2003	2.464	2.709	3.139	3.839
April 11, 2003	2.522	2.767	3.197	3.897
February 13, 2003	2.707	2.952	3.382	4.082
January 13, 2003	2.829	3.074	3.504	4.204
December 12, 2002	2.930	3.175	3.605	4.305
November 13, 2002	3.143	3.388	3.818	4.518
October 11, 2002	3.259	3.504	3.934	4.634
September 12, 2002	3.315	3.560	3.990	4.690
August 13, 2002	3.340	3.585	4.015	4.715
July 11, 2002	3.414	3.659	4.089	4.789
June 13, 2002	3.470	3.715	4.145	4.845
May 13, 2002	3.430	3.675	4.105	4.805
April 11, 2002	3.414	3.659	4.089	4.789
March 13, 2002	3.374	3.619	4.049	4.749
February 13, 2002	3.358	3.603	4.033	4.733
December 13, 2001	3.342	3.587	4.017	4.717
November 13, 2001	3.351	3.596	4.026	4.726
October 11, 2001	3.614	3.859	4.289	4.989
September 13, 2001	4.165	4.410	4.840	5.540

Furthermore and also for merely illustrative purposes, below are details of the rates applied by the EIB (EIB Rate), determined quarterly over the last two years, which would have matched the Series A2 interest accrual periods, and the three- (3-) month Euribor rates that would have applied on the same dates, along with the Nominal Interest Rates that would have applied to the Series A2 Bonds:

Dates	Rate applied By the EIB	3-month Euribor + 0.13%	Series A2 Bonds
September 15, 2003	2.10	2.281	2.10000
June 15, 2003	2.08	2.254	2.08000
March 15, 2003	2.50	2.675	2.50000
December 15, 2002	2.87	3.060	2.87000
September 15, 2002	3.24	3.445	3.24000
June 15, 2002	3.40	3.600	3.40000
March 15, 2002	3.30	3.511	3.30000
December 15, 2001	3.25	3.472	3.25000
September 15, 2001	4.07	4.295	4.07000

II.10.2 Simple confirmation of the priority of the interest payment of the securities issued by the Fund in the Fund priority of payments, and specification of the section and pages of this Offering Circular in which the rules of priority established in the Fund's payments are described, and specifically those affecting interest payments on those securities.

Payment of interest accrued by the Series A1 and A2 Bonds is second (2^{nd}) in the application of Available Funds in the Priority of Payments established in section V.4.2.2, page 142 of this Offering Circular.

Payment of interest accrued by the Series B Bonds is third (3^{rd}) in the application of Available Funds in the Priority of Payments established in said section, page 142 hereof.

Payment of interest accrued by the Series C Bonds is fourth (4^{th}) in the application of Available Funds in the Priority of Payments established in said section, page 142 hereof.

II.10.3 Dates, place, institutions and procedure for paying interest.

a) Payment Dates for the Series A1, B and C Bonds.

Interest on the Series A1, B and C Bonds will be paid until they are fully amortised in arrears on March 15, June 15, September 15 and December 15 or the following Business Day if any of those is not a Business Day (each of those dates, a "**Payment Date**"), on the terms established for Series A1, B and C in section II.10.1. of this Offering Circular.

In the event that any of March 15, June 15, September 15 and December 15 should not be a Business Day, the Payment Date shall be the following Business Day, and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive.

The first interest Payment Date for the Series A1, B and C Bonds shall be December 15, 2003, and interest will accrue at the Nominal Interest Rate applicable for the first Interest Accrual Period between the Closing Date, inclusive, and December 15, 2003, exclusive.

For the purposes of the Bond Issue, business days ("**Business Days**") shall be deemed to be all days other than a:

- Saturday,
- Sunday, or
- non-business day in the TARGET calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System).

Interest accrued on the Bonds shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of the interest accrued by the Series A1, B or C Bonds, in the Priority of Payments, the amounts that the holders of the Series A1, B or C Bonds should not have received shall be fully or partially paid on the following Payment Dates on which the Fund has sufficient liquidity, in the Priority of Payments, accumulated to the Series A1, B or C interest, as the case may be, that should be paid on that same Payment Dates, and will be paid in the

Priority of Payments and applied by order of maturity if it should be impossible once again not to pay the same fully due to a shortage of Available Funds.

The Fund, through its Management Company, may not defer Bond interest payment beyond March 15, 2035, or the following Business Day if that is not a Business Day, the Final Maturity Date.

b) Payment Dates for the Series A2 Bonds.

Interest on the Series A2 Bonds will be paid until they are fully amortised in respect of interest accrual periods in arrears on the Payment Dates falling on the Series A2 settlement dates (March 15, June 15, September 15 and December 15) which may not match the Series A2 settlement dates if the latter are not Business Days, on the terms established for Series A2 in section II.10.1. of this Offering Circular.

In the event that any of the Payment Dates should not match the relevant Series A2 settlement date because the latter is not a Business Day, interest accrued until the Series A2 settlement date, not inclusive, shall be paid on the following Payment Date and the then-current interest accrual period of Series A2 shall not be extended until said following Payment Date.

The first interest settlement and interest payment date for the Series A2 Bonds shall be December 15, 2003, and interest will accrue at the Nominal Interest Rate applicable to Series A2 for the first Interest Accrual Period between the Closing Date, inclusive, and December 15, 2003, exclusive.

Interest accrued on the Series A2 Bonds shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of the interest accrued by the Series A2 Bonds, in the Priority of Payments, the amounts that the Series A2 Bondholders should not have received shall be fully or partially paid on the following Payment Date on which the Fund has sufficient liquidity, in the Priority of Payments. Interest amounts accrued on Series A2 not paid by the Fund on the relevant Payment Date shall accrue, from the settlement date matching that Payment Date until the following settlement date, late-payment interest at the late-payment interest rate established below.

Late-payment interest rate shall be the higher of the following two: (i) the rate resulting from adding a 2.00% margin to the one- (1) month Euribor rate, in which connection the determination date shall be deemed to be the second Business Day preceding the Payment Date on which payment should have been made, which rate shall be rolled over upon the expiration of each period of one month, and (ii) the rate resulting from adding a 0.25% margin to the lower of (a) the EIB Rate and (b) the Euribor Reference Rate increased by a 0.13% margin, as defined and determined in sections II.10.1.2.b), II.10.1.3.b) and II.10.1.4.b) of this Offering Circular.

Overdue interest amounts on the Series A2 Bonds, whether at the applicable Nominal Interest Rate or at the late-payment interest rate, shall be capitalised on each settlement date and in turn accrue additional interest at the late-payment interest rate provided for Series A2.

The Fund, through its Management Company, may not defer Bond interest payment beyond March 15, 2035, or the following Business Day if that is not a Business Day, the Final Maturity Date.

Both interest resulting for the Bondholders in each of the Series and the amount of interest accrued and not paid, if any, shall be notified to the Bondholders as described in sections III.4.2 of this Offering Circular, at least one (1) calendar day in advance of each Payment Date.

The Bond issue shall be serviced through the Paying Agent, to which end the Management Company shall, for and on behalf of the Fund, enter into a Paying Agent Agreement with BANCO COOPERATIVO.

II.11 Amortisation of the Bonds.

II.11.1 Redemption price, specifying the existence of premiums, rewards, lots or any other financial benefit.

The redemption price of the Bonds in each of the Series shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section II.11.2 of this Chapter.

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

II.11.2 Specific characteristics of the amortisation of each of the Bond Series.

II.11.2.1 Amortisation of Series A1 Bonds.

Series A1 Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series A1, pro rated between the Bonds in Series A1 proper by reducing the face value of each Bond in Series A1.

The first Payment Date for amortisation of the Series A1 Bonds shall fall on December 15, 2003. After that Payment Date, the Available Funds for Amortisation shall be applied to the amortisation of Series A1, and shall be distributed for the amortisation of this Series in accordance with the rules for Distribution of Available Funds for Amortisation between each Series which are contained in sections II.11.3.1.5 and V.4.2.3.

The final amortisation of the Series A1 Bonds shall occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and as provided for in section II.11.3.2, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.2.2 Amortisation of Series A2 Bonds.

Series A2 Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series A2, pro rated between the Bonds in Series A2 proper by reducing the face value of each Bond in Series A2.

1. Series A2 Bonds shall be amortised in twenty-eight (28) consecutive quarterly instalments on the Series A2 settlement dates comprised between December 15, 2006 and September 15, 2013, both inclusive, and in the amounts shown on the following repayment schedule:

Series A2 Bonds: repayment schedule			
Settlement Date	**Repayment instalment (EUR)**		**Outstanding principal balance of Series A2 (EUR)**
	Bond	**Series A2**	
			100,000,000.00
15-Dec-2006	2,640	2,640,000.00	97,360,000.00
15-Mar-2007	2,640	2,640,000.00	94,720,000.00
15-Jun-2007	2,640	2,640,000.00	92,080,000.00
15-Sep-2007	2,640	2,640,000.00	89,440,000.00
15-Dec-2007	2,950	2,950,000.00	86,490,000.00
15-Mar-2008	2,950	2,950,000.00	83,540,000.00
15-Jun-2008	2,950	2,950,000.00	80,590,000.00
15-Sep-2008	2,950	2,950,000.00	77,640,000.00
15-Dec-2008	3,260	3,260,000.00	74,380,000.00
15-Mar-2009	3,260	3,260,000.00	71,120,000.00
15-Jun-2009	3,260	3,260,000.00	67,860,000.00
15-Sep-2009	3,260	3,260,000.00	64,600,000.00
15-Dec-2009	3,570	3,570,000.00	61,030,000.00
15-Mar-2010	3,570	3,570,000.00	57,460,000.00
15-Jun-2010	3,570	3,570,000.00	53,890,000.00
15-Sep-2010	3,570	3,570,000.00	50,320,000.00
15-Dec-2010	3,880	3,880,000.00	46,440,000.00
15-Mar-2011	3,880	3,880,000.00	42,560,000.00
15-Jun-2011	3,880	3,880,000.00	38,680,000.00
15-Sep-2011	3,880	3,880,000.00	34,800,000.00
15-Dec-2011	4,190	4,190,000.00	30,610,000.00
15-Mar-2012	4,190	4,190,000.00	26,420,000.00
15-Jun-2012	4,190	4,190,000.00	22,230,000.00
15-Sep-2012	4,190	4,190,000.00	18,040,000.00
15-Dec-2012	4,500	4,500,000.00	13,540,000.00
15-Mar-2013	4,500	4,500,000.00	9,040,000.00
15-Jun-2013	4,500	4,500,000.00	4,540,000.00
15-Sep-2013	4,540	4,540,000.00	0.00
	100,000.00	**100,000,000.00**	

Series A2 Bonds shall be amortised in accordance with the provisions of rule 2.1 for Distribution of Available Funds for Amortisation between each Series, contained in sections II.11.3.1.5 and V.4.2.3, on any of the settlement dates determined in the Series A2 repayment schedule or on the settlement dates after September 15, 2013 if the Series A2 principal has not been fully repaid. The repayment due on the relevant settlement date shall be the lower of the following amounts:

1. The higher of:

   (i) The repayment instalment determined in the Series A2 repayment schedule for the relevant settlement date.

(ii) The difference, if positive, between (a) the Outstanding Principal Balance of Series A2 on the Determination Date preceding the relevant Payment Date and (b) the outstanding principal balance of Series A2 determined in the Series A2 repayment schedule for the relevant settlement date or determined for the September 15, 2013 settlement date, if the relevant settlement date is after September 15, 2013.

2. The Outstanding Principal Balance of Series A2 on the Determination Date preceding the relevant Payment Date.

In the event that any of the Payment Dates should not match the relevant Series A2 settlement date because the latter is not a Business Day, amortisation of Series A2 due on the settlement date shall take place on the following Payment Date.

Nevertheless, the amortisation of Series A2 Bonds for which provision is made in this section shall not be effective on any of the settlement dates determined in the Series A2 repayment schedule or on the settlement dates after September 15, 2013, if the Series A2 principal has not been fully repaid on the relevant Payment Dates on which the Pro Rata Amortisation of Class A applies in accordance with the provisions of paragraph 2 below.

2. The Series A2 Bonds will also be amortised on the Payment Dates on which the Pro Rata Amortisation of Class A applies in certain circumstances and in the amounts calculated as provided for in rule 2.2 for Distribution of Available Funds for Amortisation between each Series which are contained in sections II.11.3.1.5 and V.4.2.3 of this Offering Circular.

Without prejudice to the provisions of the following paragraphs of this section, the final amortisation of the Series A2 Bonds shall at all events occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and as provided for in section II.11.3.2, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.2.3 Amortisation of Series B Bonds.

Series B Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series B, pro rated between the Bonds in Series B proper by reducing the face value of each Bond in Series B.

The first partial amortisation of Series B Bonds shall occur on the Payment Date immediately after the Payment Date on which the Outstanding Principal Balance of Series B is equal to or greater than 5.40% of the Outstanding Principal Balance of the Bond Issue. After that Payment Date, the Available Funds for Amortisation shall be also applied, in addition to the amortisation of Class A, to the amortisation of Series B and Series C, and be distributed for the amortisation of Series B such that the above ratio of the Outstanding Principal Balances of Series B to the Bond Issue is kept at 5.40%, or a higher percentage closest thereto. The partial amortisation of Series B and Series C Bonds may however be stopped in certain circumstances for which provision is made in the rules for Distribution of Available Funds for Amortisation between each Series which are contained in sections II.11.3.1.5 and V.4.2.3.

The final amortisation of the Series B Bonds shall occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and as provided for in section II.11.3.2, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.2.4 Amortisation of Series C Bonds.

Series C Bonds shall be amortised by partial amortisation on each of the Payment Dates until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series C, pro rated between the Bonds in Series C proper by reducing the face value of each Bond in Series C.

The first partial amortisation of Series C Bonds shall occur on the Payment Date immediately after the Payment Date on which the Outstanding Principal Balance of Series C is equal to or greater than 2.70% of the Outstanding Principal Balance of the Bond Issue. After that Payment Date, the Available Funds for Amortisation shall be also applied, in addition to the amortisation of Class A, to the amortisation of Series B and Series C, and be distributed for the amortisation of Series C such that the above ratio of the Outstanding Principal Balances of Series C to the Bond Issue is kept at 2.70%, or a higher percentage closest thereto. The partial amortisation of Series B and Series C Bonds may however be stopped in certain circumstances for which provision is made in the rules for Distribution of Available Funds for Amortisation between each Series which are contained in sections II.11.3.1.5 and V.4.2.3.

The final amortisation of the Series C Bonds shall occur on the Final Maturity Date (March 15, 2035 or the following Business Day if that is not a Business Day), notwithstanding the partial amortisations for which provision is made and the fact that the Management Company may, for and on behalf of the Fund, and as provided for in section II.11.3.2, proceed to the Early Amortisation of the Bond Issue before the Final Maturity Date.

II.11.3 Common characteristics for amortising each of the Bond Series.

II.11.3.1 Partial amortisation.

Irrespective of the Final Maturity Date and without prejudice to the Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to make partial amortisations of the Bonds in each Series on the Payment Dates in accordance with the specific amortisation terms for each of the Series as established in section II.11.2 and on the terms described hereinafter in this section common to the four Bond Series.

II.11.3.1.1 Determination Dates.

These will be the dates falling on the third Business Day preceding each of the Payment Dates on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Funds para Amortisation which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments.

II.11.3.1.2 Outstanding Principal Balance of the Bonds.

The Outstanding Principal Balance of a Series shall be the sum of the principal yet to be repaid (outstanding balance) on a given date of all the Bonds in that Series, such balances to include the principal amounts that should have been repaid, as the case may be, and were not paid due to a shortage of Available Funds for Amortisation, in the Fund Priority of Payments.

Moreover, the Outstanding Principal Balance of Class A shall be the sum of the Outstanding Principal Balance of Series A1 and Series A2 making up Class A, and the Outstanding Principal Balance of the Bond Issue shall be the sum of the Outstanding Principal Balances of each of the four Series making up the Bond Issue.

II.11.3.1.3 Outstanding Balance of the Mortgage Loans.

The Outstanding Balance of the Mortgage Loans on a given date shall be the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on each and every one of the Mortgage Loans on that date.

Moreover, that definition can be applied to a Mortgage Loan, the Outstanding Balance being the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on that Mortgage Loans on a given date.

II.11.3.1.4 Available Funds for Amortisation on each Payment Date.

On each Payment Date, the amount to be allocated to amortising the Bonds ("**Available Funds for Amortisation**") shall be the lower of the following amounts:

a) The positive difference, if any, between (i) the Outstanding Principal Balance of the Bond Issue on the Business Day preceding each Payment Date, and (ii) the Outstanding Balance of the Mortgage Loans on the relevant Payment Date, in good standing in payments of amounts due or, if delinquent, with an arrears of less than eighteen (18) months.

b) Depending on the liquidity existing on that Payment Date, the Available Funds remaining after deducting the amounts applied to items numbers 1 to 4 in the Priority of Payments.

II.11.3.1.5 Distribution of Available Funds for Amortisation between each Series.

The Available Funds for Amortisation shall be applied on each Payment Date to amortising each of the Series in accordance with the following rules ("**Distribution of Available Funds for Amortisation between each Series**"):

1. Until the first Payment Date (inclusive) on which the Outstanding Principal Balances of Series B and C are respectively equal to or in excess of 5.40% and 2.70% of the Outstanding Principal Balance of the Bond Issue, the Available Funds for Amortisation shall be fully applied to amortising Class A Bonds, in accordance with rule 2 below.

2. The Available Funds for Amortisation applied to amortising Class A, both under rule 1 above and under rules 3 and 4 below, shall be applied as follows:

2.1 Ordinary application in the following order:

1. Repayment of Series A2 Bond principal in the amount of the repayment instalment falling due on the Payment Date in accordance with the repayment schedule established for Series A2.

2. Repayment of Series A1 Bond principal.

2.2 Exceptional pro rata application of Class A ("**Pro Rata Amortisation of Class A**"): the application priority of paragraph 2.1 above and repayment of Series A2 Bond principal in the amount of the repayment instalment in accordance with the repayment scheduled established for Series A2 shall be stopped on any Payment Date if any of the circumstances established below should occur.

a) In the event that on the Determination Date immediately preceding the relevant Payment Date the amount of (i) the Outstanding Balance of Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due in relation to (ii) the amount of the Outstanding Balance of Mortgage Loans in good standing in payment of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date, is in excess of 2.00%.

In that event, on the relevant Payment Date, the Available Funds for Amortisation applied to amortising Class A shall be applied to amortising Series A1 and Series A2 and be prorated among the same directly in proportion to the Outstanding Principal Balances of Series A1 and of Series A2 on the Determination Date preceding the relevant Payment Date.

b) In the event that on the relevant Payment Date, if upon calculating the Available Funds for Amortisation and their distribution for repayment of principal of each of the Series in accordance with the remaining rules of this section, the Outstanding Principal Balance of Series A2 were to be in excess of 25.00% of the Outstanding Principal Balance of the Bond Issue.

In that event, on the relevant Payment Date the Available Funds for Amortisation applied to amortising Class A shall be applied to amortising Series A1 and Series A2 and be distributed among the same in such a way that the ratio of (i) the Outstanding Principal Balance of Series A2 to (ii) the Outstanding Principal Balance of the Bond Issue is kept at 25.00% or lower percentage closest thereto.

3. From the Payment Date after the date on which the ratios established in rule 1 above are respectively equal to or greater than said 5.40% or 2.70%, the Available Funds for Amortisation shall be applied to amortising Class A and Series B and C, and be distributed among the same in such a way that the above ratios of (i) the Outstanding Principal Balances of Series B and Series C to (ii) the Outstanding Principal Balance of the Bond Issue are respectively kept at 5.40% or 2.70%, or higher percentages closest thereto.

The Available Funds for Amortisation shall not however be applied to amortising Series B and Series C on the Payment Date upon the occurrence of any of the following circumstances:

a) That the amount of the Cash Reserve provisioned is less than the Required Cash Reserve.

b) That, on the Determination Date preceding the relevant Payment Date, the amount of (i) the Outstanding Balance of Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due in relation to (ii) the amount of the Outstanding Balance of Mortgage Loans in good standing in payment of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date, is in excess of 1.50%.

4. From the Payment Date, inclusive, on which the amount of the Outstanding Balance of the Mortgage Loans is less than 10% of the initial Outstanding Balance upon the Fund being constituted or on the Payment Date on which the Fund is liquidated, the Available Funds for Amortisation shall be sequentially applied firstly to amortising Class A, in accordance with rule 2 above, until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

The Management Company shall proceed to notify the Bondholders as provided in section III.4.2 of the amortisation amount resulting for the Bonds in each Series, the Outstanding Principal Balance of each Series, and the actual prepayment rates on the Mortgage Loans and the average residual life estimated for the Bonds in each Series.

II.11.3.2 Early Amortisation of the Bond Issue.

Without prejudice to the Fund's obligation, through its Management Company, to amortise the Bonds in each Series on the Final Maturity Date or on the partial amortisations on each Payment Date, as established in the preceding paragraphs, the Management Company shall be authorised, after notifying the CNMV, to proceed to an Early Liquidation of the Fund and hence an early amortisation ("**Early Amortisation**"), on a Payment Date, of the entire Bond Issue in the Early Liquidation Events and subject to the requirements established in section III.7.1 of this Offering Circular.

II.11.3.3 Final Maturity Date.

The Final Maturity Date and consequently the final amortisation of the Bonds is March 15, 2035 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections II.11.3.1 and II.11.3.2, proceeding to amortising all or some of the Series in the Bond Issue before the Final Maturity Date.

II.11.4 Simple specification of the order number the payment of principal on the Bonds has in the Fund payment priority, and specification of the section and pages of this Offering Circular in which the rules of priority established in the Fund's payments are described, and specifically those affecting principal payments on the Bonds.

The amount of the Available Funds for Amortisation allocated for Bond principal repayment is fifth (5^{th}) in the Priority of Payments established in section V.4.2.2, page 142 of this Offering Circular.

Series A1, A2, B and C Bond principal shall be repaid in accordance with the rules for Distribution of Available Funds for Amortisation established in section V.4.2.3, page 143, and in section II.11.3.1.5 of this Offering Circular.

II.12 Debt securities servicing table, including both interest payments and principal repayments, for each of the Bonds Series to be issued by the Fund.

The issue will be serviced through BANCO COOPERATIVO as the Paying Agent. Payment of interest and amortisations shall be notified to the Bondholders in the events and in such advance as may be provided for each case in section III.4.2. Interest and amortisations shall be paid to the Bondholders by the relevant members of Iberclear and to the latter in turn by Iberclear, the institution responsible for the accounting record, or any other replacement institution.

a) Debt securities servicing tables.

The main characteristic of the Bonds lies in that their periodic amortisation and hence their average life and duration depend mainly on the pace at which the Obligors decide to repay the Mortgage Loans.

In this sense, the prepayments resolved by the Obligors, subject to continual changes, and estimated in this Offering Circular by using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter "**CPR**"), shall directly affect the pace at which the Mortgage Loans are repaid, and therefore the average life and duration of the Bonds.

There are also other variables, also subject to continual changes, affecting the average life and duration of the Bonds. These variables and their assumed values in all the tables contained in this section are:

- Mortgage Loan portfolio interest rate: 3.58% (weighted average interest rate % as of October 6, 2003 of the portfolio of selected mortgage loans);
- Mortgage Loan portfolio delinquency: 0% per annum;
- Mortgage Loan portfolio defaults rated as bad debts: 0%;
- that the prepayment rate remains constant throughout the life of the Bonds;
- and that the Bond Closing Date is October 31, 2003.

Finally, the actual adjusted duration of the Bonds will also depend on their floating interest rate and in all the tables contained in this section the following nominal interest rate is assumed for the first Interest Accrual Period of Series A1, B and C and for the first interest accrual period of Series A2:

	Series A1 Bonds	**Series A2 Bonds**	**Series B Bonds**	**Series C Bonds**
Nominal interest rate	2.353%	2.112%	2.783%	3.483%

For successive Interest Accrual Periods of Series A1, B and C and successive interest accrual periods of Series A2, the floating nominal interest rate of the Bonds is assumed to be constant as follows for each Series:

	Series A1 Bonds	**Series A2 Bonds**	**Series B Bonds**	**Series C Bonds**
Nominal interest rate	2.381%	2.136%	2.811%	3.511%

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in paragraph one of section III.7.1 of this Offering Circular when the Outstanding Balance of the Mortgage Loans is less than 10% of their initial amount, based on the historic performance of mortgage loans granted to individuals securitised by the Originators in recent years, the average life and duration of the Bonds for different CPRs shall be as follows:

% CPR:	**4%**	**6%**	**8%**	**10%**	**12%**
	Series A1 Bonds				
Average life (years)	8.4	7.1	6.0	5.2	4.6
IRR	2.435%	2.435%	2.435%	2.435%	2.435%
Duration	7.1	6.1	5.3	4.6	4.1
Final maturity	15 12 2021	16 03 2020	15 06 2018	15 12 2016	15 09 2015
(in years)	18.1	16.4	14.6	13.1	11.9

% CPR:	4%	6%	8%	10%	12%
	Series A2 Bonds				
Average life (years)	6.9	6.9	6.9	6.9	6.6
IRR	2.183%	2.183%	2.183%	2.183%	2.183%
Duration	6.2	6.2	6.2	6.2	6.0
Final maturity	16 09 2013	16 09 2013	16 09 2013	16 09 2013	17 06 2013
(in years)	9.9	9.9	9.9	9.9	9.6
	Series B Bonds				
Average life (years)	13.2	11.6	10.2	9.0	8.1
IRR	2.880%	2.880%	2.880%	2.880%	2.880%
Duration	12.8	11.2	9.9	8.8	7.9
Final maturity	15 12 2021	16 03 2020	15 06 2018	15 12 2016	15 09 2015
(in years)	18.1	16.4	14.6	13.1	11.9
	Series C Bonds				
Average life (years)	13.1	11.5	10.2	9.0	8.1
IRR	3.607%	3.607%	3.607%	3.607%	3.607%
Duration	15.9	13.7	11.8	10.3	9.1
Final maturity	15 12 2021	16 03 2020	15 06 2018	15 12 2016	15 09 2015
(in years)	18.1	16.4	14.6	13.1	11.9

These figures have been calculated using the following formula:

Average life of the Bonds: *for each of the Series, average of the time periods between the Closing Date and each of the Payment Dates, using for weighting purposes the weights the principal to be repaid on each Payment Date has on the total face amount of the Series, in accordance with the following expression:*

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

Where:

V = *Average life in each Bond Series issued expressed in years.*

P = *Principal to be repaid in each Bond Series on each Payment Date, in accordance with the amount to be amortised in each Bond Series, as described in section II.11.3.2 of this Offering Circular.*

d = *Number of days elapsed between the Closing Date and the Payment Date at issue.*

T = *Total face amount in EUR in each Bond Series.*

Internal rate of return (IRR): *for each of the Series, interest rate equalling the restatement at present value of the total amortisation and interest amounts received on each Payment Date with the face value of the Bond.*

$$N = \sum_{i=1}^{n} A_i (1+r)^{-(nd/365)}$$

Where:

N =	*face value of the Bond in each Series.*
r =	*IRR expressed as an annual rate, per unit.*
A_i =	*(A_l ....A_n). Total amortisation and interest amounts to be received by investors.*
nd =	*Number of days comprised between the Closing Date and each of the n Payment Dates, not inclusive, during the life of the Bond.*

Duration of the Bonds (adjusted Macaulay formula): *for each of the Series, measure of Bond price sensitivity with respect to changes in yield.*

$$D = \frac{\sum_{j=1}^{n}(a_j \times VA_j)}{PE} \times \frac{1}{(1+i)}$$

Where:

D =	*Duration in each Bond Series expressed in years.*
a_j =	*Time elapsed (in years) between the Closing Date and each of the n Payment Dates at issue.*
VA_j=	*Present value of each of the amounts comprising principal and gross interest, payable on each of the n Payment Dates discounted at the actual interest rate (IRR) in every Series.*
PE=	*Issue price in every Bond Series.*
i =	*Actual interest rate (IRR) in every Series, per unit.*

Final Maturity: *for each of the Series, date on which the Bonds are expected to be finally amortised, assuming that the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option will be exercised when the Outstanding Balance of the Mortgage Loans is less than 10% of the initial Outstanding Balance.*

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

- The CPRs are assumed to be constant respectively at 8% and 10% throughout the life of the debt securities and, as noted, actual prepayment rates change continually.

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

- The Bond interest rates are assumed to be constant for each Series whereas the interest rate of all the Series is known to be variable.

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

- It is assumed that the Management Company will exercise the Early Liquidation of the Fund and thereby the Early Amortisation of the Bond Issue option when the Outstanding Balance of the Mortgage Loans is less than 10% of their initial Outstanding Balance, as provided in section III.7.1 of this Offering Circular.

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 8%

Payment Date	Series A1 Bonds			Series A2 Bonds			Series B Bonds			Series C Bonds		
	Principal Repay.	Interest (gross)	Total total	Principal Repay.	Interest (gross)	Total total	Principal Repay.	Interest (gross)	Total total	Principal Repay.	Interest (gross)	Total total
31 Oct 2003												
15 Dec 2003	2,040.69	294.13	2,334.82	0.00	264.00	264.00	0.00	347.88	347.88	0.00	435.38	435.38
15 Mar 2004	3,697.20	589.58	4,286.78	0.00	539.93	539.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Jun 2004	3,632.73	573.56	4,206.29	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Sep 2004	3,542.71	551.46	4,094.17	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Dec 2004	3,429.94	524.14	3,954.08	0.00	539.93	539.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Mar 2005	3,321.91	497.97	3,819.88	0.00	534.00	534.00	0.00	702.75	702.75	0.00	877.75	877.75
15 Jun 2005	3,286.22	488.82	3,775.04	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Sep 2005	3,203.68	468.82	3,672.50	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Dec 2005	3,101.50	444.45	3,545.95	0.00	539.93	539.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Mar 2006	3,002.57	421.10	3,423.67	0.00	534.00	534.00	0.00	702.75	702.75	0.00	877.75	877.75
15 Jun 2006	2,966.40	412.19	3,378.59	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Sep 2006	2,889.45	394.14	3,283.59	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Dec 2006	2,329.51	372.46	2,701.97	2,640.00	539.93	3,179.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Mar 2007	2,237.41	354.50	2,591.91	2,640.00	519.90	3,159.90	0.00	702.75	702.75	0.00	877.75	877.75
15 Jun 2007	2,201.27	348.77	2,550.04	2,640.00	517.04	3,157.04	0.00	718.37	718.37	0.00	897.26	897.26
17 Sep 2007	2,130.51	342.66	2,473.17	2,640.00	513.56	3,153.56	0.00	733.98	733.98	0.00	916.76	916.76
17 Dec 2007	1,990.08	318.91	2,308.99	2,950.00	482.92	3,432.92	0.00	710.56	710.56	0.00	887.50	887.50
17 Mar 2008	1,922.55	306.93	2,229.48	2,950.00	466.99	3,416.99	0.00	710.56	710.56	0.00	887.50	887.50
16 Jun 2008	1,872.54	295.36	2,167.90	2,950.00	451.06	3,401.06	0.00	710.56	710.56	0.00	887.50	887.50
15 Sep 2008	1,808.33	284.09	2,092.42	2,950.00	435.13	3,385.13	0.00	710.56	710.56	0.00	887.50	887.50
15 Dec 2008	1,676.99	273.20	1,950.19	3,260.00	419.20	3,679.20	0.00	710.56	710.56	0.00	887.50	887.50
16 Mar 2009	1,601.43	263.11	1,864.54	3,260.00	401.60	3,661.60	0.00	710.56	710.56	0.00	887.50	887.50
15 Jun 2009	1,256.24	253.47	1,509.71	3,260.00	384.00	3,644.00	6,223.78	710.56	6,934.34	6,398.36	887.50	7,285.86
15 Sep 2009	1,340.13	248.61	1,588.74	3,260.00	370.43	3,630.43	3,399.71	673.66	4,073.37	3,393.39	839.85	4,233.24
15 Dec 2009	1,220.48	237.84	1,458.32	3,570.00	348.80	3,918.80	3,284.41	642.18	3,926.59	3,278.30	800.60	4,078.90
15 Mar 2010	1,157.16	227.97	1,385.13	3,570.00	325.90	3,895.90	3,172.02	612.04	3,784.06	3,166.11	763.03	3,929.14
15 Jun 2010	1,127.51	225.99	1,353.50	3,570.00	313.65	3,883.65	3,119.38	602.85	3,722.23	3,113.58	751.58	3,865.16
15 Sep 2010	1,077.19	219.13	1,296.32	3,570.00	294.17	3,864.17	3,030.06	580.45	3,610.51	3,024.42	723.64	3,748.06
15 Dec 2010	963.50	210.27	1,173.77	3,880.00	271.69	4,151.69	2,925.33	552.61	3,477.94	2,919.88	688.93	3,608.81
15 Mar 2011	906.89	202.22	1,109.11	3,880.00	247.99	4,127.99	2,824.85	525.98	3,350.83	2,819.59	655.73	3,475.32
15 Jun 2011	878.82	201.19	1,080.01	3,880.00	232.32	4,112.32	2,775.03	517.37	3,292.40	2,769.86	645.00	3,414.86
15 Sep 2011	832.52	195.85	1,028.37	3,880.00	211.14	4,091.14	2,692.84	497.44	3,190.28	2,687.82	620.15	3,307.97
15 Dec 2011	724.58	188.71	913.29	4,190.00	187.90	4,377.90	2,598.34	472.90	3,071.24	2,593.50	589.56	3,183.06
15 Mar 2012	680.21	184.35	864.56	4,190.00	165.27	4,355.27	2,519.57	454.43	2,974.00	2,514.87	566.54	3,081.41
15 Jun 2012	643.64	182.23	825.87	4,190.00	144.22	4,334.22	2,454.66	441.33	2,895.99	2,450.09	550.20	3,000.29
17 Sep 2012	598.11	182.19	780.30	4,190.00	123.98	4,313.98	2,373.84	432.90	2,806.74	2,369.42	539.70	2,909.12
17 Dec 2012	490.87	172.78	663.65	4,500.00	97.40	4,597.40	2,280.56	402.22	2,682.78	2,276.31	501.45	2,777.76
15 Mar 2013	437.23	164.23	601.46	4,500.00	70.70	4,570.70	2,185.35	373.29	2,558.64	2,181.28	465.38	2,646.66
17 Jun 2013	406.48	172.71	579.19	4,500.00	50.42	4,550.42	2,130.78	382.70	2,513.48	2,126.81	477.11	2,603.92
16 Sep 2013	362.61	164.75	527.36	4,540.00	24.51	4,564.51	2,065.43	355.35	2,420.78	2,061.58	443.01	2,504.59
16 Dec 2013	1,121.89	162.56	1,284.45	0.00	0.00	0.00	1,991.40	340.67	2,332.07	1,987.69	424.71	2,412.40
17 Mar 2014	1,080.33	155.81	1,236.14	0.00	0.00	0.00	1,917.62	326.52	2,244.14	1,914.05	407.07	2,321.12
16 Jun 2014	1,056.48	149.31	1,205.79	0.00	0.00	0.00	1,875.29	312.89	2,188.18	1,871.79	390.08	2,261.87
15 Sep 2014	1,021.78	142.95	1,164.73	0.00	0.00	0.00	1,813.69	299.57	2,113.26	1,810.32	373.47	2,183.79
15 Dec 2014	980.14	136.80	1,116.94	0.00	0.00	0.00	1,739.79	286.68	2,026.47	1,736.55	357.41	2,093.96
16 Mar 2015	940.98	130.90	1,071.88	0.00	0.00	0.00	1,670.27	274.32	1,944.59	1,667.16	341.99	2,009.15
15 Jun 2015	918.11	125.24	1,043.35	0.00	0.00	0.00	1,629.67	262.45	1,892.12	1,626.64	327.20	1,953.84
15 Sep 2015	888.50	121.03	1,009.53	0.00	0.00	0.00	1,577.12	253.63	1,830.75	1,574.19	316.20	1,890.39
15 Dec 2015	856.25	114.37	970.62	0.00	0.00	0.00	1,519.88	239.67	1,759.55	1,517.05	298.79	1,815.84
15 Mar 2016	828.46	109.21	937.67	0.00	0.00	0.00	1,470.55	228.87	1,699.42	1,467.81	285.33	1,753.14
15 Jun 2016	804.46	105.37	909.83	0.00	0.00	0.00	1,427.94	220.82	1,648.76	1,425.28	275.29	1,700.57
15 Sep 2016	777.60	100.48	878.08	0.00	0.00	0.00	1,380.26	210.56	1,590.82	1,377.69	262.50	1,640.19
15 Dec 2016	746.98	94.70	841.68	0.00	0.00	0.00	1,325.91	198.46	1,524.37	1,323.44	247.42	1,570.86
15 Mar 2017	715.97	89.22	805.19	0.00	0.00	0.00	1,270.87	186.96	1,457.83	1,268.50	233.09	1,501.59
15 Jun 2017	692.89	86.84	779.73	0.00	0.00	0.00	1,229.90	181.99	1,411.89	1,227.61	226.89	1,454.50
15 Sep 2017	662.21	82.63	744.84	0.00	0.00	0.00	1,175.44	173.15	1,348.59	1,173.25	215.87	1,389.12
15 Dec 2017	629.59	77.74	707.33	0.00	0.00	0.00	1,117.55	162.92	1,280.47	1,115.47	203.11	1,318.58
15 Mar 2018	590.41	73.14	663.55	0.00	0.00	0.00	1,048.01	153.28	1,201.29	1,046.06	191.09	1,237.15
15 Jun 2018	11,697.18	71.17	11,768.35	0.00	0.00	0.00	20,762.90	149.15	20,912.05	20,724.28	185.95	20,910.23
	100,000.00	**14,584.31**	**114,584.31**	**100,000.00**	**14,838.83**	**114,838.83**	**100,000.00**	**29,017.12**	**129,017.12**	**100,000.00**	**36,213.63**	**136,213.63**

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER
(AMOUNTS IN EUR)
CPR = 10%

Payment Date	Series A1 Bonds			Series A2 Bonds			Series B Bonds			Series C Bonds		
	Principal Repay.	Interest (gross)	Total total	Principal Repay.	Interest (gross)	Total total	Principal Repay.	Interest (gross)	Total total	Principal Repay.	Interest (gross)	Total total
31 Oct 2003												
15 Dec 2003	2,389.76	294.13	2,683.89	0.00	264.00	264.00	0.00	347.88	347.88	0.00	435.38	435.38
15 Mar 2004	4,325.56	587.48	4,913.04	0.00	539.93	539.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Jun 2004	4,224.95	567.62	4,792.57	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Sep 2004	4,093.43	541.91	4,635.34	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Dec 2004	3,935.26	511.38	4,446.64	0.00	539.93	539.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Mar 2005	3,784.55	482.34	4,266.89	0.00	534.00	534.00	0.00	702.75	702.75	0.00	877.75	877.75
15 Jun 2005	3,723.78	470.03	4,193.81	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Sep 2005	3,606.41	447.37	4,053.78	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Dec 2005	3,466.54	420.80	3,887.34	0.00	539.93	539.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Mar 2006	3,332.28	395.54	3,727.82	0.00	534.00	534.00	0.00	702.75	702.75	0.00	877.75	877.75
15 Jun 2006	3,274.61	384.06	3,658.67	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Sep 2006	3,168.75	364.13	3,532.88	0.00	545.87	545.87	0.00	718.37	718.37	0.00	897.26	897.26
15 Dec 2006	2,577.91	341.10	2,919.01	2,640.00	539.93	3,179.93	0.00	710.56	710.56	0.00	887.50	887.50
15 Mar 2007	2,457.01	322.01	2,779.02	2,640.00	519.90	3,159.90	0.00	702.75	702.75	0.00	877.75	877.75
15 Jun 2007	2,402.72	314.21	2,716.93	2,640.00	517.04	3,157.04	0.00	718.37	718.37	0.00	897.26	897.26
17 Sep 2007	2,308.23	306.11	2,614.34	2,640.00	513.56	3,153.56	0.00	733.98	733.98	0.00	916.76	916.76
17 Dec 2007	2,142.76	282.44	2,425.20	2,950.00	482.92	3,432.92	0.00	710.56	710.56	0.00	887.50	887.50
17 Mar 2008	2,054.28	269.55	2,323.83	2,950.00	466.99	3,416.99	0.00	710.56	710.56	0.00	887.50	887.50
16 Jun 2008	1,986.47	257.18	2,243.65	2,950.00	451.06	3,401.06	0.00	710.56	710.56	0.00	887.50	887.50
15 Sep 2008	1,592.17	245.23	1,837.40	2,950.00	435.13	3,385.13	6,188.45	710.56	6,899.01	6,363.10	887.50	7,250.60
15 Dec 2008	1,562.77	235.65	1,798.42	3,260.00	419.20	3,679.20	3,794.91	666.59	4,461.50	3,787.84	831.03	4,618.87
16 Mar 2009	1,476.32	226.24	1,702.56	3,260.00	401.60	3,661.60	3,641.45	639.62	4,281.07	3,634.67	797.41	4,432.08
15 Jun 2009	1,434.71	217.35	1,652.06	3,260.00	384.00	3,644.00	3,567.58	613.75	4,181.33	3,560.94	765.16	4,326.10
15 Sep 2009	1,365.81	211.01	1,576.82	3,260.00	370.43	3,630.43	3,445.30	594.86	4,040.16	3,438.88	741.61	4,180.49
15 Dec 2009	1,231.71	200.50	1,432.21	3,570.00	348.80	3,918.80	3,304.33	563.92	3,868.25	3,298.18	703.03	4,001.21
15 Mar 2010	1,155.14	190.96	1,346.10	3,570.00	325.90	3,895.90	3,168.43	534.50	3,702.93	3,162.53	666.36	3,828.89
15 Jun 2010	1,116.18	188.18	1,304.36	3,570.00	313.65	3,883.65	3,099.27	523.61	3,622.88	3,093.50	652.79	3,746.29
15 Sep 2010	1,054.84	181.39	1,236.23	3,570.00	294.17	3,864.17	2,990.40	501.35	3,491.75	2,984.83	625.03	3,609.86
15 Dec 2010	930.09	173.07	1,103.16	3,880.00	271.69	4,151.69	2,866.04	474.65	3,340.69	2,860.70	591.75	3,452.45
15 Mar 2011	863.32	165.63	1,028.95	3,880.00	247.99	4,127.99	2,747.52	449.30	3,196.82	2,742.40	560.13	3,302.53
15 Jun 2011	827.85	164.06	991.91	3,880.00	232.32	4,112.32	2,684.56	439.54	3,124.10	2,679.56	547.98	3,227.54
15 Sep 2011	773.23	159.02	932.25	3,880.00	211.14	4,091.14	2,587.60	420.26	3,007.86	2,582.78	523.93	3,106.71
15 Dec 2011	657.06	152.64	809.70	4,190.00	187.90	4,377.90	2,478.48	397.30	2,875.78	2,473.87	495.32	2,969.19
15 Mar 2012	605.80	148.68	754.48	4,190.00	165.27	4,355.27	2,387.49	379.69	2,767.18	2,383.05	473.36	2,856.41
15 Jun 2012	563.38	146.63	710.01	4,190.00	144.22	4,334.22	2,312.20	366.71	2,678.91	2,307.90	457.18	2,765.08
17 Sep 2012	512.38	146.31	658.69	4,190.00	123.98	4,313.98	2,221.67	357.71	2,579.38	2,217.54	445.96	2,663.50
17 Dec 2012	400.17	138.56	538.73	4,500.00	97.40	4,597.40	2,119.58	330.51	2,450.09	2,115.63	412.05	2,527.68
15 Mar 2013	342.80	131.66	474.46	4,500.00	70.70	4,570.70	2,017.73	305.05	2,322.78	2,013.98	380.31	2,394.29
17 Jun 2013	309.08	138.51	447.59	4,500.00	50.42	4,550.42	1,957.89	311.04	2,268.93	1,954.25	387.77	2,342.02
16 Sep 2013	260.92	132.23	393.15	4,540.00	24.51	4,564.51	1,884.93	287.20	2,172.13	1,881.42	358.05	2,239.47
16 Dec 2013	1,016.23	130.66	1,146.89	0.00	0.00	0.00	1,803.84	273.81	2,077.65	1,800.48	341.36	2,141.84
17 Mar 2014	971.48	124.54	1,096.02	0.00	0.00	0.00	1,724.41	260.99	1,985.40	1,721.20	325.38	2,046.58
16 Jun 2014	944.95	118.70	1,063.65	0.00	0.00	0.00	1,677.32	248.74	1,926.06	1,674.20	310.10	1,984.30
15 Sep 2014	907.78	113.01	1,020.79	0.00	0.00	0.00	1,611.34	236.82	1,848.16	1,608.34	295.24	1,903.58
15 Dec 2014	864.68	107.54	972.22	0.00	0.00	0.00	1,534.84	225.37	1,760.21	1,531.99	280.97	1,812.96
16 Mar 2015	824.28	102.34	926.62	0.00	0.00	0.00	1,463.13	214.46	1,677.59	1,460.40	267.37	1,727.77
15 Jun 2015	800.00	97.38	897.38	0.00	0.00	0.00	1,420.02	204.07	1,624.09	1,417.38	254.41	1,671.79
15 Sep 2015	768.84	93.58	862.42	0.00	0.00	0.00	1,364.72	196.11	1,560.83	1,362.18	244.49	1,606.67
15 Dec 2015	735.27	87.94	823.21	0.00	0.00	0.00	1,305.13	184.28	1,489.41	1,302.70	229.74	1,532.44
15 Mar 2016	706.49	83.51	790.00	0.00	0.00	0.00	1,254.04	175.01	1,429.05	1,251.71	218.18	1,469.89
15 Jun 2016	681.74	80.13	761.87	0.00	0.00	0.00	1,210.11	167.92	1,378.03	1,207.86	209.35	1,417.21
15 Sep 2016	654.37	75.98	730.35	0.00	0.00	0.00	1,161.52	159.23	1,320.75	1,159.36	198.51	1,357.87
15 Dec 2016	11,832.90	71.22	11,904.12	0.00	0.00	0.00	21,003.77	149.24	21,153.01	20,964.65	186.06	21,150.71
	100,000.00	**12,539.43**	**112,539.43**	**100,000.00**	**14,838.83**	**114,838.83**	**100,000.00**	**25,756.39**	**125,756.39**	**100,000.00**	**32,143.58**	**132,143.58**

b) Example for applying dates and time periods defined in sections II.10 and II.11 of this Offering Circular for determining and paying Bond interest and amortisation.

For a better understanding by the subscriber of the definitions and rules for the application of dates and periods described in sections II.10 and II.11 relating to Bond interest and amortisation, the following example is given hereinafter, dividing it into characteristics for the first Payment Date (given its atypical nature) and for the second and successive Payment Dates:

1. First Payment Date: December 15, 2003.

(Execution of the Deed of Constitution: October 28, 2003)

a) Nominal Interest Rate fixing date applicable to each of the Series for the first Interest Accrual Period:
   - 11am (CET time) on the second Business Day immediately preceding the Closing Date: October 29, 2003.

b) Notices:
   - Extraordinary notice of constitution of the Fund and of the Bond Issue -press announcement, as per section III.4.2.c).2: October 29, 2003.
   - Extraordinary notice of the final margins applicable for determining the Nominal Interest Rate for each of Series A1, B and C and the resultant Nominal Interest Rate for the first Interest Accrual Period: October 29, 2003. The Management Company shall notify this in writing by the start of the Subscription Period to the Lead Managers and the Underwriters and Placement Agents, for investors interested in subscribing for the Bonds to be notified thereof.

c) First Interest Accrual Period:
   - From October 31, 2003 (Closing Date), inclusive, until December 15, 2003, exclusive.

d) Determination Date (or date on which the Management Company makes calculations for the distribution and withholding of Available Funds): December 10, 2003.

e) Ordinary periodic notices (communication as per sections III.4.2.a).2 and III.4.2.c).1):
   - Of all other periodic information: until December 14, 2003, inclusive.

2. Second Payment Date: March 15, 2004.

a) Nominal Interest Rate fixing date applicable to Series A1, B and C for the second Interest Accrual Period:
   - 11am (CET time) on the second Business Day preceding the first Payment Date: December 11, 2003.

b) Ordinary periodic notices (communication as per sections III.4.2.a).1 and III.4.2.c).1):
   - Of the resultant interest rate for the second Interest Accrual Period: until March 17, 2004, inclusive.

c) Second Interest Accrual Period:
   - From December 15, 2003 (first Payment Date), inclusive, until March 15, 2004, exclusive.

d) Determination Date (or date on which the Management Company makes calculations for the distribution and withholding of Available Funds): March 10, 2004.

e) Ordinary periodic notices (communication as per sections III.4.2.a).2 and III.4.2.c).1):
   - Of all other periodic information: until March 14, 2004, inclusive.

II.13 Actual interest forecast for the holder, bearing in mind the characteristics of the issue, specifying the calculation method used and the expenses expected by items having regard to its true nature.

In the event that the nominal interest rates applicable to each of Series A1, A2, B and C, variable quarterly, should remain constant throughout the life of the debt securities, at the rates of the tables contained in section II.12.a) of the Offering Circular, these rates would result in Internal Rates of Return ("**IRR**") for the holder in each of the Series as shown in the following table, given the effect of quarterly interest payment, calculated without considering the tax effect, and assuming at all events the values and assumptions contained in said section for constant prepayment rates (CPR) of 8% and 10%.

	Series A1 Bonds	Series A2 Bonds	Series B Bonds	Series C Bonds
Actual interest forecast (IRR)	2.435%	2.183%	2.888%	3.607%

II.14 Actual interest forecast for the Fund at the time of issue, considering all the structuring and placement expenses incurred by the Fund, specifying the calculation method.

The actual interest for the Fund has been calculated using the internal rate of return (IRR) formula described in section II.12.a) above, making the following assumptions:

a) that the floating nominal interest rate of the Bonds should remain constant throughout the life of the debt securities at the rates of the tables contained in section II.12.a);

b) that the assumptions mentioned in section II.12.a) are made; and

c) that the expected Fund constitution and Bond issue expenses are deducted from the face value of the Bond Issue.

The actual interest forecast for the Fund would be 2.466% or 2.465% for CPRs respectively of 8.00% and 10.00%, in the assumptions contained in the preceding paragraph.

The following are the expected expenses:

Forecast Fund constitution and Bond issue expenses.	**EUR**
• Initial Management Company Fee	102,000.00
• Notary's, audit, rating and legal advice fees	207,312.21
• CNMV fees (issue and listing)	58,367.58
• AIAF and Iberclear fees	41,581.36
• Issue advertising, printing and other expenses	16,825.50
• Series A1, B and C Bond underwriting and placement fees	613,800.00
Total expenses	**1,039,886.65**

II.15 Existence or not of special guarantees on the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund or on the Bonds issued by the Fund.

There are no special guarantees covering the Bonds issued by or on the Mortgage Certificates and the Pass-Through Certificates pooled in the Fund, beyond the undertakings by the Originators issuing the Mortgage Certificates and the Pass-Through Certificates contained in section IV.1.4 of this Offering Circular in relation to the substitution of Mortgage Certificates and Pass-Through Certificates derived from Mortgage Loans failing to conform to the representations contained in section IV.1.a) of this Offering Circular or the specific characteristics of the Mortgage Loans notified by the Originators to the Management Company.

II.16 Securities circulation law, particularly noting whether there are restrictions on the free transfer of the securities or mentioning that no such restrictions exist.

The Bonds subject of this issue are not subject to any restrictions on their free transfer, and may be freely transferred subject to the statutory provisions applicable thereto and to the provisions of sections II.4.1, II.5 and II.17 of this Chapter.

II.17 Organised secondary markets for which there is an undertaking to apply for listing of the securities and specific deadline by which that application shall be filed and all other documents required for listing to be achieved.

In accordance with article 5.9 of Act 19/1992, the Management Company shall, upon the Bonds having been paid up, apply for this Bond issue to be listed on the AIAF, which is a qualified official secondary securities market pursuant to Transitional Provision six of Act 37/1998, November 16, amending the Securities Market Act. The Management Company undertakes that definitive listing will be achieved not later than one month after the Closing Date.

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

In the event that, by the above deadline, the Bonds should not be so listed on the AIAF, the Management Company shall forthwith proceed to notify the Bondholders thereof, moreover advising of the reasons for such inobservance, all in accordance with the provisions of section III.4.2 of the Circular. This shall all be without prejudice to the Management Company being held to be liable, as the case may be.

II.18 Subscription, placement and underwriting of the Series A1, B and C Bonds.

II.18.1 Potential investors to whom the Series A1, B and C Bonds are offered, and reasons for electing the same.

The placement of the Series A1, B and C Bonds is targeted at institutional investors, both legal persons or entities devoid of legal personality, such as pension funds, collective-investment undertakings, insurers, or credit institutions, firms of broker-dealers or undertakings qualified under articles 64 and 65 of the Securities

Market Act (as worded by Act 37/1998) to manage third-party portfolios, in the business of regularly and professionally investing in marketable securities.

In the case of undertakings qualified to manage securities portfolios, subscription or acquisition proposals shall be made by those undertakings on behalf of investors having previously signed with such undertakings an appropriate securities portfolio management agreement.

Once the issue has been fully placed and the Bonds are listed on the official AIAF secondary securities market, the Bonds may be freely purchased on that market in accordance with its own trading rules.

Effects of the subscription for Bondholders.

Subscription for the Bonds implies for each Bondholder an acceptance of the terms of the Deed of Constitution.

Tranches.

Each of Series A1, B and C consists of one tranche only.

II.18.2 Legal status of the Bonds.

The following legal considerations apply to the Bonds subject of this issue in connection with their subscription by certain investors:

(i) The Series A1 and A2 Bonds meet the selection policies to be admitted as assets securing transactions with the European Central Bank.

Once the Bonds are listed on the AIAF they shall be:

(ii) Eligible for investment by insurers in observance of their technical provision obligations, pursuant to article 50 of the Private Insurance Arrangement and Supervision Regulations approved by Royal Decree 2486/1998, November 20.

(iii) Eligible for investment by the Mutual Guarantee Company Technical Provision Fund, in accordance with Legal System of Mutual Guarantee Companies Act 1/1994, March 11, and Royal Decree 2345/1996, November 8, relating to the rules for the administrative authorisation of and solvency requirements for Mutual Guarantee Companies.

(iv) Eligible for investment by Pension Funds in accordance with the provisions of article 34 of Royal Decree 1307/1988, September 30, approving the Pension Plans and Funds Regulations.

(v) Eligible for investing the Assets of Collective-Investment Undertakings, in accordance with the specific rules established for each of them in articles 4, 10, 18 and 25 of Collective-Investment Undertakings Act 46/1984, December 26, and its subsequent implementing regulations, and Royal Decree 91/2001, February 2, partially amending Royal Decree 1393/1990, November 2.

II.18.3 Subscription or acquisition date or period.

The subscription period for the Series A1, B and C Bonds (the "**Subscription Period**") shall begin at 1pm (CET time) on October 29, 2003 and end at 4pm (CET time) on the same day.

II.18.4 Where and with whom may subscription or acquisition be processed?

In order to be taken into account, subscription proposals for the Series A1, B and C Bonds shall be made by any means admissible at Law during the Subscription Period established in the preceding section, with BANCO COOPERATIVO, CRÉDIT AGRICOLE INDOSUEZ, DZ BANK, SOCIÉTÉ GÉNÉRALE, AHORRO CORPORACIÓN FINANCIERA S.V., BANESTO, CAJA MADRID, DEXIA, EBN BANCO, INVERCAIXA and NATEXIS BANQUES POPULAIRES, as Bond Issue Underwriters and Placement Agents, through their offices and branches and observing the procedures established hereinafter in the following sections.

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

II.18.5 Payment method and dates.

The investors to whom the Series A1, B and C Bonds are allocated shall pay the relevant Underwriter and Placement Agent by 12 o'clock noon (CET time) on October 31, 2003 (the "**Closing Date**"), for same day value, the relevant issue price (100% of the face value) for each Bond allocated for subscription.

In turn, each Underwriter and Placement Agent shall pay to BANCO COOPERATIVO, as the Paying Agent, by 1pm (CET time) on the Closing Date, for same day value, the Bond subscription amount underwritten thereby, deducting the sum of the relevant underwriting and placement fee.

II.18.6 Method and deadline for delivery to the subscribers of copies of the subscription certificates or provisional slips, specifying the chances of their being traded and their maximum term of validity.

The Underwriters and Placement Agents shall provide the Series A1, B and C Bond subscribers with a document proving their subscription for the Bonds allocated and the actual amount paid for such subscription, though title to the Bonds taken shall be established by means of the appropriate entry in the accounting record.

This document shall not be marketable and will only be valid to justify subscription for the relevant Bonds, until and unless an entry is made in the accounting record as determined in section II.5 of this Offering Circular.

II.18.7 Placement and allocation of the Bonds:

The Underwriters and Placement Agents shall freely proceed to accept or turn down the Series A1, B and C Bond subscription proposals received, making sure in any event that there is no discriminatory treatment between similarly characterised proposals. The Underwriters and Placement Agents may nevertheless give priority to proposals of those of their customers as they shall deem fit.

Each Underwriter and Placement Agent agrees to subscribe in its own name, at the close of the Subscription Period, for such amount of Bonds as may be necessary to complete the figure of their underwriting commitment as determined in section II.18.8 of this Chapter.

II.18.8 Institutions involved in the placement or marketing, giving their respective roles, describing the same specifically. Overall amount of the fees agreed between the various placement agents and the Management Company.

Placement of the Series A1, B and C Bonds shall be undertaken by BANCO COOPERATIVO, CREDIT AGRICOLE INDOSUEZ, DZ BANK, SOCIÉTÉ GÉNÉRALE, AHORRO CORPORACIÓN FINANCIERA S.V., BANESTO, CAJA MADRID, DEXIA, EBN BANCO, INVERCAIXA and NATEXIS BANQUES POPULAIRES as Underwriters and Placement Agents, on the terms contained in this section under the Series A1, B and C Bond Management and Underwriting and Placement Agreement.

The following are the details of the commitment by each Underwriter and Placement Agent in regard to their involvement in underwriting the placement of the Series A1, B and C Bonds:

Underwriters and Placement Agents	**Face amount underwritten (in EUR)**		
	Series A1	**Series B**	**Series C**
BANCO COOPERATIVO	138,200,000.00	4,700,000.00	2,300,000.00
CRÉDIT AGRICOLE INDOSUEZ	138,200,000.00	4,700,000.00	2,300,000.00
DZ BANK	138,200,000.00	4,700,000.00	2,400,000.00
SOCIÉTÉ GÉNÉRALE	138,200,000.00	4,700,000.00	2,400,000.00
AHORRO CORPORACIÓN FINANCIERA S.V.	2,000,000.00	-	-
BANESTO	2,000,000.00	-	-
CAJA MADRID	2,000,000.00	-	-
DEXIA	2,000,000.00	-	-
EBN BANCO	2,000,000.00	-	-
INVERCAIXA	2,000,000.00	-	-
NATEXIS BANQUES POPULAIRES	2,000,000.00	-	-
Total	**566,800,000.00**	**18,800,000.00**	**9,400,000.00**

The Underwriters and Placement Agents shall receive from the Fund an underwriting and placement fee on the face amount underwritten of the Series A1, B and C Bonds, as follows:

- **Series A1 Bonds:** 0.10% fee.
- **Series B Bonds:** 0.15% fee.
- **Series C Bonds:** 0.20% fee.

II.18.9 Lead Managers of the issue.

BANCO COOPERATIVO, CREDIT AGRICOLE INDOSUEZ, DZ BANK and SOCIÉTÉ GÉNÉRALE shall be involved as Lead Managers of the Bond Issue, and a statement is reproduced hereinafter signed by a duly authorised person, containing the representations referred to in CNMV Circular 2/1994, March 16, approving the standard Offering Circular for constituting Mortgage Securitisation Funds:

Statement by BANCO COOPERATIVO.

We, Messrs Ignacio Benlloch Fernández-Cuesta and Ramón Carballás Varela, acting for and on behalf of BANCO COOPERATIVO, S.A.., with place of business for the purposes hereof at c/ Virgen de los Peligros, 4, duly authorised for these presents, and in connection with the constitution of RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond issue amounting to EUR six hundred and ninety-five million (695,000,000.00), notice of which for verification by and registration at the Comisión Nacional del Mercado de Valores was given by Europea de Titulización S.G.F.T. on October 1, 2003, in pursuance of Royal Decree

291/1992, March 27, on issues and public offerings for the sale of securities, as amended by Royal Decree 2590/1998, December 7,

HEREBY DECLARE

· That the necessary checks have been made to verify that the information contained in the Offering Circular is truthful and complete.

· That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.

· That the above representations neither extend nor refer to the audit report attached as an appendix to the Offering Circular in regard to the selected mortgage loans.

In witness whereof, to serve and avail as and where appropriate, this statement is given at Madrid, on October 22, 2003.

Statement by CRÉDIT AGRICOLE INDOSUEZ.

We, Messrs Pablo Lladó Figuerola Ferretti and Avelino Abellás Fernández, acting for and on behalf of CRÉDIT AGRICOLE INDOSUEZ, with place of business for the purposes hereof at Paseo de la Castellana, 1 - 28034 Madrid, duly authorised for these presents, and in connection with the constitution of RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond issue amounting to EUR six hundred and ninety-five million (695,000,000.00), notice of which for verification by and registration at the Comisión Nacional del Mercado de Valores was given by Europea de Titulización S.G.F.T. on October 1, 2003, in pursuance of Royal Decree 291/1992, March 27, on issues and public offerings for the sale of securities, as amended by Royal Decree 2590/1998, December 7,

HEREBY DECLARE

· That the necessary checks have been made to verify that the information contained in the Offering Circular is truthful and complete.

· That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.

· That the above representations neither extend nor refer to the audit report attached as an appendix to the Offering Circular in regard to the selected mortgage loans.

In witness whereof, to serve and avail as and where appropriate, this statement is given at Madrid, on October 22, 2003.

Statement by DZ BANK.

We, Messrs Patricio Bustos-Heppe and Christian Fuhrmann-Kempe, acting for and on behalf of DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN , with place of business for the purposes hereof at Platz der Republik, Frankfurt am Main, duly authorised for these presents, and in connection with the constitution of RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond issue amounting to EUR six hundred and ninety-five million (695,000,000.00), notice of which for verification by *and registration at the Comisión Nacional del Mercado de Valores was given by Europea de Titulización S.G.F.T. on October 1, 2003, in pursuance of Royal Decree 291/1992, March 27, on issues and public offerings for the sale of securities, as amended by Royal Decree 2590/1998, December 7,*

HEREBY DECLARE

· That the necessary checks have been made to verify that the information contained in the Offering Circular is truthful and complete.

· That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.

· That the above representations neither extend nor refer to the audit report attached as an appendix to the Offering Circular in regard to the selected mortgage loans.

In witness whereof, to serve and avail as and where appropriate, this statement is given at Frankfurt am Main, on October 22, 2003.

Statement by SOCIÉTÉ GÉNÉRALE.

We, Messrs Álvaro Huete Gómez and Demetrio Salorio Simonet, acting for and on behalf of SOCIÉTÉ GÉNÉRALE Sucursal en España, with place of business for the purposes hereof at Plazo Pablo Ruiz Picasso 1, Madrid, duly authorised for these presents, and in connection with the constitution of RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS and the Bond issue amounting to EUR six hundred and ninety-five million (695,000,000.00), notice of which for verification by and registration at the Comisión Nacional del Mercado de Valores was given by Europea de Titulización S.G.F.T. on October 1, 2003, in pursuance of Royal Decree 291/1992, March 27, on issues and public offerings for the sale of securities, as amended by Royal Decree 2590/1998, December 7,

HEREBY DECLARE

· That the necessary checks have been made to verify that the information contained in the Offering Circular is truthful and complete.

· That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.

· That the above representations neither extend nor refer to the audit report attached as an appendix to the Offering Circular in regard to the selected mortgage loans.

In witness whereof, to serve and avail as and where appropriate, this statement is given at Madrid, on October 22, 2003.

Attached as Appendix VI to this Offering Circular is a photocopy of the letters from BANCO COOPERATIVO, CRÉDIT AGRICOLE INDOSUEZ, DZ BANK and SOCIÉTÉ GÉNÉRALE making those statements.

The Lead Managers shall not be remunerated for managing the Bond Issue.

II.18.10 Series A1, B and C Bond Management and Underwriting and Placement Agreement.

The Management Company shall, for and on behalf of the Fund, enter into a Series A1, B and C Bond Management and Underwriting and Placement Agreement with BANCO COOPERATIVO ESPAÑOL S.A. **("BANCO COOPERATIVO**"), CRÉDIT AGRICOLE INDOSUEZ Sucursal en España ("**CRÉDIT AGRICOLE INDOSUEZ**"), DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK ("**DZ BANK**") and SOCIÉTÉ GÉNÉRALE Sucursal en España ("**SOCIÉTE GÉNÉRALE**") as Lead Managers and Underwriters and Placement Agents, and with AHORRO CORPORACIÓN FINANCIERA, S.V.B., S.A. ("**AHORRO CORPORACIÓN FINANCIERA** S.V."), BANCO ESPAÑOL DE CRÉDITO S.A. ("**BANESTO**"), CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID ("**CAJA MADRID**"), DEXIA BANQUE BELGIQUE S.A. ("**DEXIA**"), SOCIEDAD ESPAÑOLA DE BANCA DE NEGOCIOS PROBANCA S.A. ("**EBN BANCO**"), INVERCAIXA VALORES SVB, S.A. ("**INVERCAIXA**") and NATEXIS BANQUES POPULAIRES S.A. ("NATEXIS BANQUES POPULAIRES") as Underwriters and Placement Agents.

The Series A1, B and C Bond Underwriters and Placement Agents shall take on the obligations contained in the Series A1, B and C Bond Management and Underwriting and Placement Agreement which are basically the following: 1) securing placement by a third-party subscription for the Series A1, B and C Bonds; 2) an undertaking to subscribe for the Series A1, B and C Bonds not subscribed for when the Subscription Period is closed, up to the set amounts; 3) paying to the Paying Agent by 1pm on the Closing Date, for same day value, the Series A1, B and C Bond subscription amount underwritten by each of them, deducting the sum of the underwriting and placement fee accrued by them, whereupon the Paying Agent shall pay to the Fund by 2pm on that same day, for same day value, the amount paid to it by the remaining Underwriters and Placement Agents plus the sum of the face amount of its own underwriting commitment, deducting the sum of the underwriting and placement fees accrued in its favour; 4) an undertaking to pay late-payment interest as covenanted in the Agreement in the event of late payment of the amounts due; 5) providing subscribers with a document proving subscription; 6) providing the Management Company with Series A1, B and C Bond Issue placement dissemination control information; and 7) all other aspects governing the underwriting and placement of the Series A1, B and C Bonds.

The underwriting commitments of each Underwriting and Placement Agent and the underwriting and placement fees are specified in section II.8.8 of this Offering Circular.

BANCO COOPERATIVO, CRÉDIT AGRICOLE INDOSUEZ, DZ BANK and SOCIÉTÉ GÉNÉRALE shall be involved as Lead Managers in the Bond Issue. They shall not be remunerated for leading the Bond Issue.

The Series A1, B and C Bond Management and Underwriting and Placement Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

II.18.11 Pro rata placement, method and date, manner of publicising the results and, as the case may be, returning to the requestors the amounts settled in excess of the securities allocated, along with such interest payments as may be appropriate.

Not applicable.

II.19 Subscription for the Series A2 Bonds.

Subscription for all the Series A2 Bonds shall be carried out by the EUROPEAN INVESTMENT BANK under a Series A2 Bond Subscription Agreement to be entered into by the Management Company, for and on behalf of the Fund, and the EUROPEAN INVESTMENT BANK.

The most relevant terms of the Series A2 Bond Subscription Agreement are contained in section V.3.5 of this Offering Circular.

II.20 Term and method for providing subscribers with certificates or documents establishing subscription for the securities.

The Bonds, represented by means of book entries, shall become such bonds upon being entered in the relevant accounting record, as provided in Royal Decree 116/1992, with the usual timing and procedures of the institution in charge of so doing, to wit IBERCLEAR or any other replacement institution.

The relevant Underwriter and Placement Agent shall provide Series A1, B and C Bond subscribers, within not more than fifteen (15) days after the Closing Date, with a document certifying their subscription for the Bonds allocated, and the actual amount paid up on that subscription, though title to the Bonds subscribed for shall be established by means of an appropriate entry in the accounting record.

II.21 National laws governing the securities and jurisdiction in the event of litigation.

The constitution of the Fund and the issue of the Bonds are subject to Spanish Law, and specifically to the legal system established by Royal Decree 926/1998, Act 19/1992, July 7, failing a provision in Royal Decree 926/1998 and to the extent applicable, by the Securities Market Act, by Act 3/1994 and by Act 44/2002, , and as prescribed by Royal Decree 291/1992, and CNMV Circular 2/1994 and Circular 2/1999.

The Deed of Constitution, the Bond issue and the agreements for transactions hedging financial risks and provision of services to be entered into by the Management Company on behalf of the Fund shall be governed by and construed in accordance with Spanish Laws.

All matters, disagreements, actions and claims deriving from the Management Company's constitution, administration and legal representation of RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS, and the Bond issue by the same, shall be heard and decided by the competent Spanish Courts and Tribunals.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against Obligors who may have defaulted on their payment obligations under the Mortgage Loans. Any such rights shall lie with the Management Company, representing the Fund holding the Mortgage Certificates and the Pass-Through Certificates by which the Mortgage Loans are assigned.

The Bondholders and the remaining creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of default of amounts due by the Fund resulting from a default of the Mortgage Loans by the relevant Obligors or breach by the other parties to the transactions arranged for and on behalf of the Fund.

The Bondholders and the remaining creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties or inobservance of the provisions of the Deed of Constitution and of the Offering Circular. Those actions shall be resolved by means of the relevant ordinary declaratory proceedings depending on the amount claimed. Moreover, the Management Company shall be liable for such penalties as may be levied under the provisions of Act 19/1992.

II.22 Personal taxation of income from the securities offered, distinguishing between resident and non-resident subscribers.

A brief account is given hereinafter of the tax system applicable to the investments derived from this offering, in which connection only State laws in force for the time being and general aspects that might affect investors are taken into account; investors must bear in mind both their possible special tax circumstances and the rules applied territorially and contained in the laws in force at the time when the relevant income is obtained and returned.

Because this offering will be represented by book entries and an application will be made for the securities to be listed and traded on an official Spanish secondary securities market, which circumstances are relevant to determining taxation, the assumption made is that these requirements shall be met. It has moreover been considered that, upon being issued, the Bonds will be considered financial assets with an explicit yield, when this qualification is relevant for tax purposes.

The withholdings, contributions and taxes established now or in the future on the Bond principal, interest or income shall be payable by the Bondholders, and their amount shall be deducted by the Management Company, as the case may be, in the manner statutorily prescribed.

During the life of the Bonds, their tax system shall be as derived from the laws in force from time to time.

It should finally be noted that the tax treatment described herein is general and has not therefore included the taxation applicable to income obtained through entities under an imputed income system.

II.22.1 Natural or legal persons resident in Spain.

Personal Income Tax.

Income obtained by Bondholders who are Personal Income Tax (IRPF) payers, both as interest and in connection with the transfer, repayment or amortisation of the Bonds, shall be considered income on investments obtained from the assignment of own capital to third parties, as defined in article 23.2 of the Personal Income Tax and Other Tax Rules Act 40/1998, December 9 ("**Act 40/1998**").

In this sense, in the event of revenues derived from receipt of Bond coupons, the aggregate income shall be determined by the amount of interest received, including the IRPF withholding made, as the case may be.

Furthermore, in the event of transfer, redemption or amortisation of the Bonds, the income on investments shall be deemed to be the difference between the transfer, redemption or amortisation value (less ancillary disposal expenses) and the acquisition or subscription value (plus ancillary acquisition expenses). When the taxpayer has acquired other homogeneous financial assets within two months before or after transfer, redemption or amortisation, negative income from the Bonds shall nevertheless be integrated as the Bonds remaining on the taxpayer's assets are transferred.

The net income on investments shall be found deducting the Bond servicing and custody expenses from the aggregate income, provided that those expenses do not derive from a discretionary management of the portfolio of investments. The income from the transfer, redemption or amortisation of Bonds being part of the investor's assets for a time-period in excess of two years shall be reduced by 40%.

Interest income received shall be subject to a 15% withholding tax on account of the beneficiary's IRPF.

There is no withholding tax obligation on income derived from the transfer or repayment of the Bonds, because these are represented by means of book entries and are traded on an official Spanish securities market, other than for the part of the price equivalent to the matured coupon in transfers made within thirty days immediately preceding coupon maturity where (i) the transferee is a person or undertaking not resident in Spanish territory or a Corporation Tax obligor, and (ii) this income is exempt from the obligation to withhold from the transferee.

Corporation Tax.

Both interest income and income derived from the transfer, repayment or amortisation of the Bonds obtained by undertakings considered to be Corporation Tax obligors, shall be added to the tax base as prescribed under Title IV of Corporation Tax Act 43/1995, December 27.

The aforesaid income shall be excluded from withholding tax as provided by article 57.q) of Royal Decree 537/1997, April 14, approving the Corporation Tax Regulations. Nevertheless, in accordance with the Ministerial Order of December 22, 1999, the procedure for the exclusion of withholding tax or prepayment on the Bond interest to be effective shall be subject to the following requirements:

1. The Management Company, for and on behalf of the Fund as the issuer, shall pay the custodians, through the Paying Agent, the liquid amount resulting from applying the general withholding rate in force on that date to all the interest.

2. By the 10th of the month after the month of maturity of each coupon, the custodians shall provide the Management Company or the Paying Agent with an itemised list of the holders who must pay Corporation Tax, along with their identification particulars, the number of securities they held at the date of maturity of each coupon, the respective gross income and the amount withheld.

3. Bondholders who are Corporation Tax obligors shall certify that circumstance with the custodians of the Bonds by the 10th of the month after coupon maturity in order that the custodians may draw up the list specified in the preceding paragraph.

4. Forthwith upon receiving that list, the Management Company shall promptly pay the custodians through the Paying Agent the amount withheld from those obligors or taxpayers.

5. The custodians shall forthwith pay the amount withheld to the obligor or taxpaying holders.

II.22.2 Natural or legal persons not resident in Spain.

Income obtained by Bondholders who are Non-Resident Income Tax payers, both on interest and in connection with the transfer, repayment or amortisation of the Bonds, shall be considered to be income obtained in Spain, with or without a permanent establishment, on the terms of article 12 of Non-Resident Income and Tax Rules Act 41/1998, December 9 ("**Act 41/1998**").

Income obtained through a permanent establishment.

Bond income obtained by a permanent establishment in Spain shall pay tax as described for Corporation Tax payers (legal persons resident in Spain), notwithstanding the provisions of double-taxation Agreements of which Spain is a signatory, which might determine that the relevant income pays no tax or, as the case may be, that reduced rates apply. The aforesaid income shall be subject to a Non-Resident Income Tax withholding in the same events and on the same terms mentioned for Corporation Tax payers resident in Spain. The procedure for exclusion of withholding or prepayment prescribed for Corporation Tax payers shall also apply to non-residents operating in Spain through a permanent establishment.

Income obtained other than through a permanent establishment.

Bond income obtained by persons or undertakings not resident in Spain acting without a permanent establishment shall pay tax in accordance with the rules of Chapter IV of the aforesaid Act 41/1998, the following elements of the system of that Act being noteworthy, without prejudice to the provisions of double-taxation Agreements signed by Spain determining that the relevant income need pay no tax or, as the case may be, that reduced rates apply:

- The tax base shall be quantified as the full amount of the income obtained, calculated with reference to the rules of Act 40/1998, whereas the reductions of that Act will not apply.

- In the event of transfer, repayment or amortisation, expenses attaching to acquisition and disposition shall be taken into account for calculating the income, provided that they are properly supported. Taxation shall be separately effected for each total or partial taxable accrual of income, which may under no circumstances be set off against one another.

- The Tax will be calculated applying a 15 percent rate to the tax base comprising Bond interest and income.

- Bond income obtained both as interest and in connection with the transfer, repayment or amortisation of the Bonds, by persons or undertakings not resident in Spain acting in this connection without a permanent establishment shall be exempt when the beneficiary is a resident of another European Union Member State.

- Income derived from the transfer of such securities made on any of the official Spanish secondary securities markets obtained by non-resident natural persons or undertakings other than through a permanent establishment in Spanish territory, resident in a State having signed a double-taxation agreement with Spain with an information-exchange clause, will also be exempt.

- The exemptions mentioned in the preceding two paragraphs shall by no means apply where the income is obtained through countries or territories statutorily qualified as tax havens.

- The application of any exemption or reduced rate for which provision is made in the internal laws or in an Agreement signed by Spain shall require satisfactory proof of the investor's tax residence in accordance with the set requirements.

- On the other hand, Bond coupons are in principle liable to a withholding, unless evidence is produced of exemption or Tax payment. The amount withheld is equivalent to the final Tax.

- In accordance with the Ministerial Order of April 13, 2000, in connection with the application for the case of interest of the exclusion from withholding tax or withholding at a reduced rate by applying the taxation limits established in Double-Taxation Agreements, the procedure will be as follows:

  1. The Management Company shall, for and on behalf of the Fund as the issuer, through the Paying Agent, pay to the custodians the net amount resulting from applying the general withholding rate in force on that date to all the interest.

  2. By the 10th of the month after the month of maturity of each coupon, the custodians shall provide the Management Company or the Paying Agent with an itemised list of the holders who must pay Non-Resident Income Tax for obtaining income in Spanish territory without a permanent establishment, along with their identification particulars, the number of securities they held at the date of maturity of each coupon, the respective gross income and the amount withheld.

  3. Bondholders who are Non-Resident Income Tax payers shall have established to the custodians that they are entitled to have the taxation limits of an Agreement applied or to be excused from withholding. The custodians shall draw up the list referred to in the preceding paragraph including the holders of the securities who have established that right upon the list being issued to the Management Company.

  4. Forthwith upon receiving the list referred to in paragraph 2 above, the Management Company shall promptly pay all the custodians through the Paying Agent the excess amount withheld from those obligors or taxpayers.

  5. The custodians shall forthwith pay the excess amount withheld to the obligors or taxpaying holders.

  6. For the purpose of establishing the right to have the withholding made applying the taxation limits of an Agreement or to be excused therefrom, taxpayers shall prove their tax residence by means of the following documents:

     - When the withholding exclusion results from the application of internal Spanish regulations, by means of a residence certificate issued by the tax authorities of the country of residence.

     - When the withholding exclusion or the withholding is made at a reduced rate, under an Agreement with a certificate issued by the respective tax authority, expressly recording that the taxpayer is a resident within the meaning of the Agreement. Nevertheless, when a withholding is made applying a taxation limit laid down in an Agreement implemented by means of an Order establishing the use of a specific form, this shall be established therewith in lieu of the certificate.

     The residence certificates referred to in the preceding paragraphs shall be valid for one year.

- Furthermore, and whether or not they pay the Tax, Bond transfer or repayment income shall not be liable to withholding because the Bonds have an explicit yield, are represented by book entries and are traded on an official Spanish secondary securities market, on the terms and conditions for which provision is made in article 70.3.f) of the Personal Income Tax Regulations, under an express renvoi made in article 14.3.b) of the Non-Resident Personal Income Tax Regulations, other than for the part of the price equivalent to the matured coupon in transfers made within thirty days immediately preceding coupon maturity where (i) the transferee is a person or undertaking not resident in Spanish territory or a Corporation Tax obligor, and (ii) this income is exempt from the obligation to withhold from the transferee. The foregoing shall be without prejudice to the joint and several liability of the Bond custodian or manager, and the actual non-resident holder's duties to return and pay the Tax in due course.

II.22.3 Indirect taxation on the transfer of the Bonds.

The conveyance of transferable securities is exempt from paying Capital Transfer and Documents Under Seal Tax and Value Added Tax.

II.22.4 Wealth Tax.

Natural persons whose personal obligation it is to pay this Tax and who are Bondholders at December 31 of each year, shall include the Bonds in that Tax base at their average trading value in the fourth quarter of each year.

Non-resident natural persons whose real obligation it is to pay this Tax will also have to pay Wealth Tax, other than as provided in the double-taxation Agreements. Nevertheless, residents in other European Union countries shall be exempt in connection with Bonds whose income is exempt in regard to Non-Resident Income Tax, on the terms set forth above.

II.22.5 Inheritance and Gift Tax.

The transfer of the Bonds to natural persons by inheritance or donation shall be subject to the general rules of Inheritance and Gift Tax. In the event that the beneficiary should be a Company, the income obtained would be taxed in accordance with the Corporation Tax rules, or as Non-Resident Personal Income, in the event that the beneficiary is a non-resident entity.

II.23 Purpose of the transaction.

The net amount of the Bond Issue will be fully allocated to paying the price for the acquisition of the Mortgage Certificates and the Pass-Through Certificates issued by Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., pooled in the Fund assets.

II.24 Institutions that have agreed, as the case may be, to be involved in secondary trading, providing liquidity by offering consideration, specifying the extent and manner of their involvement.

There are no commitments for any institution to be involved in the secondary market of the Bonds, providing liquidity by offering consideration.

II.25 Natural or legal persons with a relevant involvement in structuring or providing advice for the constitution of the Fund or in connection with any item of the significant information contained in the offering circular, including, as the case may be, underwriting the placement:

II.25.1 Specification of natural and legal persons.

a) The Fund and the Bond Issue were financially structured by EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, which is the sponsoring institution and the Fund Management Company.

b) LINKLATERS, who are independent legal advisers, have provided legal advice for the transaction.

c) Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., are the Originators issuing the Mortgage Certificates and the Pass-Through Certificates which shall be fully subscribed for by the Fund upon being constituted.

d) BANCO COOPERATIVO, CRÉDIT AGRICOLE INDOSUEZ, DZ BANK and SOCIÉTÉ GÉNÉRALE, are involved as Lead Managers and Underwriters and Placement Agents of the Series A1, B and C Bonds.

e) AHORRO CORPORACIÓN FINANCIERA S.V., BANESTO, CAJA MADRID, DEXIA, EBN BANCO, INVERCAIXA and NATEXIS BANQUES POPULAIRES are involved as Underwriters and Placement Agents of the Series A1, B and C Bonds.

f) BANCO COOPERATIVO is involved as Paying Agent of the Bond Issue.

g) PRICEWATERHOUSECOOPERS AUDITORES, S.L are involved as auditors checking a number of features of the selection of mortgage loans which shall serve to issue the Mortgage Certificates and the Pass-Through Certificates.

II.25.2 Statement by the person responsible for the Offering Circular on behalf of the Management Company, specifying whether he is aware of the existence of any relationship whatsoever (political rights, employment, family, etc.) or economic interest of those experts, advisers, and of other institutions involved, with both the Management Company and the former holders of assets (Mortgage Certificates and Pass-Through Certificates) acquired by the Fund.

"I, Mr MARIO MASIÁ VICENTE, for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, with place of business at Madrid, Calle Lagasca no. 120, and in connection with the constitution of the Fund RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS, amounting to EUR six hundred and ninety-five million (695,000,000.00), notice of which for verification by and registration at the Comisión Nacional del Mercado de Valores was given on October 1, 2003, and in pursuance of point II.25.2. of Comisión Nacional del Mercado de Valores Circular 2/94, March 16, approving the standard Offering Circular for constituting Mortgage Securitisation Funds (implementing the Order dated July 12, 1993, in turn implementing Royal Decree 291/92, March 27),

HEREBY DECLARE

That Banco Cooperativo Español, S.A, Lead Manager and Underwriter and Placement Agent of the Series A1, B and C Bonds, has a 0.77% interest in the Management Company's share capital.

That Caja de Ahorros y Monte de Piedad de Madrid, Underwriter and Placement Agent of the Series A1, B and C Bonds, has a 0.38%% interest in the Management Company's share capital.

That Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., Originators, have a joint 49.44% interest in the share capital of BANCO COOPERATIVO ESPAÑOL, S.A.

That DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Lead Manager and Underwriter and Placement Agent of the Bond Issue, has a 15.00% interest in the share capital of BANCO COOPERATIVO ESPAÑOL, S.A.

And that there is no other relationship or economic interest whatsoever between the experts who were involved in structuring or providing advice for the constitution of the Fund or certain significant information contained in the Offering Circular, and other undertakings involved, either with the actual Management Company or with the Originators issuing the Mortgage Certificates and the Pass-Through Certificates."

II.25.3 Statements by the Originators.

Each of the Originators, Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., through their respective representatives duly authorised to do so, declare in relation to the constitution of RURAL HIPOTECARIO V Fondo de Titulización de Activos:

- That the representations in regard to the Mortgage Loans and the Mortgage Certificates and the Pass-Through Certificates, contained in section IV.1.1 of the Offering Circular, are truthful.

- That the above representations shall be warranted to the Management Company, on behalf of the Fund, in the Fund Deed of Constitution.

- That the necessary checks have been made to verify that the information contained in the Offering Circular, as to the portfolio of mortgage loans which shall be mostly assigned to the Fund, constituting the Mortgage Loans backing the issue of the Mortgage Certificates and the Pass-Through Certificates, is truthful and complete.

- That those checks have not revealed any circumstances contradicting or altering the information contained in the Offering Circular, or that the latter has omitted any material facts or figures which might be relevant to the investor.

Attached as Appendix VII to this Offering Circular is a photocopy of the letter from the Originators making those statements.

CHAPTER III

GENERAL INFORMATION ON THE FUND

III.1 Governing system, name and purpose of the Fund.

The constitution of the Fund and Bond issue by the same are carried out in accordance with the provisions of Royal Decree 926/1998 and shall be subject to (i) the Deed of Constitution; (ii) Royal Decree 926/1998 and implementing regulations; (iii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable; (iv) Act 3/1994; (v) Act 44/2002; (vi) Securities Market Act 24/1988, and (vii) all other legal and statutory provisions in force and applicable from time to time.

The name of the Fund is "RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- RURAL HIPOTECARIO V FTA
- RURAL HIPOTECARIO V F.T.A.

The Fund is set up to serve as a vehicle for pooling the Mortgage Certificates and the Pass-Through Certificates issued by the Originators to be subscribed upon being constituted, and to make the Bond Issue, by means of a financial transformation and credit enhancement process derived from the various lending and borrowing and hedging transactions arranged for on the Fund's behalf.

Companies Register.

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

III.2 Legal nature of the Fund.

The Fund shall be a separate closed-end fund, devoid of legal personality. Its assets shall comprise the Mortgage Certificates and the Pass-Through Certificates pooled therein upon being constituted, and the Cash Reserve credited to the Treasury Account, and its liabilities shall comprise the Bonds issued, the Start-Up Loan and the Subordinated Loan, and the net worth of the Fund shall be nil.

In accordance with Additional Provision Five of Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other changes relating to the financial system, amended by Act 44/2002, in the event of bankruptcy of the Originators, as issuers of the Mortgage Certificates and the Pass-Through Certificates subscribed for by the Fund, the assignment and issue may only be contested in the event of fraud, whereas the Fund shall have an absolute right of separation on the terms established in articles 908 and 909 of the Commercial Code. The Fund shall have the same right of separation in the event of receivership or similar situations of the Originators.

The Fund shall be in existence until no later than March 15, 2035 or the following Business Day if that is not a Business Day, the Final Maturity Date of the Bond Issue, other than in the events laid down in sections III.7.1 and III.7.2 of this Offering Circular.

The net worth elements making up the Fund assets and liabilities and the risk hedge transactions and services arranged for on the Fund's behalf are determined hereinafter in this section.

III.2.1 Fund Assets.

The Fund assets shall consist of the following:

a) At source (until the Closing Date, inclusive).

(i) The Mortgage Certificates and the Pass-Through Certificates subscribed for by and pooled in the Fund, represented by unit or multiple registered certificates, with a total face value of not less than EUR six hundred and ninety-five million (695,000,000.00), the amount of the face value of the Bond Issue.

The issue of the Mortgage Certificates or of the Pass-Through Certificates shall be made in respect of 100% of the outstanding principal and ordinary and late-payment interest, and all and any other amounts, assets or rights attaching to each of the underlying Mortgage Loans, excluding the partial or full prepayment fees established, as provided for in Chapter IV of this Offering Circular.

Section IV.1 of this Offering Circular describes the most relevant terms and conditions of the Mortgage Certificates and the Pass-Through Certificates and the general requirements to be satisfied by the Mortgage Loans.

The most relevant characteristics of the mortgage loans selected from the Originators' portfolios, from which the Mortgage Loans shall be taken for issuing the Mortgage Certificates and the Pass-Through Certificates, are detailed in section IV.4 of this Offering Circular.

(ii) The amount receivable upon the payment of the subscription underwritten for each Bond Series, deducting the underwriting and placement fees.

(iii) The initial expenses for constituting the Fund and issuing the Bonds booked as assets.

(iv) The balance existing on the Treasury Account under the Guaranteed Interest Rate Account (Treasury Account) Agreement comprising the amounts obtained under the Start-Up Loan and the Subordinated Loan, as detailed in section V.3.1 of this Offering Circular.

b) During the life of the Fund.

i) The Outstanding Balance of the Mortgage Loans resulting from the amortised amounts.

ii) The balance pending amortisation of initial expenses for constituting the Fund and issuing the Bonds.

iii) The balances over time of ordinary and late-payment interest accrued and not paid on the Mortgage Certificates and the Pass-Through Certificates corresponding to those applicable to the Mortgage Loans, and the remaining rights accorded to the Fund, including compensations derived from the insurance contracts attached to the Mortgage Loans and total or partial prepayment fees.

iv) The homes awarded to the Fund upon foreclosing in due course the real estate mortgages securing the Mortgage Loans, any amounts or assets received upon the judicial or notarial foreclosure of the mortgage securities, or from the sale or utilisation of properties awarded to the Fund upon enforcing the mortgage securities, or in connection with the administration or interim possession of the property (in foreclosure proceedings), purchase for the auction sale price or amount determined by a court decision. Similarly, all other rights conferred to the Fund derived from the Mortgage Loans.

v) All other balances existing on the Treasury Account, including the amount with which the Cash Reserve is provisioned, and interest thereon accrued over time and not due, in accordance with the Guaranteed Interest Rate Account (Treasury Account) Agreement.

III.2.2 Fund Liabilities.

The Fund liabilities shall consist of the following:

a) At source (until the Closing Date, inclusive).

(i) The Bond Issue amounting to a face value of a EUR six hundred and ninety-five million (695,000,000.00), consisting of six thousand nine hundred and fifty (6,950) Bonds represented by means of book entries and pooled in four Bond Series distributed as follows:

a) Class A comprising two Series having a face amount of EUR six hundred and sixty-six million eight hundred thousand (666,800,000.00):

i) Series A1 having a total face amount of EUR five hundred and sixty-six million eight hundred thousand (566,800,000.00) comprising five thousand seven hundred and sixty-one (5,761) Bonds having a unit face value of EUR one hundred thousand (100,000).

ii) Series A2 having a total face amount of EUR one hundred million (100,000,000.00) comprising one thousand (1,000) Bonds having a unit face value of EUR one hundred thousand (100,000).

b) Class B comprising a single Series B having a total face amount of EUR eighteen million eight hundred thousand (18,800,000.00) comprising one hundred and eighty-eight (188) Bonds having a unit face value of EUR one hundred thousand (100,000).

c) Class C comprising a single Series C having a total face amount of EUR nine million four hundred thousand (9,400,000.00) comprising ninety-four (94) Bonds having a unit face value of EUR one hundred thousand (100,000).

The characteristics of the Bond Issue are established in Chapter II of this Offering Circular.

(ii) The amount payable for subscribing for the Mortgage Certificates and the Pass-Through Certificates issued by the Originators.

(iii) The Start-Up Loan amount established in section V.3.2.1 of this Offering Circular, designed to finance the initial expenses for constituting the Fund and issuing the Bonds, and partially finance the acquisition of the Mortgage Certificates and the Pass-Through Certificates and the remainder to cover the timing difference between receiving interest on the Mortgage Certificates and the Pass-Through Certificates, and payment of interest on the Bonds on the first Payment Date.

(iv) The Subordinated Loan established in section V.3.2.2 of this Offering Circular, designed to initial provision and set up the Cash Reserve.

b) During the life of the Fund.

(i) The Outstanding Principal Balance of each of the Bond Series and time-apportioned interest accrued and not due.

(ii) The principal pending repayment and time-apportioned interest accrued and not due on the Start-Up Loan and the Subordinated Loan.

(iii) The balances over time for fees and other expenses established in the various transaction agreements and any others incurred by the Fund.

(iv) Fees and other expenses established in the remaining agreements entered into by the Fund on behalf of the Fund.

III.2.3 Cash Reserve.

The Management Company shall set up on the Closing Date a Cash Reserve initially by drawing fully the Subordinated Loan principal and shall subsequently, on each Payment Date, keep the Required Cash Reserve provisioned in the Fund Priority of Payments.

The characteristics of the Cash Reserve shall be as follows:

III.2.3.1 Amount.

1. The Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR fifteen million nine hundred and eighty-five thousand (15,985,000.00).

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

   The required Cash Reserve on each Payment Date (the "**Required Cash Reserve**") shall be the lower of the following amounts:

   i) EUR fifteen million nine hundred and eighty-five thousand (15,985,000.00), equivalent to 2.30% of the face amount of the Bond Issue.

   ii) The higher of:

      a) 4.60% of the Outstanding Principal Balance of the Bond Issue.

      b) 1.15% of the face amount of the Bond Issue.

3. Notwithstanding the above, the Required Cash Reserve shall not be reduced on a Payment Date and shall remain at the Required Cash Reserve on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:

i) That, on the Determination Date preceding the relevant Payment Date, the amount of the sum of the Outstanding Balance of the Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due and payable is in excess of 1.00% of the Outstanding Balance of the Mortgage Loans in good standing in payments of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date.

ii) That the Cash Reserve was not provisioned on the preceding Payment Date up to the Required Cash Reserve on that Payment Date.

iii) That the weighted average interest rate of the Mortgage Certificates and of the Pass-Through Certificates on the Determination Date preceding the relevant Payment Date is less than the weighted average Nominal Interest Rate of the Series A1, A2, B and C Bonds in the preceding Interest Accrual Period anterior plus a 0.40% spread.

III.2.3.2 Yield.

The amount of said Cash Reserve shall remain credited to the Treasury Account.

III.2.3.3 Application.

The Cash Reserve shall be applied on each Payment Date to satisfying the payment obligations contained in the Priority of Payments.

III.2.4. Risk hedging and services transactions.

In order to consolidate the financial structure of the Fund, enhance the safety or regularity in payment of the Bonds, cover the timing differences between the scheduled principal and interest flows on the Mortgage Loans and the Bonds, or, generally, transform the financial characteristics of the Mortgage Loans, and supplement management of the Fund, the Management Company shall, on behalf of the Fund, upon executing the Deed of Constitution, proceed to formally enter into the agreements established hereinafter in this section, in accordance with the provisions of article 6.1 of Royal Decree 926/1998.

The Management Company may extend or amend the agreements entered into on the Fund’s behalf, substitute each of the service providers to the Fund under those agreements and indeed, if necessary, enter into additional agreements, including new credit facility agreements, provided that the circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agency, and that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Deed of Constitution or the agreements may also be amended upon a request by the CNMV.

The following transactions are to be arranged on behalf of the Fund for hedging financial risks and provision of services:

(i) Guaranteed Interest Rate Account (Treasury Account) Agreement.

(ii) Start-Up Loan Agreement.

(iii) Subordinated Loan Agreement.

(iv) Mortgage Loan Servicing Agreement.

(v) Mortgage Certificate and Pass-Through Certificate Custody Agreement

(vi) Series A1, B and C Bond Management and Underwriting and Placement Agreement.

(vii) Series A2 Bond Subscription Agreement

(viii) Bond Paying Agent Agreement.

(ix) Financial Intermediation Agreement.

The itemised description of the most relevant terms of each of the above agreements may be found in section V.3 of this Offering Circular, and similarly a more thorough description of the Mortgage Loan Servicing Agreement may be found in section IV.2.

III.2.5 Fund Income.

The Fund shall have the income credited to the Treasury Account.

The following income may be used for satisfying the Fund's payment obligations:

a) The Start-Up Loan amount.

b) The Subordinated Loan amount designed for initially setting up the Cash Reserve and subsequently the amount with which it is provisioned.

c) Mortgage Certificate and Pass-Through Certificate principal repayment amounts received.

d) Ordinary and late-payment interest on the Mortgage Certificates and the Pass-Through Certificates.

e) The return on the investment of amounts credited to the Treasury Account.

f) Any other amounts received by the Fund, including receivables under the Mortgage Loans both resulting from the sale of properties or assets awarded to the Fund or from their utilisation, and from all other rights conferred to the Fund upon subscription for the Mortgage Certificates and the Pass-Through Certificates.

III.2.6 Expenses payable by the Fund.

The Management Company shall settle on the Fund's behalf all such expenses as may be necessary for the Fund to operate, being both initial expenses and ordinary periodic and extraordinary expenses accrued throughout its life.

Value Added Tax (VAT) payable by the Fund shall be deemed to be a deductible expense for Corporation Tax purposes.

III.2.6.1 Initial expenses.

The estimated initial expenses for setting up the Fund and issuing the Bonds are itemised in section II.14 of the Offering Circular. Payment of the initial expenses shall be made with the amount drawn on the Start-Up Loan and shall not be subject to the Fund Priority of Payments.

III.2.6.2 Expenses throughout the life of the Fund.

The Management Company shall pay on behalf of the Fund all expenses necessary for the Fund to operate, being both ordinary periodic and extraordinary expenses accruing throughout its life, which shall be settled in their relevant Fund Priority of Payments. For illustrative purposes only, the Management Company shall satisfy the following expenses:

a) The balance, if any, of the initial expenses for setting up the Fund and issuing the Bonds exceeding the amount for which provision is made in section II.14 of the Offering Circular.

b) Any expenses arising from mandatory verifications, registrations and administrative authorisations.

c) Expenses, if any, derived from drafting and executing the amended Deed of Constitution and the Agreements, and from entering into additional agreements.

d) Rating Agency fees for monitoring and maintaining the Bond rating.

e) Bond amortisation expenses.

f) Expenses relating to the keeping of the Bond accounting record, for the Bonds to be represented by means of book entries, listing the Bonds on organised securities markets and maintenance of all of the foregoing.

g) Any expenses derived from the sale of the Mortgage Certificates and the Pass-Through Certificates and the remaining assets of the Fund to liquidate the same, including those derived from obtaining a credit facility.

h) Expenses required for applying for foreclosure of the Mortgage Loans and derived from such recovery actions as may be necessary.

i) Expenses derived from managing the Fund.

j) Expenses derived from servicing of the Mortgage Loans and custody of the Mortgage Certificates and the Pass-Through Certificates.

k) Financial expenses of the Bond Issue.

l) Fees and expenses payable by the Fund under all other service and financial transaction agreements made.

m) Expenses derived from inserts and notices relating to the Fund and/or the Bonds.

n) Expenses of audits and legal advice.

o) In general, any other expenses borne by the Fund or the Management Company for and on behalf of the Fund.

III.3 Drawing up, auditing and approving annual accounts and other accounting documents of the Fund.

The Fund's annual accounts shall be audited and reviewed every year by auditors.

The Management Company shall submit to the CNMV the Fund's annual accounts, along with an audit report on the accounts, within four (4) months of the close of the Fund's fiscal year, which shall match the calendar year.

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

III.4 Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

III.4.1 As part of its Fund management and administration duty, the Management Company agrees to submit to the CNMV, the Rating Agency and the European Investment Bank, as promptly as possible, quarterly after each Payment Date, the information described hereinafter, with the exception of that contained in section e) which shall be annual, moreover advising it of all ordinary periodic or extraordinary notices contained in section III.4.2 of this Offering Circular, and of such additional information as may be reasonably required of it.

a) In relation to each of the Bond Series on each Payment Date:

1. Outstanding Principal Balance and percentages they each represent on the initial face amount of each Series.
2. Interest accrued and paid.
3. Interest, if any, accrued and not paid.
4. Amortisation accrued and paid.
5. Estimated average life and final maturity of the Bonds in each of the Series if the Mortgage Loan prepayment rate is maintained, as determined in paragraph d) below.

b) In relation to the Mortgage Loans on each Payment Date:

1. Outstanding Balance.
2. Interest accrued and not collected.
3. Amount of the instalments in arrears.

c) In relation to the economic and financial status of the Fund on each Payment Date:

Report on the amount of the Available Funds and the Available Funds for Amortisation and their application in the Fund Priority of Payments.

d) In relation to Mortgage Loan prepayment:

Printout establishing the average principal prepayment rate by Mortgage Loan Obligors during the three calendar months preceding the month corresponding to each Payment Date.

e) Annually, in relation to the Fund’s Annual Accounts:

Balance sheet, profit & loss account, management report and audit report within four (4) months of the close of each fiscal year.

III.4.2 Ordinary, extraordinary and relevant event notification obligations.

For a proper compliance with the issue terms, the Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Ordinary periodic notices:

1. Within the period comprised between the Nominal Interest Rate fixing date applicable to Series A1, B and C and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rates resulting for Series A1, B and C, for the Interest Accrual Period after that Payment Date.

2. Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify the Bondholders of the following information:

   i) Interest resulting from the Bonds in each of the Series, along with the amortisation of the Bonds.

   ii) Furthermore, and if appropriate, interest and amortisation amounts accrued thereby and not settled due to a shortage of Available Funds, in accordance with the rules governing the Fund Priority of Payments.

   iii) The Outstanding Principal Balances of the Bonds in each Series, after the amortisation to be settled on each Payment Date, and the percentages such Outstanding Principal Balances represent on the initial face amount of each Bond.

   iv) The actual Mortgage Loan prepayment rate during the three calendar months preceding the month corresponding to each Payment Date.

   v) The average residual life of the Bonds estimated assuming that such actual prepayment rate shall be maintained and making all other assumptions as provided in section II.12.a).

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

b) Extraordinary notices.

The following shall be the subject of an extraordinary notice:

1. The constitution of the Fund and the Bond Issue, and the final margins applicable for determining the Nominal Interest Rate of each of the Series and the Nominal Interest Rates for each of the Bond Series determined for the first Interest Accrual Period.

2. Other:

   Any relevant event occurring in relation to the Mortgage Loans, the Mortgage Certificates and the Pass-Through Certificates, the Bonds, the Fund and the actual Management Company, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, or in the event of termination of the constitution of the Fund or a decision in due course to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in any of the events provided in this Offering Circular, in which case the CNMV will be sent the Notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section III.7.1 of this Offering Circular.

c) Procedure to notify Bondholders.

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

1. Ordinary notices.

   Ordinary notices shall be given by a publication in the daily bulletin of the AIAF Mercado de Renta Fija or any other replacement or similarly characterised institution, or by means of a publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, Bridge Telerate, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

   Extraordinary notices shall be given by publication in an extensively circulated business and financial or general newspaper in Spain, and those notices shall be deemed to be given on the date of that publication, any Business or other calendar day (as established in this Offering Circular) being valid for such notices.

   Exceptionally, the final margins applicable for determining the Nominal Interest Rate of each of Series A1, B and C and the Nominal Interest Rate determined for the Bonds in each Series for the first Interest Accrual Period shall be notified in writing by the Management Company by the start of the Bond Subscription Period to the Lead Managers and the Underwriters and Placement Agents in order to be reported to investors interested in subscribing for the Bonds. The Management Company will also notify this to the CNMV, the Paying Agent, the AIAF, Iberclear and the European Investment Bank.

3. Notices and other information.

   The Management Company may provide Bondholders with notices and other information of interest to them through its own Internet pages or other similarly characterised online means.

d) Information to the CNMV:

The Management Company shall proceed to advise the CNMV of both ordinary periodic and extraordinary publications made in accordance with the provisions of the preceding sections, and of such other information as may be required of it, irrespective of the above.

III.5 Tax system of the Fund.

In accordance with the provisions of article 1.2 of Royal Decree 926/1998; article 5.10 of Act 19/1992; article 7.1.h) of Corporation Tax Act 43/1995, December 27; article 20.One.18 of Value Added Tax Act 37/1992, December 28, and article 57.k of Royal Decree 537/1997, April 14, approving the Corporation Tax Regulations, the following are the characteristics peculiar to the tax system of the Fund:

(i) The constitution of the Fund is exempt from the item “corporate transactions” of the Capital Transfer and Documents Under Seal Tax (article 5.10 of Act 19/1992).

(ii) The Bond issue is exempt from payment of Value Added Tax (article 20.One.18 of the Value Added Tax Act) and Capital Transfer and Documents Under Seal Tax (article 45-I.B number 15 of the Consolidation of the Capital Transfer and Documents Under Seal Tax, confirmed by a Supreme Court judgment dated November 3, 1997).

(iii) The Fund is liable to pay Corporation Tax, determining the taxable income in accordance with the provisions of Title IV of Corporation Tax Act 43/1995, December 27, applying the general rate in force from time to time, which currently stands at 35%.

(iv) As for returns on the Mortgage Certificates and the Pass-Through Certificates, loans or other credit rights constituting Fund income, there shall be no Corporation Tax withholding or advance payment obligation.

(v) The management and custody of the Fund shall be exempt from Value Added Tax (article 20.One.18.n) of VAT Act 37/1992).

(vi) Finally, the transfer/assignment to the Fund of the Mortgage Certificates and of the Pass-Through Certificates is exempt from Value Added Tax (article 20.One.18.l) of VAT Act 37/1992).

III.6 Amendment of the Fund Deed of Constitution.

The Deed of Constitution may be amended where that is necessary and provided that circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV, or competent administrative body and the Rating Agency, and that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Deed of Constitution can also be corrected as requested by the CNMV.

III.7 Liquidation and termination of the Fund.

III.7.1 Early Liquidation of the Fund.

Following notice served on the CNMV, the Management Company shall be entitled to proceed to an early liquidation ("**Early Liquidation**") of the Fund and thereby an early amortisation ("**Early Amortisation**"), on a Payment Date, of the entire Bond Issue, in the following events ("**Early Liquidation Events**"):

(i) When the amount of the Outstanding Balance of the Mortgage Loans is less than 10 percent of the initial Outstanding Balance on the Fund constitution date, in accordance with the authorisation established in article 5.3 of Act 19/1992 and provided that the payment obligations derived from the Bonds in each Series may be honoured and settled in full in the Priority of Payments.

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

(ii) Where any event or circumstance whatsoever unrelated to the actual operation of the Fund occurs which results in the financial balance of the Fund required by article 5.6 of Act 19/1992 being substantially changed or permanently invalidated. This event includes such circumstances as the occurrence of a change in or supplementary enactments of laws, the establishment of withholding obligations, the material or repeated breach by any of the Services of the obligations derived from the Servicing Agreement, or other events that might permanently affect the financial balance of the Fund.

(iii) Mandatorily, in the event that the Management Company should be adjudged a bankrupt or in temporary receivership, or the statutory term to do so, or failing that term four months, should elapse without a new management company being designated in accordance with the provisions of section III.8.2 of this Offering Circular.

(iv) Upon the lapse of eighteen (18) months from the date of the last maturity of the Mortgage Loans, even if amounts are still due and payable.

The following requirements shall be necessary to proceed to that Early Liquidation of the Fund:

(i) That all the authorisations required to do so, as the case may be, have been obtained from the CNMV or competent administrative authorities or bodies.

(ii) That Bondholders be given fifteen (15) Business Days' notice, as prescribed in section III.4.2 of this Offering Circular, of the Management Company's resolution to proceed to an early liquidation of the Fund.

That notice, previously made available to the CNMV and the Rating Agency, shall contain a description (i) of the event or events for which an Early Liquidation of the Fund is effected, (ii) of the liquidation procedure, and (iii) of the manner in which the payment obligations derived from the Bonds are to be met and settled in the Priority of Payments.

In order for the Fund, through its Management Company, to proceed to an Early Liquidation of the Fund and an Early Amortisation of the Bond Issue in the events and subject to the requirements defined in this section, the Management Company, for and on behalf of the Fund:

(i) Shall proceed to sell the Mortgage Certificates and the Pass-Through Certificates for a price not below the sum of the value of the principal plus interest accrued and not received on the Mortgage Certificates and the Pass-Through Certificates pending repayment.

(ii) Shall proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.

(iii) Shall be entitled to arrange for a credit facility with the Originators or with a third party which shall be fully and forthwith allocated to the Early Amortisation of the Bond Issue. Repayment of the credit facility principal and interest shall take place in the Fund Priority of Payments.

(iv) Finally, both due to an insufficiency of the preceding actions and the existence of Mortgage Certificates, Pass-Through Certificates or other remaining assets of the Fund, it shall proceed to sell them and shall therefore invite a bid from at least five (5) third parties who may, in its view, give a market value. The Management Company shall be bound to accept the best bid received for the assets on offer which, in its view, covers the market value. In order for the market value to be fixed, the Management Company may commission such valuation reports as it shall see fit.

In events (i), (iii) and (iv) above, each of the Originators shall have a pre-emptive right on the terms established by the Management Company and will therefore have priority over third parties to acquire the Mortgage Certificates and the Pass-Through Certificates issued by each of them or other properties derived therefrom remaining on the assets of the Fund, or to grant to the Fund the credit facility designed for the Early Amortisation of the Bond Issue. The Management Company shall therefore send each of the Originators a list of the assets and of third-party bids received, and the latter may use that right for all the assets offered by the Management Company or the credit facility within ten (10) Business Days of receiving said notice, and provided that its bid is at least equal to the best of the third-party bids.

Upon provisioning the reserve referred to in section III.7.2 below, the Management Company shall immediately apply all the proceeds from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Priority of Payments, other than the obligation to provision the Cash Reserve, and other than the amounts, if any, drawn under the credit facility arranged, which shall be fully allocated to the Early Amortisation of the Bond Issue.

III.7.2 Termination of the Fund.

The Fund shall terminate in the following events:

(i) Upon the Mortgage Certificates and the Pass-Through Certificates pooled therein being fully amortised.

(ii) Upon the Bonds issued being fully amortised.

(iii) Upon the conclusion of the Early Liquidation procedure established in section III.7.1 above.

(iv) At all events, upon the final liquidation of the Fund on the Final Maturity Date, March 15, 2035 or the following Business Day if that is not a Business Day.

(v) Upon the Fund constitution terminating in the event that the Rating Agency should not confirm the assigned provisional ratings as final ratings by the start of the Subscription Period, or in the event of termination of the Series A1, B and C Bond Management and Underwriting and Placement Agreement or of the Series A2 Bond Subscription Agreement. In these events, the constitution of the Fund, the issue of and subscription for the Mortgage Certificates and the Pass-Through Certificates and the Bond Issue shall be terminated.

Termination of the constitution of the Fund shall be notified to the CNMV as soon as such termination is confirmed, and shall be publicised by means of the procedure specified in section III.4.2.b) and c) of this Offering Circular. Within not more than one month after the occurrence of the event of termination, the Management Company shall execute a Statutory Declaration before a Notary Public declaring that the Fund's obligations have been settled and terminated and that the Fund has terminated. Notwithstanding the above, the Fund Management Company shall defray the Fund constitution expenses payable and specified in section II.14 with the Start-Up Loan, the agreement for which shall not be terminated but shall rather be cancelled after those amounts are settled, the repayment of principal being subordinated to fulfilment of all other obligations undertaken by the Management Company, acting for and on the Fund's behalf.

In the event that there should be any remainder upon the Fund being liquidated and after making all payments to the various creditors of the Fund by distributing the Available Funds in the set Priority of Payments, that remainder shall be for the Originators on the terms established by the Management Company.

In any event, the Management Company, acting for and on behalf of the Fund, shall not proceed to terminate the Fund and strike it off the relevant administrative registers until the Fund's remaining assets have been liquidated and the Fund's Available Funds have been distributed, in the Fund Priority of Payments, with the exception of the appropriate reserve to meet final tax, administrative or advertising expenses related to termination and liquidation.

Upon a period of six (6) months elapsing from the liquidation of the Fund's remaining assets and the distribution of the Available Funds, the Management Company shall execute a Statutory Declaration before a Notary Public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how the Bondholders and the CNMV were given notice, and (iii) how the Fund's available funds were distributed, in the Fund Priority of Payments; notice of this shall be given in a nation-wide newspaper and all other appropriate administrative procedures will be observed. The Management Company will submit that statutory declaration to the CNMV.

III.8 Management and representation of the Fund and of the Bondholders.

III.8.1 Description of the duties and responsibilities taken on by the Management Company in managing and legally representing the Fund and the Bondholders.

The management and legal representation of the Fund lies with the Management Company, on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, without prejudice to the provisions of the Deed of Constitution.

The Economy and Finance Ministry authorised the incorporation of the Management Company as a Mortgage Securitisation Fund Management Company on December 17, 1992 and, subsequently, on October 4, 1999 authorised its re-registration as a Securitisation Fund Management Company. It is moreover entered in the special register purposely kept by the CNMV under number 2. The information on the Management Company is contained in Chapter VI of this Offering Circular.

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

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

The Management Company shall notify the Bondholders and all other ordinary creditors of the Fund of all and any circumstances that may be relevant to them, by publishing appropriate notices on the terms established in section III.4.2 of this Chapter.

III.8.1.1 Administration and representation of the Fund.

The Management Company's policies, obligations and actions in fulfilment of its duty to manage and legally represent the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in the Deed of Constitution and/or in this Offering Circular:

The Management Company's action policies.

1. Due diligence.

The Management Company shall perform its activity due diligently, as prescribed by Royal Decree 926/1998, representing the Fund and defending the interests of the Bondholders and of the Fund's other ordinary creditors as if they were its own interests, stepping up the standards of diligence, reporting and defence of their interests and avoiding situations which might result in conflicts of interest, giving the interests of the Bondholders and all other ordinary creditors of the Fund priority over third-party and its own interests.

In the above connection, and without prejudice to the foregoing, the Management Company may be the Management Company of other Securitisation Funds. The simultaneous management thereof shall not howsoever infringe its due diligence obligations as Management Company of the Fund or of other Securitisation Funds.

2. Availability of means.

The Management Company has the necessary means, including suitable information systems, to discharge the Fund management functions prescribed by Royal Decree 926/1998.

3. Code of Conduct.

The Management Company shall comply with the code of conduct applicable to it. The Management Company has established an Internal Code of Conduct in pursuance of the provisions of Chapter II of Royal Decree 629/1993, May 3, regarding the rules of conduct in securities markets and mandatory registrations, which has been communicated to the CNMV.

Obligations and actions of the Management Company for administering the Fund.

1. Fund Management.

(i) Managing the Fund in order that its net asset value is nil at all times.

(ii) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.

(iii) Doing no things that might impair the ratings assigned by the Rating Agency to each Series in the Bond Issue, and endeavouring to take such steps as may reasonably be in its hand for said ratings not to be adversely affected at any time.

(iv) Entering on behalf of the Fund into such agreements as are provided in the Deed of Constitution and in this Offering Circular.

(v) Making such decisions as may be appropriate in connection with the liquidation of the Fund, including the decision to proceed to an Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of the Deed of Constitution and this Offering Circular. Moreover, making all appropriate decisions in the event of the constitution of the Fund terminating.

(vi) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agency and any other supervisory body.

(vii) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts.

(viii) Preparing and submitting to the CNMV and any other competent administrative body all documents and information to be submitted as established in the laws in force for the time being, in the Deed of Constitution and in this Offering Circular, or which may be required of it, and preparing and submitting to the Rating Agency such information as may reasonably be required of it.

(ix) Providing the holders of Bonds issued by the Fund, the CNMV and the public at large with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Offering Circular.

(x) Complying with the calculation duties laid down in the Deed of Constitution and in this Offering Circular and in the various Fund transaction agreements described in section V.3 of the Offering Circular, or in such others as the Management Company may enter into in due course for and on behalf of the Fund.

(xi) The Management Company may extend or amend the agreements entered into on behalf of the Fund and substitute each of the Fund service providers thereunder, and indeed, if necessary, enter into additional agreements, including new credit facility agreements, and amend the Deed of Constitution, provided that circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agency, and that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. Notice of amendment of the Deed of Constitution or of the agreements shall be given by the Management Company to the CNMV as a relevant event or as a supplement to the Offering Circular, as the case may be. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.

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

(i) Exercising the rights attaching to the ownership of the Mortgage Certificates and the Pass-Through Certificates subscribed for by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and legally representing the Fund.

(ii) Checking that the amount of income actually received by the Fund from the Servicers matches the amounts that must be received by the Fund, on the terms for issuing the Mortgage Certificate and the Pass-Through Certificate and on the terms of the relevant Mortgage Loans, and that the relevant amounts receivable are provided by the Servicers to the Fund by the seventh day after the day on which they were received by the Servicer on the terms provided for under the Servicing Agreement.

(iii) Validating and controlling the information received from the Servicers on the Mortgage Loans, both as regards collection of ordinary instalments, early redemptions of principal, payments received on unpaid instalments and delinquency status and control.

(iv) Ensuring that the Servicers renegotiate the terms of the Mortgage Loans, as the case may be, in accordance with the general or specific instructions communicated by the Management Company.

(v) Supervising the actions agreed with the Servicers for recovering defaulted Mortgage Loan payments, issuing instructions, where appropriate, for an execution to be levied and as to the stand to be taken at real estate auction sales. Bringing a foreclosure action where the concurrent circumstances so require.

3. In relation to the Bond Issue.

(i) Preparing and notifying the Bondholders of the information established in this Offering Circular, and all other statutorily required information.

(ii) Determining on each Nominal Interest Rate fixing date and for every subsequent Interest Accrual Period, the Nominal Interest Rate to be applied for each Bond Series, resulting from the determination made in accordance with the provisions of section II.10, publishing this as provided in sections III.4.2.a) and c).

(iii) Calculating and settling the amounts payable on each Payment Date for interest accrued on each of the Bond Series in accordance with the provisions of section II.10, publishing this as provided in sections III.4.2.a) and c).

(iv) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date in accordance with the provisions of section II.11, publishing this as provided in section III.4.2.a) and c).

4. In relation to the remaining financial or service transactions.

(i) Determining the interest rate applicable to each of the relevant borrowing, lending transactions.

(ii) Calculating and settling the interest amounts and fees receivable and payable by the Fund on the various financial borrowing and lending accounts, and the fees payable for the various financial services arranged for.

(iii) Opening on behalf of the Fund a Treasury Account at BANCO COOPERATIVO.

(iv) Taking the actions for which provision is made in relation to the Guaranteed Interest Rate Account (Treasury Account) and Bond Paying Agent Agreements respectively described in sections V.3.1 and V.3.6 in relation to the debt ratings or financial position of the counterparties under those agreements or their financial position.

(v) Paying into the Treasury Account the amounts received from the Mortgage Loan Servicers as both principal and interest and otherwise howsoever owing to the Fund on account of the same.

(vi) Watching that the amounts credited to the Treasury Account return the yield set in the Guaranteed Interest Rate Account (Treasury Account) Agreement.

5. In relation to managing the Fund's collections and payments.

(i) Calculating the Available Funds and the Available Funds for Amortisation and the payment or withholding obligations to be complied with, and applying the same in the Fund Priority of Payments.

(ii) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those designed for servicing the Bonds.

III.8.2 Resignation and substitution of the Management Company.

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

Resignation.

(i) The Management Company may resign its management and legal representation function with respect to all or part of the securitisation funds managed whenever it deems this fit, applying to be substituted in a letter addressed to the CNMV, including a designation of the substitute management company. That letter shall enclose a letter from the new management company, declaring its willingness to take over that function and applying for the appropriate authorisation.

(ii) The CNMV's substitution authorisation shall be subject to meeting of the following requirements:

a) The substituted Management Company's delivery of the accounting records and data files to the new management company. That delivery will only be taken to have been made when the new management company is able to fully take over its function and that circumstance is notified to the CNMV.

b) In the event that the securities issued by the securitisation funds managed by the substituted Management Company have been rated by a rating agency, the rating accorded to the securities should not fall as a result of the proposed substitution.

(iii) The Management Company may in no event resign its duties until and unless all the requirements and formalities have been complied with in order for its substitute to take over its duties.

(iv) The substitution expenses originated shall be borne by the resigning Management Company and may in no event be passed on the to Fund.

(v) The substitution shall be published within fifteen days by means of a notice inserted in two nationwide newspapers and in the bulletin of the secondary securities market on which the Bonds are listed.

Forced substitution.

(i) In the event that the Management Company should be adjudged a bankrupt or in temporary receivership, it shall find a substitute management company, in accordance with the provisions of the foregoing section.

(ii) In the event for which provision is made in the preceding section, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, there shall be an early liquidation of the Fund and an amortisation of the securities issued by the same, and of the loans, in accordance with the provisions of the Deed of Constitution.

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

III.8.3 Subcontracting.

The Management Company shall be entitled to subcontract or delegate to solvent and reputable third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in the Deed of Constitution, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to each of the Bond Series being adversely revised, and (iv) shall be notified to the CNMV and, where statutorily required, will first be authorised by the CNMV. Notwithstanding any subcontracting or delegation, the Management Company shall not be exonerated or released, under that subcontract or delegation, from any of the liabilities undertaken in the Deed of Constitution and in this Offering Circular which may legally be attributed or ascribed to it.

III.8.4 The Management Company's remuneration for discharging its functions.

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

(i) An initial fee amounting to EUR one hundred and two thousand (102,000.00) which shall accrue upon the constitution of the Fund and be payable on the Closing Date.

(ii) A periodic fee: equal to 0.0265% per annum, accruing on the exact number of days elapsed in each Interest Accrual Period, from the date of constitution of the Fund until it terminates, and payable quarterly in arrears on each of the Payment Dates, calculated on the Outstanding Principal Balance of the Bond Issue on the Payment Date preceding the relevant Payment Date. The fee accrued from the date of constitution of the Fund until the first Payment Date and shall be adjusted in proportion to the days elapsed between both dates, calculated on the face amount of the Bond Issue.

The fee payable on a given payment date shall be calculated in accordance with the following formula:

$$C = B \times \frac{0{,}0265}{100} \times \frac{d}{360}$$

where :

C = *Fee payable on a given Payment Date.*

B = *Outstanding Principal Balance of the Bond Issue, on the preceding Payment Date.*

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

In any event, the annual amount of this periodic fee may not be lower than EUR twenty-eight thousand five hundred (28,500.00) or the proportional equivalent to the exact number of days elapsed in each of the Interest Accrual Periods.

In the event that, during the term of the Fund, the National General Retail Price Index published by the Spanish National Institute of Statistics for each calendar year should experience a positive variation, the minimum annual amount would be reviewed cumulatively in the same proportion, from the year 2005, inclusive, and effective as of January 1 of each year.

If on a Payment Date the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue an interest equal to the Reference Rate of the Bonds, payable on the following Payment Date, in the Priority of Payments.

CHAPTER IV

INFORMATION ON THE CHARACTERISTICS OF THE ASSETS SECURITISED THROUGH THE FUND

IV.1 Assets pooled in the Fund.

The credit rights that will make up the Fund assets shall exclusively consist of mortgage participation certificates (the "**Mortgage Certificates**") and pass-through certificates (the "**Pass-Through Certificates**") issued by Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V. on loans owned by them granted to individuals with real estate mortgage security on finished homes located within Spanish territory, both directly and through subrogations of financing granted to developers for building homes (the "**Mortgage Loans**"). In this Chapter and elsewhere in the Offering Circular, the term "Mortgage Loans" shall be used in some definitions to generically refer to the Mortgage Certificates and the Pass-Through Certificates together, other than where reference is specifically made to the Mortgage Certificates and Pass-Through Certificates as such.

Specifically, the Fund will pool:

(i) Mortgage Certificates and Pass-Through Certificates issued by:

- CAIXA RURAL DE BALEARS S.C.C.
- CAJA RURAL ARAGONESA Y DE LOS PIRINEOS S.C.C.
- CAJA RURAL DE ARAGÓN S.C.C.
- CAJA RURAL DE NAVARRA S.C.C.
- CAJA RURAL DE TOLEDO S.C.C.
- CAJA RURAL DEL DUERO S.C.C.
- CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C.
- CAJA RURAL DEL SUR S.C.C.
- CAJA RURAL INTERMEDITERRÁNEA S.C.C.

(iii) Mortgage Certificates issued by:

- CAJA RURAL DE BURGOS S.C.C.
- CAJA RURAL DE TENERIFE S.C.C.
- CAJA RURAL DE TERUEL S.C.C.
- CAJA RURAL SAN VICENTE FERRER DE VALL DE UXO S.C.C.V.

The Mortgage Certificates will be issued on Mortgage Loans meeting the requirements established in Section 2 of Act 2/1981.

The Pass-Through Certificates will be issued on Mortgage Loans failing to meet those requirements because the outstanding principal balance is in excess of 80 percent of the appraisal value of the mortgaged property, as established by additional provision five of Act 3/1994 as worded by Act 44/2002.

The total face value of the issue of Mortgage Certificates and of Pass-Through Certificates shall be at least equal to EUR six hundred and ninety-five million (695,000,000.00), the amount of the face value of the Bond Issue.

In the Deed of Constitution, the Management Company, for and on behalf of the Fund, and the Originators shall perfect the issue of the Mortgage Certificates and the Pass-Through Certificates, making up an as yet indeterminate number, on the Mortgage Loans and up to the maximum amounts established by their Management Boards in their respective resolutions, and their subscription by the Fund.

The issue of the Mortgage Certificates and of the Pass-Through Certificates shall be made in respect of 100 percent of the outstanding principal and ordinary and late-payment interest on the relevant Mortgage Loan, as well as all other amounts, assets or rights attaching to each of the Mortgage Loans, excluding the total or partial early termination fees.

The Mortgage Loans shall consist of most of a selection of mortgage loans whose characteristics are described in section IV.4 of this Offering Circular. The outstanding principal on the 10,940 mortgage loans selected as of October 6, 2003 amounted on that date to EUR 749,434,533.26, of which EUR 749,359,994.07 was the outstanding principal and EUR 74,539.19 the overdue principal.

The following are the details of the selected mortgage loans depending on whether the ratio of the outstanding principal as of October 6, 2003 to the appraisal value of the mortgaged property is greater or lower than 80 percent:

	Mortgage Loans	Outstanding Principal			Ratio (%)	
			Outstanding	Overdue	Weighted Average [1]	Maximum
Equal to or less than 80%	10,344	695,145,662.39	695,076,435.26	69,227.13	60.96%	79.99%
Greater than 80%	596	54,288,870.87	54,283,558.81	5,312.06	86.88%	98.98%
Total	**10,940**	**749,434,533.26**	**749,359,994.07**	**74,539.19**	**62.84%**	

[1] Average weighted to the outstanding principal

In this Chapter and elsewhere in the Offering Circular, the term "Mortgage Loans" shall be used in some definitions to refer generically to the Mortgage Certificates and Pass-Through Certificates together, other than where reference is specifically made to the Mortgage Certificates and Pass-Through Certificates as such.

IV.1.1 Representations by the Originators regarding the Mortgage Loans, the Mortgage Certificates and the Pass-Through Certificates.

Each of the Originators issuing the Mortgage Certificates and, as the case may be, the Pass-Through Certificates shall represent and warrant as follows to the Fund and the Management Company:

(1) That it is a credit institution duly incorporated in accordance with the laws in force for the time being and entered in the Companies Register and in the Register of Credit Institutions of the Bank of Spain, and that it is authorised to operate in the mortgage market.

(2) That neither on the date of issue nor at any time since it was incorporated has it been insolvent, in receivership or bankrupt, nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.

(3) That it has obtained all necessary authorisations both from the administration and from its corporate bodies and third parties who may be affected by the transfer of the Mortgage Loans and the issue of the Mortgage Certificates and the Pass-Through Certificates, to validly execute the Deed of Constitution of the Fund, for the undertakings made therein and to execute the agreements relating to the constitution of the Fund.

(4) That it has audited accounts for the last three years with at least a favourable opinion and without any negative notes from the Auditors in the last year and that it has filed last year's annual accounts with the CNMV and the Companies Register.

(5) That the Mortgage Certificates and Pass-Through Certificates are issued at arm's length and in accordance with Act 2/1981, Royal Decree 685/1982, Royal Decree 1289/1991, Act 19/1992 and other applicable regulations. The Pass-Through Certificates are also issued in accordance with the provisions of additional provision five of Act 3/1994 as worded by Act 44/2002.

(6) That the Mortgage Loans transferred to the Fund by means of the subscription for the Mortgage Certificates issued meet all the requirements established in Section 2 of Act 2/1981.

(7) That the Mortgage Loans transferred to the Fund by means of the subscription for the Pass-Through Certificates issued meet all the requirements established in Section 2 of Act 2/1981, other than as regards the maximum percentage of 80 percent of the outstanding principal balance of each of the loans with respect to the appraisal value of the property mortgaged as security therefor.

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

(9) That the Mortgage Loans exist and are valid and enforceable in accordance with the applicable laws.

(10) That it holds absolute title to all its respective Mortgage Loans and there is no obstacle whatsoever for the Mortgage Certificates and the Pass-Through Certificates to be issued.

(11) That the details of the Mortgage Certificates, the Pass-Through Certificates and the Mortgage Loans to be included as a Schedule to the Deed of Constitution accurately reflect the current status of those Mortgage Loans, Mortgage Certificates and Pass-Through Certificates and are full and accurate.

(12) That the Mortgage Loans are all secured with a real estate mortgage ranking first on the fee absolute of each and every one of the mortgaged properties, which are not encumbered with any prohibitions on their disposal, conditions subsequent or any other limitation as to title.

(13) That the Mortgage Loans are all originated in a public deed, and the mortgages are all duly granted and entered in the relevant Land Registries. The registration of the mortgaged properties is in force and has not been howsoever opposed and is subject to no limitation whatsoever taking precedence over the mortgage, in accordance with the applicable regulations.

(14) That the Obligors are all individuals.

(15) That the Mortgage Loans have been granted to individuals in order to finance with real estate security the purchase, building or renovation of homes located in Spain or are subrogations by private individuals of financings granted to home developers.

(16) That the mortgages are granted on properties wholly owned in fee absolute by the respective mortgagor, and the Originator proper is not aware of the existence of litigation over the ownership of those properties which might detract from the mortgages.

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

(18) That the mortgaged properties are all finished homes located in Spain and have been appraised by duly qualified institutions approved by the Originator, evidence of which appraisal has been provided in the form of an appropriate certificate. The appraisals made satisfy all the requirements established in the mortgage market laws.

(19) That the outstanding principal balance on each of the Mortgage Loans transferred to the fund by means of the issue of Mortgage Certificates does not exceed 80% of the appraisal value of the properties mortgaged as security for the relevant Mortgage Loan.

(20) That the outstanding principal balance on each of the Mortgage Loans assigned to the Fund by means of the issue of Pass-Through Certificates does not exceed 99% of the appraisal value of the properties mortgaged as security for the relevant Mortgage Loan.

(21) That it is not aware of there having been any fall in the value of any of the properties mortgaged as security for the Mortgage Loans in excess of 20% of the appraisal value.

(22) That the properties in respect of which mortgage security has been granted all have at least a valid fire damage insurance, and the insured capital thereunder covers at least the appraisal value of the mortgaged property, excluding elements that cannot by nature be insured.

(23) That the Mortgage Loans are not perfected in registered, negotiable or bearer securities, other than the Mortgage Certificates and the Pass-Through Certificates issued hereby.

(24) That none of the Mortgage Loans have any overdue payments on the date of issue of the Mortgage Certificates and the Pass-Through Certificates for a period in excess of one (1) month.

(25) That it is not aware that any of the Obligors of the Mortgage Loans holds any credit right against the Originator proper whereby that Obligor might be entitled to a set-off which might adversely affect the rights conferred by the Mortgage Certificates and by the Pass-Through Certificates.

(26) That the policies for granting credit in force at the time have been strictly adhered to in granting each and every one of the Mortgage Loans and in accepting, as the case may be, the subrogation of subsequent borrowers in the position of the initial borrower, and in that respect a Memorandum on Policies for Granting Mortgage Loans currently in force, shall be attached as a schedule to the Deed of Constitution.

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

(28) That the outstanding capital balance of each of the Mortgage Loans on the date of issue is equivalent to the principal figure of the relevant Mortgage Certificate and Pass-Through Certificate, and in turn the total value of the Mortgage Certificates and the Pass-Through Certificates shall be at least equivalent to the face value of the Bond Issue.

(29) That the final maturity date of the Mortgage Loans is before March 31, 2033.

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

(31) That it has no knowledge of the existence of any litigation whatsoever in relation to the Mortgage Loans which may detract from their validity or which may result in the application of Civil Code article 1535, or of the existence of circumstances which may result in the purchase agreement of the home mortgaged as security for the Mortgage Loans being ineffective.

(32) That it is not aware of the premiums accrued to date by the insurance taken out referred to in paragraph (22) above not having been fully paid.

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

(34) That it is not aware of the existence of any circumstance whatsoever which might prevent the mortgage security from being enforced.

(35) That the Mortgage Loans are written off the assets of the Originator on the date of the Deed of Constitution, in the participated amount, in accordance with the provisions of Bank of Spain Circular 4/91, without prejudice to the effects that partial or full subscription for the Bond Issue may have for the Originator pursuant to that Circular.

(36) That the Mortgage Certificate, Pass-Through Certificate and Mortgage Loan information contained in the Offering Circular regarding the constitution of the Fund and issue of the Bonds is accurate and strictly true.

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

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

IV.1.2 Issue price of the Mortgage Certificates and of the Pass-Through Certificates.

The issue price of the Mortgage Certificates and the Pass-Through Certificates will be at par. The total price payable by the Fund for subscribing for the Mortgage Certificates and the Pass-Through Certificates shall be the amount equivalent to the sum of (i) the face value of the capital or principal of each of the underlying Mortgage Loans, and (ii) the ordinary interest accrued and not due and the interest not paid on each of the Mortgage Loans on the date of issue (the "**accrued interest**") of the Mortgage Certificates and the Pass-Through Certificates.

The Management Company shall pay the aggregate subscription price for the Mortgage Certificates and the Pass-Through Certificates on behalf of the Fund as follows:

(i) The part of the issue price consisting of the face value of the capital of all the Mortgage Loans shall be paid by the Fund on the Bond Closing Date, for same day value, upon the subscription for the Bond Issue being paid up.

(ii) The part of the price consisting of the interest accrued on each of the Mortgage Loans shall be paid by the Fund on the relevant Collection Date falling on the first interest settlement date of each of the Mortgage Loans or the date on which they are paid by the Obligor, after the issue date of the Mortgage Certificates and the Pass-Through Certificates, and will not be subject to the Fund Priority of Payments.

If the Fund constitution and hence the Mortgage Certificate and the Pass-Through Certificate issue and subscription should terminate, (i) the Fund's obligation to pay the subscription for the Mortgage Certificates and the Pass-Through Certificates shall terminate, (ii) the Management Company shall be obliged to restore to the Originators any rights whatsoever accrued for the Fund upon subscribing for the Mortgage Certificates and the Pass-Through Certificates, and (iii) the Originators shall once again enter the Mortgage Loans among their balance-sheet assets.

IV.1.3 Description of rights conferred on the Fund upon subscribing for by the Mortgage Certificates and the Pass-Through Certificates in the Mortgage Loans backing the same:

The issue of the Mortgage Certificates and of the Pass-Through Certificates shall be made in respect of 100 percent of the outstanding principal and ordinary and late-payment interest on the relevant Mortgage Loan, as well as all other amounts, assets or rights attaching to each of the Mortgage Loans.

The Originators issuing the Mortgage Certificates and the Pass-Through Certificates shall not bear the risk of default on the Mortgage Loans and shall therefore have no liability whatsoever for default by the Obligors of principal, interest or any other amount owing by the Obligors under the Mortgage Loans. They will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Mortgage Certificates and the Pass-Through Certificates, other than as provided for in section IV.1.4 below.

Specifically, the Mortgage Certificates and the Pass-Through Certificates shall confer the following rights in relation to each of the Mortgage Loans:

a) To receive all amounts accruing as repayment of Mortgage Loan capital or principal.

b) To receive all amounts accruing as ordinary interest on the Mortgage Loans.

c) To receive all amounts accruing as late-payment interest on the Mortgage Loans.

d) To receive any other amounts, assets or rights received as payment of the Mortgage Loan principal, interest or expenses, either in the form of the auction sale price or amount determined by a court decision or notarial procedure in foreclosing the mortgage securities, on the sale or utilisation of properties awarded or, upon foreclosing, in the administration or interim possession of the properties in foreclosure proceedings.

e) To receive all possible rights or compensations accruing under the Mortgage Loans for the Originator, including not only those derived from the insurance contracts attached to the Mortgage Loans which are also assigned to the Fund, but also those derived from any ancillary right attached to the Loan, including full or partial prepayment fees.

The above-mentioned rights will all accrue for the Fund from the date of issue of the Mortgage Certificates and the Pass-Through Certificates. Interest shall moreover include interest accrued and not due since the last interest settlement date on each of the Mortgage Loans, on or before the date of issue of the Mortgage Certificates and the Pass-Through Certificates, and interest due and not paid on that same date.

The rights of the Fund resulting from the Mortgage Certificates and the Pass-Through Certificates are linked to the payments made by the Obligors of the Mortgage Loans, and are hence directly affected by the evolution, delays, prepayments or any other incident relating thereto.

Until the execution of the Deed of Constitution, the Originators issuing Mortgage Certificates and the Pass-Through Certificates shall be the beneficiaries of the property damage insurance contracts taken out by the Obligors in relation to the mortgaged properties as security for the Mortgage Loans, up to the insured amount, and each of the mortgage loan documents shall, in the event of default on the relevant premium by the Obligor (holder) of the insurance, authorise the mortgagee, to wit the Originator, to pay the premium amount for the Obligor in order that the premiums are always paid. Under the Fund Deed of Constitution, the Originators shall each perfect the assignment attached to the issue of the Mortgage Certificates and of the Pass-Through Certificates of the rights they have as the beneficiary of those property damage insurance contracts taken out by the Obligors or any other insurance policy providing equivalent cover. As the holder of the Mortgage Certificates and of the Pass-Through Certificates, the Fund shall be entitled to all the amounts the Originators would have received in this connection.

Returns on the Mortgage Certificates and Pass-Through Certificates constituting Fund income shall not be subject to a Corporation Tax withholding as established in Royal Decree 537/1997, April 14, approving the Corporation Tax Regulations.

The Fund shall bear all and any expenses or costs arising for each of the Originators derived from the recovery actions in the event of a breach of obligations by the Mortgage Loan Obligors, including foreclosing against the same.

IV.1.4 Set rules for substituting Mortgage Certificates and Pass-Through Certificates.

1. In the event of early amortisation of Mortgage Certificates or Pass-Through Certificates due to a prepayment of the Mortgage Loan capital, there will be no substitution of the Mortgage Certificates and of the Pass-Through Certificates affected thereby.

2. In the event that it should be observed throughout the life of the Mortgage Certificates and the Pass-Through Certificates that any of them or of underlying Mortgage Loans fails on the date of issue of the Mortgage Certificates and of the Pass-Through Certificates to meet the representations contained in section IV.1.1 of this Offering Circular or the specific characteristics of the Mortgage Loans notified by the Originators to the Management Company, each of the Originators agrees, subject to the Management Company's consent, to

proceed to substitute the Mortgage Certificate or the Pass-Through Certificate in that situation, subject to the following rules:

a) The party becoming aware of the existence of a non-conforming Mortgage Certificate, Pass-Through Certificate or Mortgage Loan, whether an Originator or the Management Company, shall notify the other party of this circumstance. The Originator shall forthwith proceed to remedy that circumstance if it may be remedied or, in order to proceed to a substitution thereof, notify the Management Company of the characteristics of the mortgage loans on which new mortgage certificates or pass-through certificates are proposed to be issued to be subscribed for by the Fund satisfying the representations made in section IV.1.1 and similarly characterised as to residual term, interest rate, outstanding capital value, and credit quality construed as the existing ratio of the outstanding loan principal to the appraisal value of the property given as security, in order for the financial balance of the Fund, and indeed the Bond rating in accordance with the provisions of section II.3 of this Offering Circular, to be unaffected by the substitution. Once the Management Company has checked that the substitute loan is appropriate and expressly agreed to it, the Originator shall proceed to cancel the affected Mortgage Certificate or Pass-Through Certificate, and issue another or other replacement Mortgage Certificates or Pass-Through Certificates.

b) The substitution shall be recorded in a Notarial Certificate setting forth all the particulars both of the Mortgage Certificate or the Pass-Through Certificate to be replaced and the Mortgage Loan attached thereto, and the new Mortgage Certificate(s) or Pass-Through Certificate(s) issued, along with details of the Mortgage Loans, and the reason for substituting and characteristics determining their homogenous nature as described in the paragraph immediately preceding, a copy of which shall be filed by the Management Company with the CNMV, the organisation in charge of the accounting record for the Bonds, the AIAF Governing Body, notifying the Rating Agency.

3. Secondarily to the obligation undertaken under section 2 above, in the event that there should be call to substitute any Mortgage Certificate or Pass-Through Certificate and that no new ones should be issued on the homogeneity and suitability terms set in rule a) of said section, the Originator shall proceed to an early amortisation of the affected Mortgage Certificate or Pass-Through Certificate. That early amortisation shall take place by a repayment in cash to the Fund of the outstanding principal, interest accrued and not paid, and any other amount owing to the Fund until that date under the relevant Loan.

IV.1.5 Other terms derived from the legal system of the Mortgage Certificates and the Pass-Through Certificates.

As prescribed by Mortgage Market Regulation Royal Decree 685/1982, amended by Royal Decree 1289/1991, the Mortgage Certificates and the Pass-Through Certificates may be transferred by a written statement on the very certificate and, in general, by any of the means admitted by Law, their acquisition or holding being limited to institutional or professional investors for they may not be acquired by the unspecialised public, in accordance with the provisions of article 64.6, paragraph two, of Royal Decree 685/1982. Both the transfer and the new holder’s address shall be notified by the transferee to the Originator.

Given that the Fund is an institutional investor, the issue of and subscription for the Mortgage Certificates and the Pass-Through Certificates shall not be subject to a marginal note on each entry of the mortgages in the Land Registry, for the purposes of paragraph two of article 64.6 of Royal Decree 685/1982.

The transferor shall not be liable for the solvency of the issuer or of the Obligor of the Mortgage Loan, nor indeed of the sufficiency of the mortgage securing it.

The Originators shall keep a special book in which they shall enter the Mortgage Certificates and the Pass-Through Certificates issued and such transfers thereof as may be notified to it, the Mortgage Certificates and the Pass-Through Certificates being applied the provisions of article 53 of the above-mentioned Royal Decree for registered certificates. The same book shall include the changes of address notified to it by the holders of the certificates.

The book shall moreover include the following particulars:

a) Mortgage Loan origination and maturity date, initial amount and settlement method.

b) Mortgage registration particulars.

IV.1.6 Mortgage Certificate and Pass-Through Certificate representation and custody.

The Mortgage Certificates and the Pass-Through Certificates shall be represented distinctly by unit registered certificates, which shall contain at least the particulars prescribed for mortgage certificates in article 64 of Royal Decree 685/1982, March 17, amended by Royal Decree 1289/1991, August 2, along with the registration particulars of the properties securing the Mortgage Loans.

Both in the event that the Management Company should, for and on behalf of the Fund, proceed to foreclose a Mortgage Loan, as provided for in section IV.2.1.11, and because of an Early Liquidation of the Fund, in the events and on the terms of section III.7.1, there is to be sale of the Mortgage Certificates or the Pass-Through Certificates, and in any other event so requiring, each Originator agrees to split any multiple certificate issued representing Mortgage Certificates or Pass-Through Certificates into such unit or multiple certificates as may be necessary, replacing or exchanging the same for the attainment of the above purposes.

The certificates of the Mortgage Certificates and the Pass-Through Certificates subscribed for by the Fund shall be deposited at BANCO COOPERATIVO, and the relations between the Fund and BANCO COOPERATIVO shall be governed by the Mortgage Certificate and Pass-Through Certificate Custody Agreement established in section V.3.7 of this Offering Circular. That deposit shall be established for the benefit of the Fund and BANCO COOPERATIVO shall therefore safe-keep the Mortgage Certificates and the Pass-Through Certificates deposited following the Management Company’s instructions.

IV.2 Servicing and custody of the Mortgage Loans.

Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., Originators of the Mortgage Loans by means of the issue of the Mortgage Certificates and of the Pass-Through Certificates to be subscribed for by the Fund, in accordance with the provisions of article 61.3 of Royal Decree 685/1982, each agree to custody and service the Mortgage Loans, and the Mortgage Loan Servicing Agreement (the “**Servicing Agreement**”) shall govern the relations between the Originators (hereinafter in regard to that Agreement the “**Servicer(s)**”), BANCO COOPERATIVO as possible substitute in certain circumstances of the Servicers, and the Fund, represented by the Management Company. In consideration of the servicing of the Mortgage Loans, each of the Servicers shall be entitled to receive in arrears on each of the Payment Dates and during the term of the Servicing Agreement, a subordinated servicing fee equal to 0.01% per annum, inclusive of VAT if there is no exemption, which shall accrue on the exact number of days elapsed and on the average daily Outstanding Balance of the Mortgage Certificates and of the Pass-Through Certificates serviced during each Interest Accrual Period. If any of the Servicers should be substituted in that servicing task, because that may be done following a change of the laws in force for the time being, and is appropriate in view of circumstances of the Servicer which might prevent or make it difficult for that servicing to be properly performed, the Management Company will be entitled to change the above percentage fee in favour of the substitute institution, which fee may be higher than that agreed with each Servicer under the Servicing Agreement.

If due to a shortage of liquidity in the Fund Priority of Payments, the Fund should fail on a Payment Date to pay the full fee due, the amounts overdue shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, whereupon they shall be paid.

Furthermore, on each Payment Date, each Servicer shall be entitled to a reimbursement of all expenses of an exceptional nature incurred in relation to the servicing of the Mortgage Loans, such as expenses or court costs arising in connection with foreclosure, or administering or managing the sale of properties and assets awarded, and after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Fund Priority of Payments.

The Servicing Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

The Servicers shall continue servicing the Mortgage Loans, devoting the same time and effort to them and the same degree of skill, care and diligence in servicing the same as they would devote and use to service own mortgage loans, and will in any event exercise a suitable degree of skill, care and diligence in providing the services for which provision is made in said Servicing Agreement.

In any event, the Servicers waive the privileges and authorities conferred on them by law as the managers of collections for the Fund and as servicers of the Mortgage Loans, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

The most outstanding terms of the Servicing Agreement are set out hereinafter in the following subparagraphs of this section.

IV.2.1 Ordinary system and procedures for servicing and managing the Mortgage Loans.

The following is the succinct and short description of the ordinary system and procedures (the "**services**") for service and custody of the Mortgage Loans governed by said Servicing Agreement:

1. **Term.**

   The services shall be provided by each of the Servicers until all the obligations undertaken by the Servicer as issuer of the Mortgage Certificates or the Pass-Through Certificates terminate, upon full repayment of the Mortgage Loans serviced by the Servicer, or when the liquidation of the Fund concludes after it terminates, without prejudice to a potential early termination of the Servicing Agreement, if that is legally possible in accordance with its terms.

2. **Custody of deeds, documents and files.**

   Each Servicer shall keep all deeds, documents and data files relating to the Mortgage Loans and the damage insurance policies of the mortgage properties under safe custody and shall not give up their possession, custody or control other than with the Management Company's prior written consent for it to do so, unless a document should be required to institute proceedings to foreclose a Mortgage Loan, or any competent authority should so require and after first informing the Management Company.

The Servicers shall allow the Management Company or the auditors of the Fund duly authorised thereby reasonable access at all times to said deeds, documents and records. Furthermore, whenever it is required to do so by the Management Company, it shall provide within two (2) Business Days of that request and clear of expenses, a copy or photocopy of any of such deeds and documents.

3. Collection management.

Each Servicer shall continue managing collection of all amounts payable by the Obligors under the Mortgage Loans, and any other item including under the relevant insurance contracts of the mortgaged properties securing the Mortgage Loans. Each Servicer shall act due diligently for payments to be made by the borrowers to be collected in accordance with the contractual terms and conditions of the Mortgage Loans.

Provided that those payments are received by each Servicer, the latter shall proceed to pay them fully to the Fund on the seventh business day, for same day value, after the date on which they were received by the Servicer, or on the following business day if that is not a business day, respectively, in accordance with the set terms and conditions. The Management Company may however, if that is necessary to better defend the Bondholders' interests, change the periods, Collection Dates and payment method at any time during the term of the Servicing Agreement, provided that this is not detrimental to the rating assigned to the Bonds by the Rating Agency.

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

4. Fixing the interest rate.

In connection with Mortgage Loans having a floating interest rate, the Servicers will continue fixing those interest rates in accordance with the provisions of the relevant Mortgage Loans, submitting such relevant communications and notices as may be established in the respective agreements.

5. Extended mortgage.

If any Servicer should become aware at any time that for any reason the value of a mortgaged property securing a Mortgage Loan has fallen in excess of the percentages permitted by law, it shall, in accordance with the provisions of article29 of Royal Decree 685/1982, request the Obligor at issue to:

i) extend the mortgage to other assets sufficient to cover the required ratio of the value of the asset to the credit secured thereby, or

ii) repay all or such portion of the loan as may be in excess of the amount resulting from applying to the current appraisal the percentage used to initially determine its amount.

If within two months of being requested to extend the Obligor should fail to do so or repay the portion of the Mortgage Loan referred to in the preceding paragraph, the Obligor shall be deemed to have chosen to repay the Mortgage Loan fully, which the Servicer shall forthwith require the Obligor to do.

6. Mortgaged property damage insurance.

The Servicers shall not take or fail to take any action resulting in the cancellation of any property damage insurance policy covering the mortgaged properties or reducing the amount payable in any claim thereunder. The Servicers shall act due diligently and in any event use the rights conferred under the insurance policies or the Mortgage Loans in order to keep those policies (or any other policy granting equivalent cover) in full force and effect in relation to each Mortgage Loan and the respective property subject of the Mortgage Loan.

Each Servicer shall be bound to advance payment of policy premiums not paid by the Obligors whenever it is fully acquainted with this circumstance, without prejudice to its right to be reimbursed by the Fund for amounts so paid.

In the event of a claim, each Servicer shall coordinate actions for collecting compensations derived from the property damage insurance policies on the terms and conditions of the Mortgage Loans and the actual policies, paying the amounts received, if any, to the Fund.

7. Information.

Each Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each of the Mortgage Loans, fulfilment by the Obligors of their obligations under the Mortgage Loans, delinquency status, changes in the characteristics of the Mortgage Loans, actions in the event of late payment and auction of properties, the foregoing subject to the procedures and within the time-periods established in the Servicing Agreement.

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

8. Liability of the Servicers.

The Servicers shall at no time have any liability whatsoever in relation to the obligations of the Management Company as manager of the Fund and manager of Bondholders' interests, nor in relation to the obligations of the Obligors derived from the Mortgage Loans, without prejudice to the liabilities undertaken thereby in the Deed of Constitution as Originators issuing the Mortgage Certificates and the Pass-Through Certificates subscribed for by the Fund.

The Servicers shall be liable to indemnify the Fund or its Management Company against any damage, loss or expense incurred by the latter due to a breach by the Servicers of their duties to safe-keep, service and report on the Mortgage Loans.

9. Mortgage Loan subrogation.

The Servicers shall be authorised to permit substitutions in the position of the Obligor under the Mortgage Loan agreements, exclusively where the characteristics of the new mortgagor are similar to those of the former mortgagor and those characteristics observe the policies for granting mortgage loans described in the relevant Memorandum on Policies for Granting Mortgage Loans attached to the Fund Deed of Constitution, and provided that the expenses derived from that change are fully borne by the Obligors. The Management Company may fully or partially limit this authority of the Servicers or lay down conditions therefor, in the event that there might be consequences being howsoever detrimental to the rating accorded to the Bonds by the Rating Agency.

The Obligor may apply for subrogation to the Servicer of the Mortgage Loans pursuant to Mortgage Loan Subrogation and Amendment Act 2/1994. Subrogation of a new creditor under the Mortgage Loan and the ensuing payment of the amount due shall result in a prepayment of a Mortgage Loan and of the relevant Mortgage Certificate.

10. Authorities and actions in relation to Mortgage Loan renegotiation procedures.

The Servicers may not voluntarily cancel the Mortgage Loans or their mortgages or securities for any reason other than payment of the Loan, relinquish or settle in regard thereto, forgive the Mortgage Loans in full or in part or extend the same, or in general do anything that may diminish the status, enforceability at law or economic value of the mortgage or of the Mortgage Loans, without prejudice to its proceeding to heed requests by the Obligors with the same diligence and procedure as if the loans were not participated.

Notwithstanding the above, the Management Company may, as manager of third-party funds and bearing in mind the Obligors' requests to the Servicer directly or under Mortgage Loan Subrogation and Amendment Act 2/1994, issue instructions to or authorise the Servicer previously to agree with the Obligor, subject to the terms and conditions of this section, for a novation changing the relevant Mortgage Loans, either by an interest rate renegotiation or by an extension of the maturity period, provided that the same are not detrimental to the ranking of the Mortgage Loans.

a) Renegotiating the interest rate.

The Servicer may under no circumstance entertain on its own account and without being so requested by the Obligor, interest rate renegotiations which may result in a decrease in the interest rate applicable to a Mortgage Loan. In any event, whether or not it was generically authorised, any Mortgage Loan interest rate renegotiation shall be taken on and settled bearing in mind the interests of the Fund.

Without prejudice to the provisions hereinafter, any interest rate renegotiation subscribed by the Servicer shall be made exclusively with the prior written consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a renegotiation. The Management Company may nevertheless authorise the Servicer to entertain and accept renegotiations of the interest rate applicable to the Mortgage Loans, requested by the Obligors, without requiring the prior consent of the Management Company, subject to the following general enabling requirements:

1. Without prejudice to the provisions of paragraph 2 below, the Servicer may renegotiate the interest rate clause of the Mortgage Loans on conditions that are deemed to be at arm's length and that do not differ from those applied by the actual Servicer in renegotiating or granting its mortgage loans. In the connection, the market interest rate shall be deemed to be the rate offered by credit institutions on the Spanish market for mortgage loans in an amount and on other terms substantially similar to the Mortgage Loan.

2. Renegotiating the interest rate applicable to a Mortgage Loan in due course shall at no event result in the average margin or spread weighted to the outstanding principal of the Loans is not less than 80 basic percentage points above the Euribor or Mibor reference index or rates.

In the case of Mortgage Loans with benchmark indices other than Euribor or Mibor rates or indices, and for the purpose of homogenising them with those indices, the Mortgage Loan margin or spread shall be deemed to be the result of increasing or reducing the applicable margin by the difference between the simple averages of the values for the last three (3) months, published by the Bank of Spain, of (a) the one-year EURIBOR index (one-year interbank benchmark) and (b) the relevant benchmark index.

3. Additionally, in the event that the average margin or spread weighted to the outstanding principal of the Mortgage Loans is less than 80 basic percentage points above the Euribor or Mibor reference index or rates on the terms established in paragraph 2 above and that, on the terms of the public deed of arrangement of a Mortgage Loan, a lower margin or spread should be applied to the Mortgage Loan, the Servicer agrees to pay the Fund, with respect to each Mortgage Loan with a lower margin or spread and while the average margin or spread weighted to the outstanding principal of the Mortgage Loans is still less than 80 basic percentage points above the Euribor or Mibor reference index or rates on the terms established in paragraph 2 above, on each relevant Collection Date after the effective date of the lower margin, the negative difference between (a) interest accrued by the Mortgage Loan during the relevant interest settlement period, and (b) interest accrued by the Mortgage Loan in the same settlement period applying to the loan principal on the settlement date a yearly nominal interest rate equal to the rate resulting from applying the margin or spread before it was reviewed and reduced.

b) Extending the period of maturity.

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

(i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Mortgage Loan which may result in an extension of that date. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind at all times the Fund's interests.

(ii) For every Servicer, the aggregate of the initial capital or principal of the Mortgage Certificates and of the Pass-Through Certificates backed by the Mortgage Loans with respect to which the maturity date is extended may not exceed 10.00% of the total initial capital or principal of the Mortgage Certificates and the Pass-Through Certificates issued by the Servicer.

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

a) That the periodicity of repayment instalments of the capital or principal of the Mortgage Loan is at all events maintained or reduced, albeit keeping the same repayment system in place.

b) That the new final maturity or final amortisation date does not extend beyond March 31, 2033.

c) That there was no delay in excess of one (1) month in payment of amounts due on the Mortgage Loan during the last six (6) months before the effective date of the extension of the term.

(iv) The Management Company may at any time during the term of the Servicing Agreement, on the Fund's behalf, cancel or suspend the Servicer's authorisation to extend the term.

If there should be any renegotiation of the interest rate of a Mortgage Loan or its due dates, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Mortgage Loans to be updated. Both the public deeds and the private agreements pertaining to a novation of the terms of the Mortgage Loans will be kept by each Servicer, in accordance with the provisions of paragraph 2 of this section.

In the event of a renegotiation of the Mortgage Loans, or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund in accordance with rule fifteen, section 2d) of Bank of Spain Circular 4/91, June 16, pursuant to which assignment agreements shall specify that the assignor shall not be howsoever liable for the obligor's default of either principal or interest on the debt; they shall moreover specify that, in the event of renegotiation of the assigned asset, or its due dates, the change in terms shall affect the assignee of the asset.

11. Action against the Obligors in the event of default on the Mortgage Loans.

Actions in the event of late payment.

Each Servicer shall apply an identical diligence and procedure for claiming overdue amounts not paid on the Mortgage Loans as with the rest of its portfolio loans.

In the event of default by the Obligor of the payment obligations, the Servicer shall take the actions described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its portfolio mortgage loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. These actions include all such legal actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors.

Legal actions.

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

Each Servicer shall apply an identical diligence and procedure for claiming overdue amounts not paid on the Mortgage Loans as with the rest of its portfolio loans. The Servicer shall as a general rule apply for foreclosure, advancing all necessary expenses to do so, if, for a period of six (6) months, the Obligor under a Mortgage Loan in default of payment obligations should fail to resume payments or the Servicer, with the Management Company's consent, should fail to obtain a payment undertaking satisfactory to the interests of the Fund, and shall in any event forthwith proceed to apply for such foreclosure if the Management Company, on behalf of the Fund, should deem this fit after analysing the specific circumstances of the case.

In the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies provided for Mortgage Certificates in article 66 of Royal Decree 685/1982, amended by Royal Decree 1289/1991, which will also apply to Pass-Through Certificates in accordance with the provisions of additional provision five of Act 3/1994 as worded by Act 44/2002:

(i) To demand the Servicer to apply for foreclosure.

(ii) To take part on an equal standing with the Servicer, as issuer of the Mortgage Certificates and the Pass-Through Certificates, in the foreclosure the latter shall have instituted against the Obligor, intervening to that end in any foreclosure proceedings commenced by the former.

(iii) If the Servicer should fail to take that action within sixty (60) calendar days of a notice served through a Notary demanding payment of the debt, the Management Company, for and on behalf of the Fund, shall be secondarily entitled to bring the foreclosure action on the Mortgage Loan for both principal and interest.

(iv) In the event that the proceedings instituted by the Servicer should come to a standstill, the Fund, duly represented by the Management Company, may be subrogated in the position of the former and continue the foreclosure proceedings, without the above period having to elapse.

In the cases provided in paragraphs (iii) and (iv), the Management Company, for and on behalf of the Fund, may apply to the Judge or Notary with jurisdiction to commence or continue with the respective foreclosure proceedings, attaching to the application the original Mortgage Certificate or Pass-Through Certificate, the notice served though a Notary Public provided in section (iii) above and an office certificate as to the registration and subsistence of the mortgage. The Servicer shall be bound to issue a certification of the balance outstanding on the Mortgage Loan.

If this should be required by law, and for the purposes of the provisions of the Civil Procedure Act, each of the Servicers shall confer in the Deed of Constitution an irrevocable and as extensive and sufficient a power of attorney as may be required by Law in order for the Management Company, acting for and on behalf of the Servicers, to demand through a Notary Public payment of the debt by the Obligor under any of the Mortgage Loans.

The Management Company, for and on behalf of the Fund as holder of the Mortgage Certificates and the Pass-Through Certificates, may also take part with equal rights with the Servicers in the foreclosure proceedings and may in this sense, on the terms for which provision is made in the Civil Procedure Act, request the award of the mortgaged property as payment of the Mortgage Loan. The Management Company shall proceed to sell the property awarded within the shortest possible space of time and at arm’s length.

Additionally, each Servicer will provide the Management Company with all such documents as the latter may request in relation to the Mortgage Loans and in particular the documents required for the Management Company to take recovery legal actions, as the case may be.

12. Recovery action against the Servicer.

The Management Company shall, for and on behalf of the Fund, be entitled to file a recovery action against the Servicers claiming principal and interest falling due under the Mortgage Certificates and the Pass-Through Certificates, where the breach of the obligation to pay those amounts does not result from a default by the Obligors of the Mortgage Loans.

Upon the Mortgage Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

13. Set-off.

In the event that any of the Obligors under the Mortgage Loans should have a liquid credit right, due and payable vis-à-vis the Servicer, and any of the Mortgage Loans should therefore be fully or partially set-off against that credit, the Servicer shall remedy such circumstance or, if it cannot be remedied, the Servicer shall proceed to pay to the Fund the amount set off plus the accrued interest which would have been payable to the Fund until the date on which the payment is made, calculated on the terms applicable to the relevant Mortgage Loan.

14. Subcontracting.

The Servicers may subcontract any of the services they may have agreed to provide under the Servicing Agreement other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the rating assigned to each of the Bond Series being adversely revised. Notwithstanding any subcontracting or delegation, the Servicer shall not be exonerated or released under that subcontract or delegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

15. Substitution.

In the event of a breach by a Servicer of any of the obligations imposed in the Servicing Agreement on the Servicer, the Management Company shall be entitled to demand the Servicer to perform as agreed or, as the case may be and where this is legally possible, terminate the Servicing Agreement without prejudice to the Servicer's contractual liability, if any, consequent upon that breach. Similarly, in the event that a Servicer's credit rating should fall or there should be a change in its financial position which may be detrimental to or place the financial structure of the Fund or Bondholders' interest at risk, or be detrimental to the ratings assigned to the Bonds by the Rating Agency, the Management Company shall be entitled, where this is legally possible, to terminate the Servicing Agreement with the Servicer.

In the event of termination of the Agreement, the Management Company shall previously designate a new Servicer for the Mortgage Loans, provided that it has a credit quality acceptable to the Rating Agency and that the new Servicer accepts the obligations contained in the Servicing Agreement. In that event, BANCO COOPERATIVO shall, upon a written request from the Management Company and where that is legally possible and its credit quality is acceptable to the Rating Agency, take over the servicing and management function of the Mortgage Loans serviced by the Servicer, on terms and conditions identical to those contained in the Agreement. In that connection, the parties agree to enter into such documents as might be necessary.

Furthermore, in the event of bankruptcy or insolvency, or indications of both, receivership by the Bank of Spain, liquidation or substitution of any Servicer , the Management Company may request the substituted Servicer to notify Obligors of the transfer to the Fund of their respective Mortgage Loans, and that payments derived therefrom shall only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. Nevertheless, both upon the failure by the requested Servicer to notify the Obligors within five (5) Business Days following receipt thereof and in the event of bankruptcy or liquidation of a Servicer, it shall be for the Management Company proper to notify the Obligors directly or through a new Servicer designated thereby.

Upon the early termination of the Servicing Agreement, the replaced Servicer shall provide BANCO COOPERATIVO or the new Servicer, as the case may be, on demand by the Management Company and as determined thereby, with the necessary documents and data files for it to carry on the relevant activities.

IV.3 Succinct and short description of the general policies for granting and terms for perfecting established in regard to mortgage loans by the institutions issuing the certificates pooled in the Fund.

IV.3.1 Succinct description of the procedures established by the Originators issuing the Mortgage Certificates and the Pass-Through Certificates for analysing risks and granting mortgage loans.

The Mortgage Loans have been granted by the Originators issuing the Mortgage Certificates and the Pass-Through Certificates in accordance with their usual procedures, which are described as a Schedule to the Fund Deed of Incorporation, in the relevant "Memorandum on Policies for Granting Mortgage Loans".

IV.3.2 Statistical information on the evolution of the amounts and number, balances outstanding, average amount, average interest, and average term, of the mortgage loan portfolio.

The following table shows the evolution over the last three years of the credit investment of the Originators issuing the Mortgage Certificates and the Pass-Through Certificates, granted to finance residential homes, detailing the number of outstanding loans granted for such purpose, the nominal interest rate as an average percentage weighted to the principals pending repayment, and the delinquency on this investment.

CAIXA RURAL DE BALEARS, S.C.C.

Date	Net residential credit investment			Doubtful Assets (balance)	Gross Credit Investment (balance)	% Delinquency Rate	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate				
1	2	3	4	5	6	7	8
30.06.2003	950	70.92	4.456	0.00	70.92	0.000	0
31.12.2002	828	61.83	5.088	0.03	61.86	0.041	0
31.12.2001	706	42.51	6.047	0.02	42.53	0.048	0
31.12.2000	572	29.60	5.816	0.06	29.66	0.217	0

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL ARAGONESA Y DE LOS PIRINEOS, S.C.C.

Date	Net residential credit investment			Doubtful Assets (balance)	Gross Credit Investment (balance)	% Delinquency Rate	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate				
1	2	3	4	5	6	7	8
30.06.2003	4,461	196.53	4.361	0.45	196.98	0.229	0.00
31.12.2002	4,445	186.97	4.760	0.29	187.27	0.156	0.00
31.12.2001	4,584	170.92	5.715	0.68	171.60	0.396	0.00
31.12.2000	4,660	196.37	5.478	0.89	197.25	0.450	0.00

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DE ARAGÓN, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	
1	2	3	4	5	6	7	8
30.06.2003	5,151	334.9	3.67	2.1	337.0	0.48	0
31.12.2002	4,474	260.2	4.64	1.7	261.9	0.17	0
31.12.2001	3,486	117.1	5.03	0.3	177.4	0.64	0
31.12.2000	3,086	131.9	5.46	0.6	132.5	0.63	0

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DE BURGOS, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	
1	2	3	4	5	6	7	8
30.06.2003	2,010	114.76	3.552	0.07	114.83	0.06	0.00
31.12.2002	1,837	99.60	3.610	0.10	99.70	0.10	0.00
31.12.2001	1,822	90.02	5.259	0.07	90.09	0.08	0.00
31.12.2000	1,676	82.29	5.465	0.07	82.35	0.08	0.00

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DE NAVARRA, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	
1	2	3	4	5	6	7	8
30.06.2003	14,842	927.14	3.935	0.96	928.10	0.1034	0.00
31.12.2002	13,794	827.71	4.406	1.34	829.05	0.1616	0.00
31.12.2001	12,440	689.90	5.212	0.70	690.61	0.1014	0.00
31.12.2000	9,404	493.73	5.210	0.20	493.93	0.0405	0.00

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DE TENERIFE, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	Assets (balance)
1	2	3	4	5	6	7	8
30.06.2003	1,907	128.5	4.16	1.1	129.5	0.82	0.04
31.12.2002	1,767	113.0	4.25	1.5	114.5	1.28	0.11
31.12.2001	1,412	79.6	4.54	1.4	81.0	1.73	0.04
31.12.2000	1,165	55.1	4.93	1.6	56.7	2.77	0.38

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DE TERUEL, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	Assets (balance)
1	2	3	4	5	6	7	8
30.06.2003	1,732	64.79	4.00	0.51	65.30	0.79%	0.05
31.12.2002	1,663	61.33	4.25	0.62	61.96	1.01%	0.05
31.12.2001	1,596	52.89	5.25	0.25	53.14	0.48%	0.01
31.12.2000	1,334	45.96	6.50	0.35	46.31	0.76%	0.05

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DE TOLEDO, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	Assets (balance)
1	2	3	4	5	6	7	8
30.06.2003	13,021	577.50	4.080	0.25	577.75	0.04	0.00
31.12.2002	12,496	527.60	4.740	0.08	527.68	0.02	0.00
31.12.2001	10,506	412.20	5.480	0.30	412.50	0.07	0.00
31.12.2000	9,627	355.30	5.820	0.40	355.70	0.11	0.00

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DEL DUERO, S.C.C.

Date	Net residential credit investment			Doubtful Assets (balance)	Gross Credit Investment (balance)	% Delinquency Rate	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate				
1	2	3	4	5	6	7	8
30.06.2003	4,638	229.89	4.100	1.33	231.22	0.5752	0.11
31.12.2002	4,301	214.74	4.470	0.97	215.71	0.4497	0.07
31.12.2001	3,082	152.77	5.400	0.61	153.38	0.3977	0.07
31.12.2000	2,808	126.36	5.370	0.63	126.99	0.4961	0.05

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA, S.C.C.

Date	Net residential credit investment			Doubtful Assets (balance)	Gross Credit Investment (balance)	% Delinquency Rate	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate				
1	2	3	4	5	6	7	8
30.06.2003	43,565	1.360.76	5.95	9.47	1.370.23	0.69	0.60
31.12.2002	38,942	1.302.33	5.73	12.66	1.314.99	0.96	0.59
31.12.2001	35,458	1.290.10	5.36	13.61	1.303.71	1.04	0.52
31.12.2000	32,327	1.250.16	5.02	15.93	1.266.09	1.26	0.35

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL DEL SUR, S.C.C.

Date	Net residential credit investment			Doubtful Assets (balance)	Gross Credit Investment (balance)	% Delinquency Rate	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate				
1	2	3	4	5	6	7	8
30.06.2003	15,637	590.82	5.20	3.46	594.28	0.58%	0.00
31.12.2002	14,543	544.71	5.50	3.56	548.28	0.65%	0.00
31.12.2001	14,158	572.35	6.10	3.15	575.50	0.55%	0.00
31.12.2000	12,291	474.27	6.10	2.68	476.95	0.56%	0.00

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL INTERMEDITERRÁNEA, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	
1	2	3	4	5	6	7	8
30.06.2003	49,375	2.900.28	4.0	14.09	2.914.36	0.48	1.25
31.12.2002	41,520	2.090.53	4.7	11.42	2.101.95	0.54	1.36
31.12.2001	37,722	1.538.42	5.5	5.33	1.543.76	0.34	1.16
31.12.2000	34,389	1.183.23	5.6	4.95	1.188.18	0.42	0.81

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

CAJA RURAL SAN VICENTE FERRER DE VALL DE UXO, S.C.C.

Date	Net residential credit investment			Doubtful	Gross	% Delinquency	Suspended Assets (balance)
	Loans	Balance	% Nominal Interest Rate	Assets (balance)	Credit Investment (balance)	Rate	
1	2	3	4	5	6	7	8
30.06.2003	376	14.19	4.480	0.06	14.242	0.10	0.08
31.12.2002	375	14.10	4.850	0.07	14.168	0.13	0.08
31.12.2001	355	13.03	5.800	0.20	13.224	0.42	0.04
31.12.2000	302	10.54	5.310	0.15	10.685	0.34	0.03

Balances in EUR million
4: Nominal interest rate weighted to the outstanding principal
5: Asset qualifying as doubtful in accordance with Bank of Spain Circular 4/1991
6: 3+5 / 7: 5/6*100
8: Suspended asset written off the balance sheet, in pursuance of Bank of Spain Circular 4/1991..

IV.4 Description of the mortgage loans selected to be raised through the issue of the Mortgage Certificates and the Pass-Through Certificates.

a) Number of mortgage loans and amount or outstanding balance thereon at present.

The provisional portfolio of mortgage loans which shall be the basis for issuing the Mortgage Certificates and the Pass-Through Certificates and which has been the subject of an audit, comprises 10,940 mortgage loans, the outstanding principal of which amounted as of October 6, 2003 to EUR 749,359,994.07, of which EUR 749,434,533.26 was the outstanding principal and EUR 74,539.19 the overdue principal.

The following table shows the distribution of the outstanding principal of the provisional portfolio mortgage loans for every Originator.

Mortgage Loan portfolio as of October 6, 2003 Classification by outstanding principal				
Originator	Loans		Outstanding principal	
	No.	%	(EUR)	%
CAIXA RURAL DE BALEARS	291	2.66	22,309,522.33	2.98
CAJA RURAL ARAGONESA Y DE LOS PIRINEOS	502	4.59	34,201,464.36	4.56
CAJA RURAL DE ARAGÓN	833	7.61	63,875,925.34	8.52
CAJA RURAL DE BURGOS	238	2.18	13,431,623.77	1.79
CAJA RURAL DE NAVARRA	1,132	10.35	100,525,919.27	13.41
CAJA RURAL DE TENERIFE	521	4.76	29,966,194.40	4.00
CAJA RURAL DE TERUEL	381	3.48	16,845,537.99	2.25
CAJA RURAL DE TOLEDO	724	6.62	65,739,603.21	8.77
CAJA RURAL DEL DUERO	1,060	9.69	53,722,936.24	7.17
CAJA RURAL DEL MEDITERRÁNEO, RURALCAJA	1,746	15.96	96,870,699.26	12.93
CAJA RURAL DEL SUR	152	1.39	11,312,682.42	1.51
CAJA RURAL INTERMEDITERRÁNEA	3,203	29.28	232,712,450.67	31.05
CAJA RURAL SAN VICENTE FERRER DE VALL DE UXO	157	1.44	7,845,434.81	1.05
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**

b) Maximum, minimum and average mortgage loan principal values.

The outstanding principal of the mortgage loans as of October 6, 2003 ranges between EUR 62.84 and EUR 295,064.76.

The following table shows the distribution of the outstanding principal balance of the mortgage loans in EUR 12,000 intervals.

Mortgage Loan portfolio as of October 6, 2003 Classification by outstanding principal				
Outstanding principal interval (in EUR)	Loans No.	%	Outstanding principal (EUR)	%
0.00 - 11,999.99	5	0.05	40,995.25	0.01
12,000.00 - 23,999.99	935	8.55	17,375,622.39	2.32
24,000.00 - 35,999.99	1,425	13.03	43,670,595.12	5.83
36,000.00 - 47,999.99	1,532	14.00	64,662,604.00	8.63
48,000.00 - 59,999.99	1,560	14.26	84,780,684.74	11.31
60,000.00 - 71,999.99	1,218	11.13	80,480,659.03	10.74
72,000.00 - 83,999.99	1,118	10.22	87,393,979.96	11.66
84,000.00 - 95,999.99	970	8.87	86,934,760.71	11.60
96,000.00 - 107,999.99	608	5.56	61,895,502.99	8.26
108,000.00 - 119,999.99	510	4.66	58,304,009.01	7.78
120,000.00 - 131,999.99	281	2.57	35,390,964.58	4.72
132,000.00 - 143,999.99	219	2.00	30,114,122.63	4.02
144,000.00 - 155,999.99	179	1.64	26,669,208.28	3.56
156,000.00 - 167,999.99	100	0.91	16,172,707.78	2.16
168,000.00 - 179,999.99	101	0.92	17,610,701.78	2.35
180,000.00 - 191,999.99	49	0.45	9,148,260.15	1.22
192,000.00 - 203,999.99	39	0.36	7,721,032.82	1.03
204,000.00 - 215,999.99	34	0.31	7,147,146.37	0.95
216,000.00 - 227,999.99	18	0.16	4,002,800.41	0.53
228,000.00 - 239,999.99	17	0.16	3,991,985.14	0.53
240,000.00 - 251,999.99	7	0.06	1,723,991.04	0.23
252,000.00 - 263,999.99	5	0.05	1,302,567.34	0.17

Mortgage Loan portfolio as of October 6, 2003 Classification by outstanding principal				
Outstanding principal interval (in EUR)	Loans No.	%	Outstanding principal (EUR)	%
264,000.00 - 275,999.99	3	0.03	816,388.45	0.11
276,000.00 - 287,999.99	3	0.03	832,768.22	0.11
288,000.00 - 299,999.99	4	0.04	1,175,935.88	0.16
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**
	Average principal:		**68,497.26**	
	Minimum principal:		**62.84**	
	Minimum:		**295,064.76**	

c) Actual interest rate applicable at present: maximum, minimum and average mortgage loan rates.

The provisional portfolio mortgage loans are all floating interest rate loans. The nominal interest rates applicable to the mortgage loans as of October 6, 2003 range between 2.51% and 9.50%, and the average nominal interest rate weighted to the outstanding principal is 3.58%.

The following table shows the distribution of the mortgage loans in 0.5% nominal interest rate intervals.

Mortgage Loan portfolio as of October 6, 2003 Classification by Nominal Interest Rates					
% Interest Rate Interval	Loans	%	Outstanding Principal (EUR)	%	%Interest Rate*
2.50 - 2.99	1,263	11.54	117,783,874.92	15.72	2.75
3.00 - 3.49	2,932	26.80	218,513,969.12	29.16	3.21
3.50 - 3.99	2,976	27.20	203,485,446.84	27.15	3.63
4.00 - 4.49	2,184	19.96	124,880,959.37	16.67	4.13
4.50 - 4.99	1,061	9.70	58,766,072.91	7.84	4.62
5.00 - 5.49	395	3.61	19,377,709.86	2.59	5.07
5.50 - 5.99	94	0.86	5,191,949.03	0.69	5.53
6.00 - 6.49	19	0.17	820,457.02	0.11	6.01
6.50 - 6.99	4	0.04	169,984.83	0.02	6.50
7.00 - 7.49	5	0.05	141,979.68	0.02	7.18
7.50 - 7.99	1	0.01	48,544.77	0.01	7.50
8.00 - 8.49	5	0.05	146,407.07	0.02	8.00
9.50 - 9.99	1	0.01	32,638.65	0.00	9.50
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**	
	Weighted average:			**3.58 %**	
	Simple average:			**3.70 %**	
	Minimum:			**2.51 %**	
	Maximum:			**9.50 %**	

*Average nominal interest rate of the interval weighted to the outstanding principal

d) Maximum nominal interest rates applicable to the mortgage loans.

The maximum nominal interest rates applicable to the mortgage loans as of October 6, 2003 range between 12.00% and 40.00%.

The following table shows the distribution of the mortgage loans in 0.5% maximum nominal interest rate intervals applicable for determining the nominal interest rate. No details are given of intervals with no contents.

Mortgage Loan portfolio as of October 6, 2003 Classification by Applicable Maximum Nominal Interest Rates					
% Interest Rate Interval	**Loans**	**%**	**Outstanding Principal (EUR)**	**%**	**Maximum % Int. Rate***
12.00 - 12.49	399	3.65	31,075,547.75	4.15	12.00
12.50 - 12.99	2	0.02	91,615.39	0.01	12.50
13.00 - 13.49	35	0.32	2,514,740.77	0.34	13.00
13.50 - 13.99	1	0.01	64,677.52	0.01	13.50
14.00 - 14.49	148	1.35	12,208,024.98	1.63	14.00
15.00 - 15.49	129	1.18	7,985,999.45	1.07	15.00
16.00 - 16.49	60	0.55	3,444,167.71	0.46	16.00
17.00 - 17.49	3	0.03	133,081.62	0.02	17.00
18.00 - 18.49	410	3.75	30,907,183.86	4.12	18.00
20.00 - 20.49	6	0.05	380,681.62	0.05	20.00
25.00 - 25.49	1,241	11.34	104,992,482.91	14.01	25.00
28.00 - 28.49	260	2.38	20,741,978.24	2.77	28.00
30.00 - 30.49	3,495	31.95	200,690,545.36	26.78	30.00
40.00 - 40.49	5	0.05	630,925.81	0.08	40.00
With no max. applicable NIR	4,746	43.38	333,498,341.08	44.50	
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**	

* Average applicable maximum nominal interest rate of the interval weighted to the outstanding principal.

e) Minimum nominal interest rates applicable to the mortgage loans.

The minimum nominal interest rates applicable to the mortgage loans as of October 6, 2003 range between 2.50% and 7.00%.

The following table shows the distribution of the mortgage loans in 0.5% minimum nominal interest rate intervals applicable for determining the nominal interest rate.

Mortgage Loan portfolio as of October 6, 2003 Classification by Applicable Minimum Nominal Interest Rates					
% Interest Rate Interval	**Loans**	**%**	**Outstanding Principal (EUR)**	**%**	**Minimum % Int. Rate***
2.50 - 2.99	15	0.14	1,478,378.90	0,20	2,75
3.00 - 3.49	512	4.68	39,579,945.58	5,28	3,01
3.50 - 3.99	516	4.72	40,325,386.30	5,38	3,51
4.00 - 4.49	328	3.00	25,227,958.76	3,37	4,05
4.50 - 4.99	55	0.50	3,238,232.14	0,43	4,66
5.00 - 5.49	35	0.32	1,743,744.01	0,23	5,00
5.50 - 5.99	8	0.07	405,987.90	0,05	5,50
6.00 - 6.49	6	0.05	284,779.24	0,04	6,00
6.50 - 6.99	2	0.02	87,526.88	0,01	6,50
7.00 - 7.49	2	0.02	42,094.10	0,01	7,00
With no min. applicable NIR	9,461	86.48	636,945,960.26	85.00	
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**	

* Average applicable minimum nominal interest rate of the interval weighted to the outstanding principal.

f) Benchmark indices applicable at present to the mortgage loans.

The following table shows the distribution of mortgage loans according to the benchmark index applicable to them for determining the nominal interest rate, specifying the weighted average margin which is added to the benchmark index relevant to that determination.

Mortgage Loan portfolio as of October 6, 2003
Classification by Interest Rate Benchmark Index

Benchmark Index	Loans	%	Outstanding Principal (EUR)	%	%Margin * o/index
SCSV LENDING RATE	8	0.07	305,854.11	0.04	0.30
1-year EURIBOR/MIBOR	9,370	85.65	662,036,156.13	88.35	0.87
MLAR BANKS	17	0.16	667,445.91	0.09	0.28
MLAR SAVINGS BANKS	869	7.94	50,586,262.55	6.75	0.28
MLAR ALL INSTITUTIONS	676	6.18	35,764,275.37	4.77	0.31
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**	

*Margin over average benchmark index weighted to the outstanding principal.

g) Mortgage loan origination dates and first and last final maturity dates, specifying the residual life of the mortgage loans as a whole.

Origination date.

The provisional portfolio mortgage loans were originated on dates comprised between 6.11.1991 and 31.03.2003, average portfolio age being 20.22 months as of October 6, 2003.

The following table shows the distribution of the mortgage loans arranged by six-monthly origination dates.

Mortgage Loan portfolio as of October 6, 2003
Classification by loan origination year

Originating Semester	Loans	%	Outstanding principal (EUR)	%
01/07/1991 to 31/12/1991	1	0.01	20,087.17	0.00
01/07/1992 to 31/12/1992	1	0.01	19,216.39	0.00
01/01/1993 to 30/06/1993	1	0.01	21,164.03	0.00
01/07/1993 to 31/12/1993	5	0.05	154,527.39	0.02
01/01/1994 to 30/06/1994	8	0.07	225,511.94	0.03
01/07/1994 to 31/12/1994	16	0.15	385,495.89	0.05
01/01/1995 to 30/06/1995	47	0.43	1,129,432.87	0.15
01/07/1995 to 31/12/1995	34	0.31	1,005,321.25	0.13
01/01/1996 to 30/06/1996	59	0.54	1,754,046.82	0.23
01/07/1996 to 31/12/1996	106	0.97	3,447,079.31	0.46
01/01/1997 to 30/06/1997	180	1.65	5,728,833.25	0.76
01/07/1997 to 31/12/1997	191	1.75	6,767,686.33	0.90
01/01/1998 to 30/06/1998	225	2.06	8,770,104.02	1.17
01/07/1998 to 31/12/1998	230	2.10	9,489,102.47	1.27
01/01/1999 to 30/06/1999	373	3.41	16,147,591.98	2.15
01/07/1999 to 31/12/1999	368	3.36	16,977,862.97	2.27
01/01/2000 to 30/06/2000	361	3.30	19,558,603.68	2.61
01/07/2000 to 31/12/2000	477	4.36	26,467,637.37	3.53

Mortgage Loan portfolio as of October 6, 2003 Classification by loan origination year				
Originating Semester	**Loans**	**%**	**Outstanding principal (EUR)**	**%**
01/01/2001 to 30/06/2001	629	5.75	36,996,536.08	4.94
01/07/2001 to 31/12/2001	944	8.63	66,147,513.98	8.83
01/01/2002 to 30/06/2002	1,655	15.13	122,787,011.34	16.39
01/07/2002 to 31/12/2002	3,009	27.50	240,483,364.35	32.09
01/01/2003 to 30/06/2003	2,020	18.46	164,876,263.19	22.00
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**
Weighted average age		**20.22**	**Months**	
Maximum age	**06/11/1991**	**143.08**	**Months**	
Minimum age	**31/03/2003**	**6.21**	**Months**	

Final maturity date and residual life.

The final maturity of provisional portfolio mortgage loans falls on dates comprised between 30.06.2005 and 31.03.2033.

Loans are repaid throughout the life remaining until full repayment, during which period mortgagors must pay monthly instalments comprising capital repayment and interest.

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

The following table shows the distribution of the mortgage loans according to final repayment year.

Mortgage Loan portfolio as of October 6, 2003 Classification by Final Repayment Year						
Repayment Year	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**Residual life* Months**	**Date**
2005	6	0.05	90,311.32	0.01	24.17	11/10/2005
2006	42	0.38	885,126.67	0.12	34.43	19/08/2006
2007	69	0.63	1,569,946.97	0.21	45.62	26/07/2007
2008	88	0.80	2,029,665.05	0.27	57.49	21/07/2008
2009	136	1.24	3,764,129.92	0.50	69.46	20/07/2009
2010	182	1.66	5,164,119.50	0.69	81.03	7/07/2010
2011	228	2.08	7,512,500.61	1.00	93.38	18/07/2011
2012	400	3.66	15,872,346.71	2.12	106.09	8/08/2012
2013	357	3.26	13,645,808.76	1.82	116.17	11/06/2013
2014	412	3.77	17,341,849.03	2.31	129.63	26/07/2014
2015	287	2.62	13,559,440.99	1.81	140.41	19/06/2015
2016	351	3.21	18,261,804.37	2.44	153.60	24/07/2016
2017	808	7.39	47,247,254.18	6.31	166.02	6/08/2017
2018	459	4.20	26,089,369.21	3.48	173.93	4/04/2018
2019	244	2.23	13,408,733.26	1.79	188.95	5/07/2019
2020	383	3.50	21,871,069.95	2.92	201.97	4/08/2020
2021	535	4.89	35,107,431.98	4.68	213.94	4/08/2021
2022	1,068	9.76	77,140,362.67	10.29	226.03	7/08/2022
2023	637	5.82	47,579,706.89	6.35	232.99	7/03/2023
2024	156	1.43	9,877,466.45	1.32	249.47	20/07/2024

Mortgage Loan portfolio as of October 6, 2003 Classification by Final Repayment Year						
Repayment Year	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**Residual life* Months**	**Date**
2025	228	2.08	16,626,803.08	2.22	260.88	3/07/2025
2026	460	4.20	35,847,256.23	4.78	274.01	6/08/2026
2027	1,346	12.30	114,615,599.13	15.30	286.33	16/08/2027
2028	567	5.18	50,741,570.47	6.77	292.62	23/02/2028
2029	36	0.33	3,271,227.64	0.44	309.61	25/07/2029
2030	58	0.53	4,897,903.96	0.65	320.91	4/07/2030
2031	130	1.19	12,162,014.57	1.62	334.71	28/08/2031
2032	773	7.07	80,944,761.30	10.80	347.19	10/09/2032
2033	494	4.52	52,234,413.20	6.97	352.29	13/02/2033
Total portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**		
	Weighted average:				**246.40**	**18/04/2024**
	Simple average:				**221.11**	**10/03/2022**
	Minimum:				**20.80**	**30/06/2005**
	Maximum:				**353.81**	**31/03/2033**

* Residual life (months and date) are averages weighted to the outstanding principal.

h) Specification of the maximum, minimum and average value of the ratio: "present loan amount/ appraisal value".

The ratio of the outstanding principal amount to the appraisal value of the home securing the provisional portfolio mortgage loans as of October 6, 2003 ranged between 0.03% and 98.98%, the average ratio weighted to the outstanding principal on each loan being 62.83%.

The following table shows the distribution of mortgage loans according to 5.00% ratio intervals..

Mortgage Loan portfolio as of October 6, 2003 Classification by Loan-to-Value Ratio					
Ratio Intervals	**Loans**	**%**	**Outstanding Principal (EUR)**	**%**	**Loan-to-Value***
0.01 - 5.00	3	0.03	22,125.55	0.00	4.06
5.01 - 10.00	31	0.28	697,053.23	0.09	8.58
10.01 - 15.00	107	0.98	2,479,682.89	0.33	12.96
15.01 - 20.00	232	2.12	6,709,084.79	0.90	17.85
20.01 - 25.00	320	2.93	10,270,425.12	1.37	22.59
25.01 - 30.00	426	3.89	16,638,674.26	2.22	27.68
30.01 - 35.00	472	4.31	20,762,162.18	2.77	32.60
35.01 - 40.00	538	4.92	27,681,153.86	3.69	37.61
40.01 - 45.00	634	5.80	35,794,658.23	4.78	42.56
45.01 - 50.00	668	6.11	40,738,393.00	5.44	47.70
50.01 - 55.00	794	7.26	54,674,981.59	7.30	52.61
55.01 - 60.00	944	8.63	63,846,108.98	8.52	57.52
60.01 - 65.00	994	9.09	72,664,412.63	9.70	62.49
65.01 - 70.00	1,039	9.50	81,435,526.22	10.87	67.54
70.01 - 75.00	1,208	11.04	94,698,632.45	12.64	72.63
75.01 - 80.00	1,935	17.69	166,051,968.85	22.16	77.51
80.01 - 85.00	278	2.54	25,076,789.41	3.35	82.39
85.01 - 90.00	160	1.46	14,580,343.95	1.95	87.39

90.01 - 95.00	98	0.90	8,929,519.74	1.19	92.17
95.01 - 100,00	59	0.54	5,608,297.14	0.75	97.22
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**	
	Weighted average:				**62.83 %**
	Simple average:				**58.19 %**
	Minimum:				**0.03 %**
	Maximum:				**98.98 %**

*Loan-to-Value Ratio lists averages weighted to the outstanding principal.

i) Specification of the geographical distribution of the current mortgage loan amount.

The following table shows the geographical distribution of the mortgage loans, arranged by Autonomous Communities in which the homes securing the same are located.

In addition to the number of loans and the outstanding principal, the table contains the weighted average loan to value ratio value for loans with security located in each of the Autonomous Communities.

Mortgage Loan portfolio as of October 6, 2003
Geographical Classification by Autonomous Communities

Autonomous Community	Loans	%	Outstanding principal (EUR)	%	Loan-to-Value*
Andalusia	1,690	15.45	111,970,150.45	14.94	65.21
Aragón	1,506	13.77	98,666,288.25	13.17	61.59
Asturies	1	0.01	56,641.99	0.01	65.84
Balearic Isles	295	2.70	22,554,481.88	3.01	61.90
Canaries	520	4.75	29,757,869.99	3.97	56.20
Cantabria	86	0.79	4,709,142.09	0.63	52.69
Castile La Mancha	305	2.79	24,987,380.55	3.33	72.81
Castile-León	1,202	10.99	62,388,074.19	8.33	61.50
Catalonia	600	5.48	58,787,787.83	7.85	65.28
Ceuta	4	0.04	263,342.12	0.04	63.49
Valencian Community	1,927	17.61	104,924,045.40	14.00	62.61
Extremadura	2	0.02	178,369.56	0.02	74.44
Galicia	1	0.01	104,905.44	0.01	78.27
La Rioja	285	2.61	23,002,528.59	3.07	66.42
Madrid	557	5.09	56,809,982.61	7.58	61.28
Melilla	2	0.02	157,979.22	0.02	78.67
Murcia	961	8.78	60,997,308.74	8.14	66.50
Navarre	656	6.00	54,218,616.30	7.24	57.10
Basque Country	340	3.11	34,825,098.87	4.65	60.52
Total Portfolio	**10,940**	**100.00**	**749,359,994.07**	**100.00**	

* Loan-to-Value Ratio lists averages weighted to the outstanding principal.

j) Specification as to whether there are delays in collecting mortgage loan principal or interest instalments and, as the case may be, amount of the current principal of the delayed loans in excess of 30, 60 and 90 days.

The following table shows the number of loans and the outstanding principal on provisional portfolio loans in regard to which there was any delay in payment of amounts due as of October 6, 2003.

Mortgage Loan portfolio as of October 6, 2003 Arrears in payment of instalments due			
Months in arrears	**Loans**	**Outstanding Principal ***	**Overdue Principal***
1 to 15 days	403	27,701,430.33	45,801.12
16 to 30 days	66	4,923,835.30	5,425.12
31 to 60 days	59	4,038,741.89	15,117.10
61 to 90 days	25	1,639,824.00	8,195.85

* In EUR.

As declared by the Originators in section IV.1.1 (24), none of the Mortgage Loans that will finally back the issue of Mortgage Certificates and Pass-Through Certificates for the Fund to be constituted shall have overdue payments on the date of issue in excess of one (1) month.

CHAPTER V

INFORMATION ON THE ECONOMIC AND FINANCIAL OPERATION OF THE FUND

V.1 Synoptic chart describing the various assumptions and most likely estimated performance of the economic and financial flows of the Fund:

Initial balance sheet of the Fund.

The balance sheet of the Fund, in euros, on the Closing Date will be as follows assuming that all set-up and Bond issuance expenses are met that day:

ASSETS		LIABILITIES	
Fixed Assets	**696,070,000.00**	**Bond Issue**	**695,000,000.00**
Mortgage Loans	695,030,113.35	Series A1 Bonds	566,800,000.00
(adjustment excess to 30,113.35)		Series A2 Bonds	100,000,000.00
Set-up and issuance expenses	1,039,886.65	Series B Bonds	18,800,000.00
		Series C Bonds	9,400,000.00
Current Assets	**17,205,000.00**	**Other long-term liabilities**	**18,275,000.00**
Treasury Account *	17,205,000.00	Start-Up Loan	2,290,000.00
Accrued interest receivable **	to be determined	Subordinated Loan	15,985,000.00
		Short-term creditors	to be determined
		Mortgage Loan interest accrued **	to be determined
Total assets	**713,275,000.00**	**Total liabilities**	**713,275,000.00**
MEMORANDUM ACCOUNTS			
Cash Reserve	15,985,000.00		

(Amounts in EUR)

* Assuming that all Fund constitution and Bond issuance expenses are met on the Closing Date.

** As set forth in section IV.1.2 of the Offering Circular.

V.1.1 Assumptions made in relation to the performance of the Mortgage Loans and the transactions arranged for on behalf of the Fund.

The tables shown in section V.1.3 below relate to one of the possible scenarios that could, in relation to the income and payments made and received by the Fund, arise during the term of the Fund and this Bond Issue.

The following assumptions have been made in preparing these Bond servicing and Fund cash flow tables:

a) Mortgage Certificates and Pass-Through Certificates: Mortgage Loans.

(i) Outstanding principal as of October 6, 2003 from which the Mortgage Loans backing the issue of Mortgage Certificates and Pass-Through Certificates will be taken: EUR 749,359,994.07.

(ii) Interest rate: 3.58% (weighted average interest rate % of the selected loan portfolio as of October 6, 2003).

(iii) CPR: 8% and 10% per annum.

(iv) Delinquency rate: 0% per annum.

(v) Defaults considered bad debts: 0%.

b) Bond Issue.

(i) Amount: EUR 695,000,000.00.

	EUR
Series A1 Bonds	566,800,000.00
Series A2 Bonds	100,000,000.00
Series B Bonds	18,800,000.00
Series C Bonds	9,400,000.00
Total	**695,000,000.00**

(ii) Interest rate: floating interest rate for the outstanding balances of each of Bond Series A1, A2, B and C, assuming that the interest rates in each Series remain constant as follows for the first Interest Accrual Period of Series A1, B and C and for the first interest accrual period of Series A2.

	Series A1 Bonds	**Series A2 Bonds**	**Series B Bonds**	**Series C Bonds**
Nominal interest rate	2.353%	2.112%	2.783%	3.483%

For successive Interest Accrual Periods of Series A1, B and C and successive interest accrual periods of Series A2,, the floating nominal interest rate for the Bonds is assumed constant as follows for each Series:

	Series A1 Bonds	**Series A2 Bonds**	**Series B Bonds**	**Series C Bonds**
Nominal interest rate	2.381%	2.136%	2.811%	3.511%

(iii) Exercise by the Management Company of the early amortisation option of the Bonds in each of the Series is assumed when the Outstanding Balance of the Mortgage Loans is less than 10% of their initial amount.

d) Ancillary agreements.

(i) Guaranteed Interest Rate Account (Treasury Account) Agreement.

It is assumed that the Treasury Account shall be maintained at BANCO COOPERATIVO**.**

Interest rate: it is assumed to remain constant at 2.076% for remunerating all the amounts credited to the Treasury Account.

(ii) Start-Up Loan Agreement.

- Amount: EUR two million two hundred and ninety thousand (2,290,000.00) which shall be allocated to financing the expenses of setting up the Fund and issuing the Bonds (approximately EUR 1,039,886.65), to partially financing the subscription for the Mortgage Certificates and the Pass-Through Certificates and the balance to covering the timing differences between collection of interest on the Mortgage Certificates and the Pass-Through Certificates and payment of interest on the Bonds (EUR 1,220,000.00)
- Interest rate: it is assumed to remain constant at 3. 136%.
- Repayment: the principal is repaid quarterly for the first five (5) years after the Fund is constituted.

(iii) Subordinated Loan Agreement.

- Amount: EUR fifteen million nine hundred and eighty-five thousand (15,985,000.00) which shall be used for provisioning the Cash Reserve.
- Interest rate: it is assumed to remain constant at 3.136%.
- Repayment: the principal shall be repaid on each of the Payment Dates in the same amount of the Cash Reserve reduction.

(iv) Cash Reserve.

Cash Reserve: EUR 15,985,000.00, to be reduced on each Payment Date, thereby for its amount to be equal to the lower of EUR 15,985,000.00 and an amount equivalent to 4.60% of the Outstanding Principal Balance of the Bond Issue up to EUR 7,992,500.00.

e) Expenses, fees and margin.

(i) Mortgage Loan servicing fee: 0.01% per annum on the average daily Outstanding Balance of the Mortgage Certificates and of the Pass-Through Certificates during each Interest Accrual Period for the relevant Payment Date, inclusive of VAT.

(ii) Financial Intermediation Margin: variable remuneration settled quarterly on each Payment Date, to be accrued every year in an amount equal to the positive difference, if any, between the income and expenditure of the Fund before its official accounts are closed.

(iii) Management Company Fee: 0.0265% per annum on the Outstanding Principal Balance of the Bonds, with a minimum annual amount of EUR 28,500.00, and an assumed yearly Retail Price Index of 2.5%.

(iv) Mortgage Certificate and Pass-Through Certificate custody fee: 0.01 per thousand, inclusive of taxes, if any, on the average daily Outstanding Balance of the Mortgage Certificates during each Interest Accrual Period, payable on each Payment Date.

(v) Expenses of auditing the Fund's annual accounts, monitoring the Bond rating, and publishing notices: approximately EUR 10,440 per annum, and an assumed yearly Retail Price Index of 2.5%.

(vi) Bond Paying Agent Fee: EUR 300 on each Payment Date.

V.1.2 Analysis of and comments on the impact that potential changes in the assumptions described in the preceding point would have on the financial balance of the Fund.

In order to hedge the contingent credit risk due to delinquency and default on the Mortgage Loans, it has been resolved to set up a Cash Reserve, initially provisioned by drawing under the Subordinated Loan in order to fulfil on each Payment Date, upon a shortage of Available Funds, certain of the Fund's payment or withholding obligations, which include payment of interest and principal on the Bonds. Moreover, the deferred interest payment and principal repayment of the Series C Bonds with respect to the Series A Bonds and the Series B Bonds, and of the Series B Bonds with respect to the Series A Bonds derived from their position in the Fund Priority of Payments, is a mechanism for hedging the different Series.

As for the incidence the prepayment of the Mortgage Loans might have on the Bonds, section II.12.a) of this Offering Circular contains a table showing the performance as to average life and duration of the Bonds for different effective constant annual early amortisation or prepayment rates (CPRs).

In general, the quality of the Mortgage Certificates and of the Pass-Through Certificates and the mechanisms in place for maintaining the financial balance of the Fund are such that no extreme prepayment, or delinquency and default rates should reasonably be considered resulting, upon both the prepayment risk and the risk of delinquency on the loans being properly transferred, in the financial structure of the Fund being imbalanced. Nevertheless, the ratings assigned by the Rating Agency to each of the Bond Series express the Rating Agency's opinion about the Fund's capacity to meet payments of interest as they fall due on each set Payment Date and of the principal during the life of the transaction.

V.1.3 Number outline of the cash flow of the Fund.

The number outline set forth hereinafter relates to collections and payments derived from the application of a cash policy, for ease of understanding of the investor, though in accordance with the provisions of section V.2 of this Offering Circular, the Fund will apportion income and expenditure in time in accordance with the accruals principle.

This outline is based not only on the assumptions referred to in section V.1.1 above but also on those assumptions remaining constant throughout the life of the Fund, whereas it is well-known that the relevant variables, particularly interest rates of the Bonds in all Series, and actual prepayment rates of the Mortgage Loans are subject to continual changes.

Now, therefore, the value of that number outline is merely illustrative.

FUND CASH FLOW
(AMOUNTS IN EUR)

CPR = 8.00%

31-Oct-2003 **695,000,000.00 Bond Issue**

2,259,886.65 Start-up Loan (- M.L. acquisition residue)

15,985,000.00 Subordinated Loan

			COLLECTIONS				
Cash Reserve Balance	M.L. Outstanding Balance	Date	M.L. Principal Repayment	M.L. Interest	Reinvestm. Interest	Cash Reserve Reduction	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		TOTALS:	695,000,000.00	154,668,828.68	5,219,620.62	15,985,000.00	870,873,449.30
15,985,000.00	683,433,379.88	15-Dec-2003	11,566,620.12	2,289,076.01	54,193.45	0.00	13,909,889.58
15,985,000.00	662,477,644.88	15-Mar-2004	20,955,735.00	6,050,940.43	134,676.07	0.00	27,141,351.50
15,985,000.00	641,887,304.97	15-Jun-2004	20,590,339.90	5,867,494.82	135,688.89	0.00	26,593,523.61
15,985,000.00	621,807,198.47	15-Sep-2004	20,080,106.51	5,685,173.75	134,671.32	0.00	25,899,951.57
15,985,000.00	602,366,302.83	15-Dec-2004	19,440,895.63	5,506,945.18	131,480.77	0.00	25,079,321.58
15,985,000.00	583,537,722.64	15-Mar-2005	18,828,580.19	5,333,571.05	127,893.16	0.00	24,290,044.40
15,985,000.00	564,911,400.74	15-Jun-2005	18,626,321.91	5,166,862.25	130,816.47	0.00	23,924,000.63
15,985,000.00	546,752,942.21	15-Sep-2005	18,158,458.52	5,001,942.77	129,887.13	0.00	23,290,288.43
15,985,000.00	529,173,627.38	15-Dec-2005	17,579,314.84	4,840,781.71	126,909.77	0.00	22,547,006.32
15,985,000.00	512,155,069.28	15-Mar-2006	17,018,558.10	4,684,059.20	123,556.50	0.00	21,826,173.79
15,985,000.00	495,341,503.43	15-Jun-2006	16,813,565.85	4,533,412.23	126,345.52	0.00	21,473,323.60
15,985,000.00	478,964,093.68	15-Sep-2006	16,377,409.75	4,384,573.82	125,484.57	0.00	20,887,468.13
15,985,000.00	463,120,420.27	15-Dec-2006	15,843,673.41	4,239,263.40	122,684.68	0.00	20,205,621.49
15,985,000.00	447,798,768.67	15-Mar-2007	15,321,651.60	4,098,080.81	119,537.85	0.00	19,539,270.26
15,985,000.00	432,681,942.99	15-Jun-2007	15,116,825.68	3,962,501.21	122,197.20	0.00	19,201,524.09
15,985,000.00	417,966,221.21	17-Sep-2007	14,715,721.78	3,828,695.39	125,510.83	0.00	18,669,928.01
15,985,000.00	403,736,441.33	17-Dec-2007	14,229,779.87	3,698,162.59	120,912.05	0.00	18,048,854.51
15,985,000.00	389,889,450.65	17-Mar-2008	13,846,990.68	3,571,408.28	119,560.64	0.00	17,537,959.60
15,985,000.00	376,325,920.80	16-Jun-2008	13,563,529.85	3,448,865.56	118,477.02	0.00	17,130,872.43
15,985,000.00	363,126,296.96	15-Sep-2008	13,199,623.84	3,328,822.49	116,753.38	0.00	16,645,199.71
15,985,000.00	350,361,133.15	15-Dec-2008	12,765,163.81	3,211,735.19	115,252.93	0.00	16,092,151.93
15,549,114.34	338,024,224.86	16-Mar-2009	12,336,908.29	3,098,052.29	114,376.76	435,885.66	15,985,223.00
14,990,128.72	325,872,363.52	15-Jun-2009	12,151,861.33	2,988,902.85	111,689.03	558,985.62	15,811,438.83
14,446,684.36	314,058,355.65	15-Sep-2009	11,814,007.87	2,881,365.39	108,908.60	543,444.36	15,347,726.22
13,921,670.95	302,645,020.76	15-Dec-2009	11,413,334.90	2,776,615.63	103,713.88	525,013.41	14,818,677.80
13,414,624.23	291,622,265.86	15-Mar-2010	11,022,754.89	2,675,021.85	98,429.48	507,046.73	14,303,252.95
12,915,990.94	280,782,411.73	15-Jun-2010	10,839,854.14	2,577,529.11	97,806.14	498,633.29	14,013,822.68
12,431,636.22	270,252,961.36	15-Sep-2010	10,529,450.36	2,481,622.25	94,490.20	484,354.72	13,589,917.53
11,964,022.05	260,087,435.91	15-Dec-2010	10,165,525.45	2,388,297.76	89,871.75	467,614.17	13,111,309.13
11,512,470.44	250,271,096.46	15-Mar-2011	9,816,339.45	2,297,834.80	85,184.39	451,551.61	12,650,910.25
11,068,882.40	240,627,878.17	15-Jun-2011	9,643,218.30	2,211,016.23	84,562.69	443,588.04	12,382,385.25
10,638,432.40	231,270,269.53	15-Sep-2011	9,357,608.64	2,125,723.28	81,595.86	430,450.00	11,995,377.78
10,223,088.35	222,241,051.03	15-Dec-2011	9,029,218.50	2,042,796.43	77,511.87	415,344.05	11,564,870.85
9,820,335.83	213,485,561.57	15-Mar-2012	8,755,489.46	1,962,501.18	74,381.89	402,752.51	11,195,125.05
9,427,958.05	204,955,609.79	15-Jun-2012	8,529,951.78	1,885,112.82	72,693.15	392,377.78	10,880,135.53
9,048,500.39	196,706,530.12	17-Sep-2012	8,249,079.67	1,809,722.95	72,345.68	379,457.66	10,510,605.97
8,683,953.05	188,781,587.98	17-Dec-2012	7,924,942.14	1,736,733.73	67,529.17	364,547.34	10,093,752.38
8,334,624.39	181,187,486.65	15-Mar-2013	7,594,101.32	1,666,410.24	61,630.31	349,328.66	9,671,470.54
7,994,019.33	173,783,029.00	17-Jun-2013	7,404,457.66	1,599,413.99	64,058.11	340,605.05	9,408,534.80
7,992,500.00	166,605,662.10	16-Sep-2013	7,177,366.89	1,533,946.99	59,748.69	1,519.33	8,772,581.91
7,992,500.00	159,685,554.72	16-Dec-2013	6,920,107.38	1,470,363.20	58,865.71	0.00	8,449,336.29
7,992,500.00	153,021,816.46	17-Mar-2014	6,663,738.26	1,408,870.13	58,297.97	0.00	8,130,906.37
7,992,500.00	146,505,198.13	16-Jun-2014	6,516,618.33	1,349,981.67	58,051.48	0.00	7,924,651.48
7,992,500.00	140,202,610.29	15-Sep-2014	6,302,587.84	1,292,412.70	57,170.59	0.00	7,652,171.14
7,992,500.00	134,156,843.33	15-Dec-2014	6,045,766.96	1,236,658.71	56,373.10	0.00	7,338,798.76
7,992,500.00	128,352,641.82	16-Mar-2015	5,804,201.51	1,183,012.41	55,847.88	0.00	7,043,061.80
7,992,500.00	122,689,535.58	15-Jun-2015	5,663,106.23	1,131,762.30	55,616.39	0.00	6,850,484.93
7,992,500.00	117,209,038.34	15-Sep-2015	5,480,497.25	1,081,715.97	55,740.65	0.00	6,617,953.87
7,992,500.00	111,927,458.06	15-Dec-2015	5,281,580.28	1,033,180.97	54,606.62	0.00	6,369,367.87
7,992,500.00	106,817,300.14	15-Mar-2016	5,110,157.91	986,268.29	54,061.59	0.00	6,150,487.80
7,992,500.00	101,855,218.47	15-Jun-2016	4,962,081.68	941,127.77	54,454.38	0.00	5,957,663.83
7,992,500.00	97,058,816.47	15-Sep-2016	4,796,402.00	897,270.47	54,148.98	0.00	5,747,821.45
7,992,500.00	92,451,284.56	15-Dec-2016	4,607,531.91	854,844.51	53,066.91	0.00	5,515,443.32
7,992,500.00	88,035,010.22	15-Mar-2017	4,416,274.35	813,976.91	51,874.32	0.00	5,282,125.57
7,992,500.00	83,761,119.03	15-Jun-2017	4,273,891.19	775,065.05	52,902.74	0.00	5,101,858.98
7,992,500.00	79,676,463.74	15-Sep-2017	4,084,655.29	737,424.64	52,557.66	0.00	4,874,637.59
7,992,500.00	75,792,992.50	15-Dec-2017	3,883,471.24	701,410.15	51,498.19	0.00	4,636,379.58
7,992,500.00	72,151,169.87	15-Mar-2018	3,641,822.63	667,189.45	50,289.79	0.00	4,359,301.88
0.00	0.00	15-Jun-2018	72,151,169.87	635,305.47	51,177.84	7,992,500.00	80,830,153.17

FUND CASH FLOW

(AMOUNTS IN EUR)

CPR = 10.00%

31-Oct-2003	**695,000,000.00**	**Mortgage Loan acquisition payment**
	2,259,886.65	**Initial Expenses**
	15,985,000.00	**Cash Reserve Set Up**

	PAYMENTS							
Date	Current Expenses	Bond Interest	Bond Principal Repayment	Sub. & Start-Up Loan Interest	Sub. & Start-Up Loan Repayment	Mort. Loan Servic. Fee	Financial Intermed. Margin	Total
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
TOTALS:	**1,272,185.03**	**106,362,054.56**	**695,000,000.00**	**5,762,079.90**	**18,244,886.65**	**429,944.21**	**43,802,298.95**	**870,873,449.30**
15-Dec-2003	24,520.27	2,037,426.25	11,566,620.12	71,519.96	112,994.33	9,069.20	87,739.45	**13,909,889.58**
15-Mar-2004	46,217.60	4,098,692.77	20,955,735.00	143,733.53	112,994.33	16,687.17	1,767,291.10	**27,141,351.50**
15-Jun-2004	45,949.60	4,016,222.36	20,590,339.90	144,407.45	112,994.33	16,351.07	1,667,258.88	**26,593,523.61**
15-Sep-2004	44,549.88	3,890,934.72	20,080,106.51	143,501.89	112,994.33	15,841.90	1,612,022.34	**25,899,951.57**
15-Dec-2004	42,708.53	3,727,787.04	19,440,895.63	141,046.37	112,994.33	15,178.54	1,598,711.14	**25,079,321.58**
15-Mar-2005	41,946.18	3,571,100.42	18,828,580.19	138,610.53	112,994.33	14,539.13	1,582,273.62	**24,290,044.40**
15-Jun-2005	40,534.77	3,535,890.48	18,626,321.91	140,785.21	112,994.33	14,394.43	1,453,079.50	**23,924,000.63**
15-Sep-2005	39,277.12	3,422,553.45	18,158,458.52	139,879.64	112,994.33	13,933.91	1,403,191.45	**23,290,288.43**
15-Dec-2005	37,622.85	3,276,062.58	17,579,314.84	137,463.49	112,994.33	13,338.34	1,390,209.90	**22,547,006.32**
15-Mar-2006	36,919.34	3,135,421.02	17,018,558.10	135,067.03	112,994.33	12,764.60	1,374,449.37	**21,826,173.79**
15-Jun-2006	35,645.90	3,101,542.90	16,813,565.85	137,162.96	112,994.33	12,625.72	1,259,785.94	**21,473,323.60**
15-Sep-2006	34,509.15	2,999,236.08	16,377,409.75	136,257.40	112,994.33	12,210.23	1,214,851.19	**20,887,468.13**
15-Dec-2006	33,026.47	2,868,065.98	15,843,673.41	133,880.62	112,994.33	11,677.16	1,202,303.52	**20,205,621.49**
15-Mar-2007	32,379.11	2,743,856.30	15,321,651.60	131,523.53	112,994.33	11,164.19	1,185,701.20	**19,539,270.26**
15-Jun-2007	31,233.91	2,713,254.97	15,116,825.68	133,540.71	112,994.33	11,032.18	1,082,642.30	**19,201,524.09**
17-Sep-2007	30,860.73	2,679,945.50	14,715,721.78	132,733.58	112,994.33	10,890.43	986,781.65	**18,669,928.01**
17-Dec-2007	28,886.64	2,507,481.68	14,229,779.87	130,297.75	112,994.33	10,183.29	1,029,230.95	**18,048,854.51**
17-Mar-2008	28,604.76	2,423,664.72	13,846,990.68	129,402.03	112,994.33	9,833.38	986,469.70	**17,537,959.60**
16-Jun-2008	26,974.26	2,342,151.64	13,563,529.85	129,898.78	112,994.33	9,494.38	945,829.19	**17,130,872.43**
15-Sep-2008	26,059.41	2,262,344.60	13,199,623.84	129,003.06	112,994.33	9,163.01	906,011.45	**16,645,199.71**
15-Dec-2008	25,163.29	2,184,727.78	12,765,163.81	126,714.87	0.00	8,840.46	981,541.73	**16,092,151.93**
16-Mar-2009	24,890.99	2,109,917.81	12,336,908.29	125,322.40	435,885.66	8,527.34	943,770.52	**15,985,223.00**
15-Jun-2009	23,447.83	2,037,685.35	12,151,861.33	124,614.06	558,985.62	8,224.83	906,619.81	**15,811,438.83**
15-Sep-2009	22,878.17	1,985,154.62	11,814,007.87	120,134.22	543,444.36	8,015.21	854,091.77	**15,347,726.22**
15-Dec-2009	21,829.90	1,892,885.70	11,413,334.90	114,520.47	525,013.41	7,639.64	843,453.79	**14,818,677.80**
15-Mar-2010	21,334.38	1,804,799.17	11,022,754.89	109,145.90	507,046.73	7,279.01	830,892.86	**14,303,252.95**
15-Jun-2010	20,515.03	1,778,555.27	10,839,854.14	107,507.78	498,633.29	7,167.74	761,589.43	**14,013,822.68**
15-Sep-2010	19,778.77	1,713,342.76	10,529,450.36	103,511.62	484,354.72	6,900.26	732,579.04	**13,589,917.53**
15-Dec-2010	18,850.87	1,632,126.20	10,165,525.45	98,546.96	467,614.17	6,568.31	722,077.17	**13,111,309.13**
15-Mar-2011	18,400.47	1,554,690.37	9,816,339.45	93,797.93	451,551.61	6,249.77	709,880.65	**12,650,910.25**
15-Jun-2011	17,672.42	1,530,589.14	9,643,218.30	92,263.50	443,588.04	6,145.62	648,908.24	**12,382,385.25**
15-Sep-2011	17,016.74	1,473,016.43	9,357,608.64	88,708.48	430,450.00	5,907.82	622,669.67	**11,995,377.78**
15-Dec-2011	16,197.92	1,401,816.27	9,029,218.50	84,332.04	415,344.05	5,615.33	612,346.74	**11,564,870.85**
15-Mar-2012	15,961.67	1,348,840.24	8,755,489.46	81,039.56	402,752.51	5,393.94	585,647.67	**11,195,125.05**
15-Jun-2012	15,144.48	1,311,807.68	8,529,951.78	78,702.35	392,377.78	5,237.18	546,914.27	**10,880,135.53**
17-Sep-2012	14,869.66	1,288,776.81	8,249,079.67	75,557.75	379,457.66	5,136.51	497,727.90	**10,510,605.97**
17-Dec-2012	13,841.11	1,199,471.02	7,924,942.14	71,728.47	364,547.34	4,771.97	514,450.33	**10,093,752.38**
15-Mar-2013	13,181.85	1,115,456.40	7,594,101.32	68,082.19	349,328.66	4,427.87	526,892.24	**9,671,470.54**
17-Jun-2013	13,183.70	1,146,109.77	7,404,457.66	66,795.53	340,605.05	4,538.62	432,844.47	**9,408,534.80**
16-Sep-2013	12,270.78	1,066,747.45	7,177,366.89	64,065.85	1,519.33	4,213.29	446,398.31	**8,772,581.91**
16-Dec-2013	11,781.58	1,025,385.52	6,920,107.38	63,357.44	0.00	4,038.31	424,666.06	**8,449,336.29**
17-Mar-2014	11,582.57	982,795.26	6,663,738.26	62,661.20	0.00	3,869.14	406,259.93	**8,130,906.37**
16-Jun-2014	10,850.18	941,782.85	6,516,618.33	64,053.67	0.00	3,706.32	387,640.12	**7,924,651.48**
15-Sep-2014	10,409.92	901,675.89	6,302,587.84	64,053.67	0.00	3,547.74	369,896.07	**7,652,171.14**
15-Dec-2014	9,979.38	862,886.20	6,045,766.96	63,357.44	0.00	3,394.56	353,414.23	**7,338,798.76**
16-Mar-2015	9,882.33	825,677.13	5,804,201.51	62,661.20	0.00	3,247.13	337,392.50	**7,043,061.80**
15-Jun-2015	9,882.33	789,954.79	5,663,106.23	64,053.67	0.00	3,105.54	320,382.36	**6,850,484.93**
15-Sep-2015	9,882.33	763,398.64	5,480,497.25	64,053.67	0.00	3,000.26	297,121.72	**6,617,953.87**
15-Dec-2015	9,882.33	721,370.75	5,281,580.28	63,357.44	0.00	2,834.10	290,342.98	**6,369,367.87**
15-Mar-2016	10,121.89	688,864.91	5,110,157.91	63,357.44	0.00	2,704.85	275,280.80	**6,150,487.80**
15-Jun-2016	10,121.89	664,638.44	4,962,081.68	64,053.67	0.00	2,608.69	254,159.45	**5,957,663.83**
15-Sep-2016	10,121.89	633,763.38	4,796,402.00	64,053.67	0.00	2,486.58	240,993.93	**5,747,821.45**
15-Dec-2016	10,121.89	597,354.88	4,607,531.91	63,357.44	0.00	2,342.94	234,734.26	**5,515,443.32**
15-Mar-2017	10,367.44	562,744.80	4,416,274.35	62,661.20	0.00	2,206.18	227,871.61	**5,282,125.57**
15-Jun-2017	10,367.44	547,771.30	4,273,891.19	64,053.67	0.00	2,146.81	203,628.56	**5,101,858.98**
15-Sep-2017	10,367.44	521,178.31	4,084,655.29	64,053.67	0.00	2,042.40	192,340.49	**4,874,637.59**
15-Dec-2017	10,367.44	490,374.04	3,883,471.24	63,357.44	0.00	1,921.55	186,887.88	**4,636,379.58**
15-Mar-2018	10,619.12	461,346.89	3,641,822.63	62,661.20	0.00	1,808.14	181,043.89	**4,359,301.88**
15-Jun-2018	10,619.12	448,938.90	72,151,169.87	64,053.67	7,992,500.00	1,759.94	161,111.67	**80,830,153.17**

FUND CASH FLOW
(AMOUNTS IN EUR)

CPR = 10.00%

31-Oct-2003 **695,000,000.00 Bond Issue**

2,259,886.65 Start-up Loan (- M.L. acquisition residue)

15,985,000.00 Subordinated Loan

Cash Reserve Balance	M.L. Outstanding Balance	Date	COLLECTIONS M.L. Principal Repayment	M.L. Interest	Reinvestm. Interest	Cash Reserve Reduction	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		TOTALS:	**695,000,000.00**	**136,333,991.97**	**4,768,430.91**	**15,985,000.00**	**852,087,422.88**
15,985,000.00	681,454,865.64	15-Dec-2003	13,545,134.36	2,286,968.39	55,528.11	0.00	**15,887,630.86**
15,985,000.00	656,937,588.59	15-Mar-2004	24,517,277.05	6,022,218.94	141,143.86	0.00	**30,680,639.84**
15,985,000.00	632,990,566.96	15-Jun-2004	23,947,021.63	5,807,740.11	141,796.24	0.00	**29,896,557.98**
15,985,000.00	609,789,013.84	15-Sep-2004	23,201,553.12	5,596,190.59	140,289.57	0.00	**28,938,033.28**
15,985,000.00	587,483,937.04	15-Dec-2004	22,305,076.80	5,390,696.57	136,522.67	0.00	**27,832,296.04**
15,985,000.00	566,033,084.82	15-Mar-2005	21,450,852.22	5,192,139.50	132,410.48	0.00	**26,775,402.20**
15,985,000.00	544,926,702.18	15-Jun-2005	21,106,382.65	5,002,663.09	135,119.92	0.00	**26,244,165.66**
15,985,000.00	524,485,590.24	15-Sep-2005	20,441,111.93	4,816,224.14	133,780.32	0.00	**25,391,116.39**
15,985,000.00	504,837,225.62	15-Dec-2005	19,648,364.62	4,635,196.29	130,342.72	0.00	**24,413,903.63**
15,985,000.00	485,949,872.71	15-Mar-2006	18,887,352.92	4,460,344.52	126,583.75	0.00	**23,474,281.18**
15,985,000.00	467,389,365.87	15-Jun-2006	18,560,506.83	4,293,550.85	129,160.88	0.00	**22,983,218.56**
15,985,000.00	449,428,886.38	15-Sep-2006	17,960,479.50	4,129,634.61	127,959.15	0.00	**22,218,073.25**
15,985,000.00	432,177,287.77	15-Dec-2006	17,251,598.61	3,970,621.92	124,799.22	0.00	**21,347,019.75**
15,985,000.00	415,610,938.53	15-Mar-2007	16,566,349.24	3,817,168.08	121,348.79	0.00	**20,504,866.11**
15,985,000.00	399,352,293.34	15-Jun-2007	16,258,645.19	3,670,918.91	123,803.19	0.00	**20,053,367.29**
15,985,000.00	383,629,258.44	17-Sep-2007	15,723,034.90	3,527,347.66	126,920.18	0.00	**19,377,302.75**
15,985,000.00	368,534,096.24	17-Dec-2007	15,095,162.20	3,388,180.62	122,028.82	0.00	**18,605,371.63**
15,985,000.00	353,940,441.04	17-Mar-2008	14,593,655.20	3,253,957.55	120,463.12	0.00	**17,968,075.86**
15,627,630.89	339,731,106.20	16-Jun-2008	14,209,334.84	3,125,116.23	119,128.85	357,369.11	**17,810,949.03**
14,995,776.17	325,995,134.10	15-Sep-2008	13,735,972.10	2,999,658.08	115,228.42	631,854.72	**17,482,713.31**
14,389,159.98	312,807,825.60	15-Dec-2008	13,187,308.50	2,878,081.27	110,111.46	606,616.19	**16,782,117.42**
13,807,074.60	300,153,795.58	16-Mar-2009	12,654,030.01	2,760,851.02	105,810.96	582,085.38	**16,102,777.38**
13,236,796.19	287,756,438.88	15-Jun-2009	12,397,356.70	2,649,164.34	102,148.15	570,278.41	**15,718,947.60**
12,686,065.65	275,784,035.82	15-Sep-2009	11,972,403.05	2,539,719.04	99,019.56	550,730.54	**15,161,872.19**
12,157,867.95	264,301,477.16	15-Dec-2009	11,482,558.67	2,433,796.85	93,746.29	528,197.70	**14,538,299.51**
11,651,394.47	253,291,184.08	15-Mar-2010	11,010,293.08	2,331,770.57	88,461.17	506,473.48	**13,936,998.30**
11,155,976.96	242,521,238.19	15-Jun-2010	10,769,945.88	2,234,621.36	87,457.83	495,417.51	**13,587,442.59**
10,677,962.11	232,129,611.13	15-Sep-2010	10,391,627.07	2,139,563.90	84,015.27	478,014.85	**13,093,221.08**
10,219,826.39	222,170,138.95	15-Dec-2010	9,959,472.18	2,047,661.83	79,442.37	458,135.72	**12,544,712.10**
9,780,635.98	212,622,521.31	15-Mar-2011	9,547,617.64	1,959,193.91	74,868.35	439,190.41	**12,020,870.32**
9,351,508.69	203,293,667.18	15-Jun-2011	9,328,854.13	1,874,957.16	73,945.99	429,127.29	**11,706,884.57**
8,937,881.38	194,301,769.21	15-Sep-2011	8,991,897.97	1,792,644.74	70,947.91	413,627.31	**11,269,117.93**
8,541,695.95	185,689,042.39	15-Dec-2011	8,612,726.82	1,713,135.05	67,003.01	396,185.43	**10,789,050.32**
8,160,055.02	177,392,500.43	15-Mar-2012	8,296,541.96	1,636,681.25	63,945.34	381,640.93	**10,378,809.47**
7,992,500.00	169,357,603.79	15-Jun-2012	8,034,896.64	1,563,524.99	62,158.18	167,555.02	**9,828,134.83**
7,992,500.00	161,637,291.52	17-Sep-2012	7,720,312.27	1,492,679.15	62,689.60	0.00	**9,275,681.03**
7,992,500.00	154,271,758.64	17-Dec-2012	7,365,532.88	1,424,509.98	60,163.99	0.00	**8,850,206.85**
7,992,500.00	147,260,138.90	15-Mar-2013	7,011,619.74	1,359,254.66	56,501.70	0.00	**8,427,376.10**
7,992,500.00	140,456,468.28	17-Jun-2013	6,803,670.63	1,297,533.49	60,408.89	0.00	**8,161,613.00**
7,992,500.00	133,906,342.21	16-Sep-2013	6,550,126.07	1,237,525.52	57,993.30	0.00	**7,845,644.88**
7,992,500.00	127,637,999.76	16-Dec-2013	6,268,342.45	1,179,628.92	57,119.69	0.00	**7,505,091.06**
7,992,500.00	121,645,677.88	17-Mar-2014	5,992,321.89	1,124,028.52	56,544.47	0.00	**7,172,894.87**
7,992,500.00	115,816,994.23	16-Jun-2014	5,828,683.65	1,071,202.94	56,237.93	0.00	**6,956,124.51**
7,992,500.00	110,217,590.44	15-Sep-2014	5,599,403.79	1,019,834.70	55,379.69	0.00	**6,674,618.18**
7,992,500.00	104,884,010.91	15-Dec-2014	5,333,579.53	970,407.07	54,612.19	0.00	**6,358,598.79**
7,992,500.00	99,799,639.35	16-Mar-2015	5,084,371.56	923,161.43	54,101.91	0.00	**6,061,634.91**
7,992,500.00	94,865,065.22	15-Jun-2015	4,934,574.14	878,374.71	53,830.44	0.00	**5,866,779.29**
7,992,500.00	90,122,670.16	15-Sep-2015	4,742,395.05	834,874.53	53,931.33	0.00	**5,631,200.92**
7,992,500.00	85,587,355.59	15-Dec-2015	4,535,314.57	792,973.15	52,831.47	0.00	**5,381,119.19**
7,992,500.00	81,229,557.58	15-Mar-2016	4,357,798.01	752,765.60	52,321.85	0.00	**5,162,885.46**
7,992,500.00	77,024,417.89	15-Jun-2016	4,205,139.69	714,366.91	52,663.44	0.00	**4,972,170.05**
7,992,500.00	72,988,130.18	15-Sep-2016	4,036,287.70	677,294.43	52,345.05	0.00	**4,765,927.18**
0.00	0.00	15-Dec-2016	72,988,130.18	641,672.34	51,313.91	7,992,500.00	**81,673,616.43**

FUND CASH FLOW
(AMOUNTS IN EUR)

CPR = 10.00%

31-Oct-2003	**695,000,000.00**	**Mortgage Loan acquisition payment**
	2,259,886.65	**Initial Expenses**
	15,985,000.00	**Cash Reserve Set Up**

Date	PAYMENTS							
	Current Expenses	Bond Interest	Bond Principal Repayment	Sub. & Start-Up Loan Interest	Sub. & Start-Up Loan Repayment	Mort. Loan Servic. Fee	Financial Intermed. Margin	Total
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
TOTALS:	**1,126,090.38**	**93,775,876.62**	**695,000,000.00**	**5,150,604.54**	**18,244,886.65**	**378,726.26**	**38,411,238.43**	**852,087,422.88**
15-Dec-2003	24,520.27	2,037,426.25	13,545,134.36	71,519.96	112,994.33	9,057.24	86,978.44	**15,887,630.86**
15-Mar-2004	46,217.60	4,086,784.81	24,517,277.05	143,733.53	112,994.33	16,577.54	1,757,054.98	**30,680,639.84**
15-Jun-2004	45,817.45	3,982,512.35	23,947,021.63	144,407.45	112,994.33	16,154.58	1,647,650.18	**29,896,557.98**
15-Sep-2004	44,179.83	3,836,800.05	23,201,553.12	143,501.89	112,994.33	15,565.07	1,583,438.99	**28,938,033.28**
15-Dec-2004	42,120.73	3,655,453.93	22,305,076.80	141,046.37	112,994.33	14,830.91	1,560,772.97	**27,832,296.04**
15-Mar-2005	41,141.25	3,482,513.14	21,450,852.22	138,610.53	112,994.33	14,127.93	1,535,162.81	**26,775,402.20**
15-Jun-2005	39,540.71	3,429,378.65	21,106,382.65	140,785.21	112,994.33	13,911.17	1,401,172.95	**26,244,165.66**
15-Sep-2005	38,107.91	3,300,951.00	20,441,111.93	139,879.64	112,994.33	13,391.70	1,344,679.86	**25,391,116.39**
15-Dec-2005	36,302.49	3,142,043.43	19,648,364.62	137,463.49	112,994.33	12,748.46	1,323,986.82	**24,413,903.63**
15-Mar-2006	35,427.96	2,990,558.59	18,887,352.92	135,067.03	112,994.33	12,132.90	1,300,747.45	**23,474,281.18**
15-Jun-2006	34,020.36	2,942,090.10	18,560,506.83	137,162.96	112,994.33	11,935.54	1,184,508.43	**22,983,218.56**
15-Sep-2006	32,758.79	2,829,153.54	17,960,479.50	136,257.40	112,994.33	11,478.96	1,134,950.74	**22,218,073.25**
15-Dec-2006	31,179.71	2,690,304.23	17,251,598.61	133,880.62	112,994.33	10,917.13	1,116,145.12	**21,347,019.75**
15-Mar-2007	30,400.96	2,559,667.31	16,566,349.24	131,523.53	112,994.33	10,380.04	1,093,550.70	**20,504,866.11**
15-Jun-2007	29,167.07	2,517,399.18	16,258,645.19	133,540.71	112,994.33	10,201.42	991,419.37	**20,053,367.29**
17-Sep-2007	28,664.02	2,472,733.22	15,723,034.90	132,733.58	112,994.33	10,014.67	897,128.02	**19,377,302.75**
17-Dec-2007	26,684.60	2,300,819.90	15,095,162.20	130,297.75	112,994.33	9,312.61	930,100.25	**18,605,371.63**
17-Mar-2008	26,279.45	2,211,794.52	14,593,655.20	129,402.03	112,994.33	8,942.89	885,007.45	**17,968,075.86**
16-Jun-2008	24,648.49	2,125,787.53	14,209,334.84	129,898.78	470,363.45	8,587.18	842,328.76	**17,810,949.03**
15-Sep-2008	23,684.31	2,042,093.62	13,735,972.10	126,139.03	744,849.05	8,241.63	801,733.57	**17,482,713.31**
15-Dec-2008	22,745.52	1,958,275.64	13,187,308.50	118,873.18	606,616.19	7,907.53	880,390.85	**16,782,117.42**
16-Mar-2009	22,376.46	1,879,132.42	12,654,030.01	112,811.01	582,085.38	7,585.40	844,756.69	**16,102,777.38**
15-Jun-2009	20,966.74	1,803,271.29	12,397,356.70	110,652.96	570,278.41	7,276.42	809,145.07	**15,718,947.60**
15-Sep-2009	20,348.63	1,747,989.77	11,972,403.05	106,082.63	550,730.54	7,051.74	757,265.83	**15,161,872.19**
15-Dec-2009	19,311.63	1,657,323.87	11,482,558.67	100,563.85	528,197.70	6,684.12	743,659.67	**14,538,299.51**
15-Mar-2010	18,770.92	1,571,404.58	11,010,293.08	95,317.68	506,473.48	6,333.46	728,405.09	**13,936,998.30**
15-Jun-2010	17,953.89	1,540,051.67	10,769,945.88	93,376.86	495,417.51	6,202.63	664,494.14	**13,587,442.59**
15-Sep-2010	17,218.46	1,475,274.15	10,391,627.07	89,406.48	478,014.85	5,938.11	635,741.97	**13,093,221.08**
15-Dec-2010	16,323.01	1,397,493.53	9,959,472.18	84,645.39	458,135.72	5,621.15	623,021.13	**12,544,712.10**
15-Mar-2011	15,847.12	1,323,890.31	9,547,617.64	80,123.44	439,190.41	5,319.04	608,882.36	**12,020,870.32**
15-Jun-2011	15,139.75	1,296,332.24	9,328,854.13	78,384.19	429,127.29	5,201.86	553,845.12	**11,706,884.57**
15-Sep-2011	14,502.02	1,240,715.56	8,991,897.97	74,945.07	413,627.31	4,972.88	528,457.12	**11,269,117.93**
15-Dec-2011	13,731.31	1,174,291.20	8,612,726.82	70,851.58	396,185.43	4,700.49	516,563.48	**10,789,050.32**
15-Mar-2012	13,458.16	1,123,878.50	8,296,541.96	67,710.97	381,640.93	4,490.15	491,088.80	**10,378,809.47**
15-Jun-2012	12,703.01	1,087,229.49	8,034,896.64	65,396.49	167,555.02	4,335.68	456,018.50	**9,828,134.83**
17-Sep-2012	12,406.43	1,062,463.78	7,720,312.27	64,053.67	0.00	4,228.78	412,216.09	**9,275,681.03**
17-Dec-2012	11,489.20	983,635.08	7,365,532.88	63,357.44	0.00	3,906.89	422,285.36	**8,850,206.85**
15-Mar-2013	10,885.25	910,065.35	7,011,619.74	62,661.20	0.00	3,605.15	428,539.42	**8,427,376.10**
17-Jun-2013	10,828.52	930,417.89	6,803,670.63	64,053.67	0.00	3,675.14	348,967.16	**8,161,613.00**
16-Sep-2013	10,029.26	861,636.94	6,550,126.07	64,053.67	0.00	3,392.79	356,406.16	**7,845,644.88**
16-Dec-2013	9,579.75	824,135.40	6,268,342.45	63,357.44	0.00	3,233.86	336,442.16	**7,505,091.06**
17-Mar-2014	9,648.62	785,556.48	5,992,321.89	62,661.20	0.00	3,081.27	319,625.42	**7,172,894.87**
16-Jun-2014	9,648.62	748,676.34	5,828,683.65	64,053.67	0.00	2,935.48	302,126.76	**6,956,124.51**
15-Sep-2014	9,648.62	712,803.32	5,599,403.79	64,053.67	0.00	2,794.29	285,914.49	**6,674,618.18**
15-Dec-2014	9,648.62	678,341.42	5,333,579.53	63,357.44	0.00	2,658.81	271,012.98	**6,358,598.79**
16-Mar-2015	9,882.33	645,515.55	5,084,371.56	62,661.20	0.00	2,529.28	256,674.98	**6,061,634.91**
15-Jun-2015	9,882.33	614,223.45	4,934,574.14	64,053.67	0.00	2,405.76	241,639.93	**5,866,779.29**
15-Sep-2015	9,882.33	590,269.26	4,742,395.05	64,053.67	0.00	2,311.31	222,289.29	**5,631,200.92**
15-Dec-2015	9,882.33	554,665.91	4,535,314.57	63,357.44	0.00	2,171.19	215,727.76	**5,381,119.19**
15-Mar-2016	10,121.89	526,753.02	4,357,798.01	63,357.44	0.00	2,060.66	202,794.44	**5,162,885.46**
15-Jun-2016	10,121.89	505,426.43	4,205,139.69	64,053.67	0.00	1,976.45	185,451.91	**4,972,170.05**
15-Sep-2016	10,121.89	479,261.21	4,036,287.70	64,053.67	0.00	1,873.47	174,329.23	**4,765,927.18**
15-Dec-2016	10,121.89	449,210.25	72,988,130.18	63,357.44	7,992,500.00	1,755.44	168,541.22	**81,673,616.43**

Key to the number outline.

(1) Cash Reserve balance.

(2) Outstanding Balance of the Mortgage Loans on each quarterly payment date, upon the principal being repaid.

(3) Quarterly payment dates for the various transactions and services arranged by the Fund until final maturity.

a) Collections.

(4) Amount of Mortgage Certificate portfolio capital or principal repaid from the immediately preceding quarterly date until the date given.

(5) Net interest collected by the Fund from the immediately preceding quarterly payment date until the date given. Such is the interest received on the Mortgage Certificates, other than on the first Payment Date which includes the drawdown under the Start-Up Loan to the extent necessary to cover the timing difference between the interest on the Mortgage Certificates and on the Bonds.

(6) Return on the Fund's Treasury Account, under the Guaranteed Interest Rate Account (Treasury Account).

(7) Reduction of the Cash Reserve balance.

(8) Total income on each payment date, being the sum of amounts (3), (4), (5) and (6).

b) Payments.

(9) Quarterly payment dates for the various transactions and services arranged by the Fund until final maturity.

(10) Amounts for the Fund's current expenses.

(11) Interest amount payable to the Bondholders.

(12) Bond principal repayment amount.

(13) Start-Up Loan and Subordinated Loan interest payment amounts.

(14) Periodic Start-Up Loan principal and Subordinated Loan principal repayment.

(15) Mortgage Loan servicing fee.

(16) Variable Financial Intermediation Margin according to the Fund's other income and expenditure.

(17) Total payments on each payment date, being the sum of amounts (10), (11), (12), (13), (14), (15) and (16).

V.2 Accounting policies used by the Fund.

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

The expenses of setting up the Fund and issuing the Bonds detailed in section II.14 will be subject to a straight-line depreciation during the months elapsing since the constitution of the Fund until August 31, 2008, inclusive.

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

V.3 Description of the purpose or object of the financial transactions arranged by the Management Company on behalf of the Fund, in order to enhance the risk, increase payment regularity, neutralise interest rate differences on the Mortgage Certificates, or, in general, transform the financial characteristics of all or part of said securities.

In order to consolidate the financial structure of the Fund, enhance the safety or regularity in payment of the Bonds, cover the timing differences between the scheduled principal and interest flows on the Mortgage Loans and the Bonds, or, generally, transform the financial characteristics of the Mortgage Loans, and supplement management of the Fund, the Management Company shall, on behalf of the Fund, upon executing the Deed of Constitution, proceed to formally enter into the agreements established hereinafter, in accordance with the provisions of article 6.1 of Royal Decree 926/1998.

The Management Company may extend or amend the agreements entered into on the Fund's behalf, substitute each of the service providers to the Fund under those agreements and indeed, if necessary, enter into additional agreements, including new credit facility agreements, provided that the circumstances preventing the foregoing in accordance with the laws in force from time to time do not occur. In any event, those actions shall require that the Management Company first notify or secure the prior authorisation, if necessary, of the CNMV or competent administrative body and the Rating Agency, and that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Deed of Constitution or the agreements may also be amended upon a request by the CNMV.

V.3.1 Guaranteed Interest Rate Account (Treasury Account) Agreement.

The Management Company, acting for and on behalf of the Fund, and BANCO COOPERATIVO shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BANCO COOPERATIVO will guarantee a variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in euros (the "**Treasury Account**") opened at BANCO COOPERATIVO, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following items:

(i) cash amount, net of underwriting and placement fees, upon subscription for the Bond Issue being paid up;

(ii) Start-Up Loan principal drawn down;

(iii) principal repayment and interest received on the Mortgage Certificates and the Pass-Through Certificates;

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

(v) any other amounts relating to the Mortgage Loans and from the sale or utilisation of the real estate and assets awarded or under administration or interim possession in foreclosure proceedings, and all and any rights or indemnities including not only those derived from the damage insurance contracts on the mortgaged properties, but also those derived from any right attached to the Mortgage Loans, including the set fees for each loan;

(vi) the amounts of the returns obtained on the balances existing in the actual Treasury Account; and

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

BANCO COOPERATIVO shall guarantee an annual nominal interest rate, variable quarterly and settled quarterly, applicable on each interest accrual period, equivalent to the interest rate resulting from decreasing (i) the Reference Rate determined for the Bonds (ii) by a 0.06% margin. The accrued interest to be settled on March 15, June 15, September 15 and December 15 or the following Business Day if any of those is not a Business Day, shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty (360-) day year.

In the event of the rating of the non-subordinated and unsecured short-term debt of BANCO COOPERATIVO falling below P-1 in Moody's rating scale, the Management Company shall within not more than thirty (30) Business Days from the time of that occurrence put in place, after consulting with Moody's, any of the options described hereinafter allowing a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account Agreement:

a) Obtaining from an institution having a credit rating for its unsecured and non-subordinated short-term debt of at least P-1 in Moody's rating scale, a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by BANCO COOPERATIVO of its obligation to repay the amounts credited to the Treasury Account, during the time over which the loss of the P-1 rating is maintained.

b) Transferring the Fund's Treasury Account to a credit institution whose non-subordinated and unsecured short-term debt has a rating of at least P-1 in Moody's rating scale, and arranging the highest possible yield for its balances, which may differ from that arranged with BANCO COOPERATIVO under the Guaranteed Interest Rate Account Agreement.

c) If options a) and b) above are not possible, obtaining from the Originators, from BANCO COOPERATIVO or from a third party collateral security in favour of the Fund on financial assets with a credit quality of not less than that of Spanish State Government Debt (*Deuda Pública del Estado Español)*, in an amount sufficient to guarantee the commitments established in this Agreement and provided that this is not detrimental to the rating assigned to the Bonds by the Rating Agency.

d) Moreover, if the above options should not be feasible on the set terms, the Management Company may invest the balances for not more than quarterly periods and due not later than the following Payment Date, in short-term fixed-income assets in euros issued by institutions having a rating of at least P-1 for non-subordinated and unsecured short-term debt in Moody's rating scale, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with BANCO COOPERATIVO under this Agreement.

The Guaranteed Interest Rate Account (Treasury Account) Agreement partly mitigates the interest risk relating to the timing difference between the Fund's receipts of principal and interest on the Mortgage Loans, which is mostly monthly, and the amortisation and payment of interest on the Bonds, which is quarterly.

V.3.2 Loan Agreements.

The Management Company shall, for and on behalf of the Fund, enter with Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., into two Loan Agreements, referred to as the Start-Up Loan Agreement and the Subordinated Loan Agreement, the characteristics of which are as follows.

V.3.2.1 Start-Up Loan Agreement.

Start-Up Loan amounting to EUR two million two hundred and ninety thousand (2,290,000.00), distributed among those Institutions as lenders in proportion to the face value of the Mortgage Certificates and of the Pass-Through Certificates issued by each Originator and pooled in the Fund, other than the amount designed to finance the expenses of setting up the Fund and issuing the Bonds, not including the Series A1, B and C Bond underwriting and placement fees, which shall be distributed in equal shares.

The Start-Up Loan amount shall be allocated to financing the expenses of setting up the Fund and issuing the Bonds, to partially financing the subscription for the Mortgage Certificates and the Pass-Through Certificates, and the balance for covering the timing differences between collection of interest on the Mortgage Certificates and the Pass-Through Certificates and payment of interest on the Bonds on the first Payment Date.

The loan will accrue an annual nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 1.00% margin. Interest accrued shall be payable on a given Payment Date and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. This interest will only be paid if the Fund has sufficient liquidity in the Fund Priority of Payments. The first interest settlement date shall be December 15, 2003.

Interest accrued and not paid on a Payment Date will be accumulated and accrue a late-payment interest at the same rate as that of the loan and will be paid, provided that the Fund has sufficient liquidity, and in the Priority of Payments, on the following Payment Date.

The Loan principal shall be repaid in twenty (20) quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, December 15, 2003, and the following dates until the Payment Date falling on September 15, 2008, inclusive.

In the event that the Fund should not have sufficient liquidity, in the Priority of Payments, on a Payment Date to proceed to the repayment falling due on the Start-Up Loan, then the portion of principal not repaid shall be repaid on the following Payment Date along with the amount that should be repaid on that same Payment Date, as the case may be, until it is fully repaid.

Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Loan on that Payment Date, satisfying in the first place overdue interest and secondly repayment of principal, in the Fund Priority of Payments.

V.3.2.2 Subordinated Loan Agreement.

Subordinated Loan amounting to EUR fifteen million nine hundred and eighty-five thousand (15,985,000.00), distributed among those Institutions as lenders in proportion to the face value of the Mortgage Certificates and the Pass-Through Certificates issued by each Originator and pooled in the Fund.

The Subordinated Loan amount shall be used for initially provisioning the Cash Reserve on the terms established in section III.2.3 of the Offering Circular.

The loan will accrue an annual nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 1.00% margin. Interest accrued shall be payable on a given Payment Date and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. This interest will only be paid if the Fund has sufficient liquidity in the Fund Priority of Payments. The first interest settlement date shall be December 15, 2003.

Interest accrued and not paid on a Payment Date will be accumulated and accrue a late-payment interest at the same rate as that of the loan and will be paid, provided that the Fund has sufficient liquidity, and in the Priority of Payments, on the following Payment Date.

Repayment shall be made on each of the Payment Dates in an amount equal to the existing difference between the Required Cash Reserve on the preceding Payment Date and the Required Cash Reserve on the relevant Payment Date. In the event that the Fund should not have sufficient liquidity, in the Priority of Payments, on a Payment Date to proceed to the repayment falling due on the Subordinated Loan, then the portion of principal not repaid shall be repaid on the following Payment Date along with the amount that should be repaid on that same Payment Date, as the case may be, until it is fully repaid.

Amounts not paid on preceding Payment Dates shall be paid with priority over amounts falling due under the Loan on that Payment Date, satisfying in the first place overdue interest and secondly repayment of principal, in the Fund Priority of Payments.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V.3.3 Mortgage Loan Servicing Agreement.

Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., Originators of the Mortgage Loans by means of the issue of the Mortgage

Certificates and the Pass-Through Certificates to be subscribed for by the Fund (hereinafter in regard to this Agreement the "**Servicer(s)**"), and BANCO COOPERATIVO as possible substitute in certain circumstances of any of the Servicers, shall enter with the Management Company, for and on behalf of the Fund, into the Mortgage Loan Servicing Agreement (the "**Servicing Agreement**") whereby each of said Servicers, in accordance with the provisions of the Deed of Constitution and in accordance with the provisions of article 61.3 of Royal Decree 685/1982, shall as attorneys for the Management Company on behalf of the Fund, (i) custody and service the Mortgage Loans backing the Mortgage Certificates and the Pass-Through Certificates; and (iii) manage collection of and receive, on behalf of the Fund, such amounts as may be paid by the Obligors under the Mortgage Loans, proceeding to pay the amounts owing to the Fund.

The terms of the Servicing Agreement are described in section IV.2 of this Offering Circular.

The Servicing Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V.3.4 Series A1, B and C Bond Management and Underwriting and Placement Agreement.

The Management Company shall, for and on behalf of the Fund, enter into a Series A1, B and C Bond Management and Underwriting and Placement Agreement with BANCO COOPERATIVO, CRÉDIT AGRICOLE INDOSUEZ, DZ BANK and SOCIÉTÉ GÉNÉRALE as Lead Managers and Underwriters and Placement Agents, and with AHORRO CORPORACIÓN FINANCIERA S.V., BANESTO, CAJA MADRID, DEXIA, EBN BANCO, INVERCAIXA and NATEXIS BANQUES POPULAIRES as Underwriters and Placement Agents.

The Series A1, B and C Bond Underwriters and Placement Agents shall take on the obligations contained in the Series A1, B and C Bond Management and Underwriting and Placement Agreement which are basically the following: 1) securing placement by a third-party subscription for the Series A1, B and C Bonds; 2) an undertaking to subscribe for the Series A1, B and C Bonds not subscribed for when the Subscription Period is closed, up to the set amounts; 3) paying to the Paying Agent by 1pm on the Closing Date, for same day value, the Series A1, B and C Bond subscription amount underwritten by each of them, deducting the sum of the underwriting and placement fee accrued by them, whereupon the Paying Agent shall pay to the Fund by 2pm on that same day, for same day value, the amount paid to it by the remaining Underwriters and Placement Agents plus the sum of the face amount of its own underwriting commitment, deducting the sum of the underwriting and placement fees accrued in its favour; 4) an undertaking to pay late-payment interest as covenanted in the Agreement in the event of late payment of the amounts due; 5) providing subscribers with a document proving subscription; 6) providing the Management Company with Series A1, B and C Bond Issue placement dissemination control information; and 7) all other aspects governing the underwriting and placement of the Series A1, B and C Bonds.

The underwriting commitments of each Underwriting and Placement Agent and the underwriting and placement fees for each of the Bond Series are specified in section II.18.8 of this Offering Circular.

BANCO COOPERATIVO, CRÉDIT AGRICOLE INDOSUEZ, DZ BANK and SOCIÉTÉ GÉNÉRALE shall be involved as Lead Managers in the Bond Issue. They shall be not remunerated for leading the Bond Issue.

The Management and Underwriting and Placement Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V.3.5 Series A2 Bond Subscription Agreement.

The Management Company shall, for and on behalf of the Fund, enter into a Series A2 Bond Subscription Agreement with the EUROPEAN INVESTMENT BANK.

The EUROPEAN INVESTMENT BANK shall take on the obligations contained in the Series A2 Bond Subscription Agreement, which are basically the following: 1) an undertaking to subscribe for the Series A2 Bonds in its own name; 2) paying to the Paying Agent, for same day value, the Series A2 Bond subscription amount, whereupon the Paying Agent shall pay to the Fund, for same day value; 4) an undertaking to pay late-payment interest as covenanted in the Agreement in the event of late payment of the amounts due; and 4) all other aspects governing subscription for the Series A2 Bonds.

The Series A2 Bond Subscription Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V.3.6 Bond Paying Agent Agreement.

The Management Company shall, for and on behalf of the Fund, enter with BANCO COOPERATIVO into a Paying Agent agreement to service the Bonds issued by the Fund.

The obligations contained in the Paying Agent Agreement are summarily as follows:

(i) Paying to the Fund on the Closing Date, crediting the Treasury Account, for same day value, the aggregate amount of the subscription for the Bond Issue respectively received from the Underwriters and Placement Agents and the EUROPEAN INVESTMENT BANK, as established in the Series A1, B and C Bond Management and Underwriting and Placement Agreement and in the Series A2 Bond Subscription Agreement.

(ii) On each of the Bond Payment Dates, paying interest and repaying principal on the Bonds, deducting the total amount of the withholding tax for return on investments that should be made in accordance with applicable tax laws.

(iii) On each of the Interest Rate Fixing Dates, notifying the Management Company of the Euribor Reference Rate determined to be used as the basis for calculating the Nominal Interest Rate applicable to Series A1, B and C.

In the event of the credit ratings assigned to BANCO COOPERATIVO falling or for any other duly justified reason which may be detrimental to the ratings granted to the Bonds by the Rating Agency, the Management Company may, revoke the appointment of BANCO COOPERATIVO as Paying Agent, and shall thereupon designate a substitute institution. Should BANCO COOPERATIVO be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BANCO COOPERATIVO hereunder.

In consideration of the services to be provided by the Paying Agent, the Fund shall pay to it during the term of the agreement a fee of EUR three hundred (300.00), inclusive of taxes, if any, payable on each Bond Payment Date, provided that the Fund has sufficient liquidity and in the Priority of Payments.

In the event that the Fund should not have sufficient liquidity to pay said full fee, then the amounts accrued and not paid shall be accumulated without any penalty whatsoever to the fee falling due on the next Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until the Payment Date on which that situation is no longer current.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V. 3.7 Financial Intermediation Agreement.

The Management Company shall, for and on behalf of the Fund, enter with Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., into a Financial Intermediation Agreement designed to remunerate these institutions for the financial intermediation process carried out, enabling the financial transformation defining the Fund’s activity, the subscription by the Fund for the Mortgage Certificates and the Pass-Through Certificates and the satisfactory rating assigned to each of the Bond Series.

Those institutions shall be entitled to receive from the Fund a variable subordinated remuneration which shall be determined and shall accrue upon the expiration of each quarterly period, comprising, other than for the first period, the three calendar months preceding each Payment Date, in an amount equal to the positive difference, if any, between the income and expenditure, including losses brought forward from previous years, accrued by the Fund with reference to its accounts and before the close of the months of February, May, August and November, being the last month in each quarterly period. Exceptionally, the first period shall run from the date of constitution of the Fund until November 30, 2003, inclusive, which is the last day of the month preceding the first Payment Date, December 15, 2003.

Settlement of the variable remuneration which shall have accrued at the close of the months of February, May, August and November shall take place on the Payment Date immediately following the last day of each of said months provided that the Fund has sufficient liquidity in the Fund Priority of Payments.

If the Fund should not have sufficient liquidity on a Payment Date in the Priority of Payments to pay the full remuneration, the amount of the variable remuneration accrued not paid shall accumulate without any penalty whatsoever on the remuneration payable on the following Payment Date until it is paid in full.

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V.3.8 Mortgage Certificate and Pass-Through Certificate Custody Agreement.

The Management Company shall, for and on behalf of the Fund, enter with BANCO COOPERATIVO into a Mortgage Certificate and Pass-Through Certificate Custody Agreement. That custody shall be established for the benefit of the Fund and BANCO COOPERATIVO shall therefore custody the Mortgage Certificates and the Pass-Through Certificates deposited following instructions received from the Management Company.

In consideration of the services to be provided by the Custodian, the Fund shall pay to it during the term of the agreement a fee of 0.01 per thousand, inclusive of taxes, if any, on the average daily Outstanding Balance of the Mortgage Certificates and of the Pass-Through Certificates during each Interest Accrual Period and during the term of the agreement, payable on each Bond Payment Date, provided that the Fund has sufficient liquidity and in the Priority of Payments.

If due to a shortage of liquidity in the Fund Priority of Payments, the Fund should, through its Management Company, fail on a Payment Date to pay the full fee due, the amounts not paid shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, whereupon they shall be paid.

The Mortgage Certificate Custody Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each of the Bond Series as final by the start of the Subscription Period.

V.4 Priority rules established in Fund payments.

V.4.1 Source and application of funds on the Bond Closing Date and until the first Payment Date, exclusive.

The source and application of the amounts available for the Fund on the Bond issue Closing Date shall be as follows:

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

   a) Payment of subscription for the Bonds.
   b) Drawdown under the Start-Up Loan and the Subordinated Loan.

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

   a) Payment of the price for subscribing for the Mortgage Certificates and the Pass-Through Certificates.
   b) Payment of the Fund constitution and Bond issue expenses.
   c) Provisioning of the Cash Reserve.
   d) Balance on the Treasury Account upon the Start-Up Loan being drawn down for covering the timing difference between Mortgage Certificate and the Pass-Through Certificate interest and Bond interest on the first Payment Date.

V.4.2 Source and application of funds from the first Payment Date until the last Payment Date or liquidation of the Fund, inclusive.

1. **Source**.

   The available funds (the "**Available Funds**") on each Payment Date to meet the Fund's payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account:

   a) Mortgage Certificate and Pass-Through Certificate principal repayment income received between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

   b) Ordinary and late-payment interest income received on the Mortgage Certificates and the Pass-Through Certificates between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive.

c) The return received on the amounts credited to the Treasury Account, which shall include the amount with which the Cash Reserve is provisioned.

d) The amount with which the Cash Reserve is provisioned.

e) Any other amounts received by the Fund between the preceding Payment Date, exclusive, and the relevant Payment Date, inclusive, including those resulting from the sale or utilisation of properties awarded to the Fund.

f) The remainder upon drawing down the Start-Up Loan to the relevant extent for covering the timing difference between interest on the Mortgage Certificates and the Pass-Through Certificates, and on the Bonds on the first Payment Date.

2. Application.

The Available Funds shall be applied to meeting payment or withholding obligations falling due on each Payment Date in the following priority of payments (the "**Priority of Payments**"), irrespective of the time of accrual, other than item number 1, which may be made at any time as and when due:

1. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement and the Mortgage Certificate and Pass-Through Certificate Custody Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and amounts reimbursable to the Servicers, provided they are all properly supported, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of interest due on the Series A1 and Series A2 Bonds.

3. Payment of interest due on the Series B Bonds.

4. Payment of interest due on the Series C Bonds.

5. Amortising Bond principal in an amount equivalent to the positive difference, if any, between (i) the Outstanding Principal Balance of the Bond Issue on the day preceding the relevant Payment Date, and (ii) the Outstanding Balance of the Mortgage Loans on the relevant Payment Date in good standing in payments of amounts due or, if delinquent, with an arrears of less than eighteen (18) months.

   Depending on the liquidity existing on each Payment Date, the amount actually applied in accordance with the preceding paragraph to amortising Bond principal shall make up the Available Funds for Amortisation which shall be applied to each of the Series in accordance with the rules for Distribution of Available Funds for Amortisation between each Series established hereinafter in this same section.

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

   This application shall not occur on the Final Maturity Date or on the last Payment Date or Fund liquidation date.

Furthermore, this application will be replaced on the last Payment Date or the Fund liquidation date with interest payment and principal repayment on the credit facility, if any, arranged for by the Management Company for the Early Amortisation of the Bond Issue.

7. Payment of interest due on the Start-Up Loan.

8. Payment of interest due on the Subordinated Loan.

9. Repayment of Start-Up Loan principal in the amortised amount.

10 Repayment of Subordinated Loan principal in the amortised amount.

11. Payment to the Servicers under the Servicing Agreement of the fee for servicing the Mortgage Loans.

    In the event that any other institution should replace any of the Servicers as Servicer, payment of the Mortgage Loan servicing fee earned by the other institution, to wit the new servicer, shall be included in item 1 above, along with the other payments included in the relevant item, other than in the event that the new servicer should be BANCO COOPERATIVO, in which case payment of the servicing fee shall remain in the same item 11.

12. Payment of the financial intermediation margin established as a variable remuneration under the Financial Intermediation Agreement.

Other than Bond principal repayment, which shall take place in accordance with the rules for Distribution of Available Funds for Amortisation among each Series established in paragraph 3 below, when accounts for different items exist in a same priority of payments and the remaining Available Funds are not sufficient to settle the amounts due under all of them, the remaining Available Funds shall be pro rated among the amounts payable under each such item, and the amount applied to each item shall be applied in the priority in which the accounts payable fall due.

3. Distribution of Available Funds for Amortisation among each Series.

The Available Funds for Amortisation shall be applied on each Payment Date to amortising each of the Series in accordance with the following rules (“**Distribution of Available Funds for Amortisation between each Series**”):

1. Until the first Payment Date (inclusive) on which the Outstanding Principal Balances of Series B and C are respectively equal to or in excess of 5.40% and 2.70% of the Outstanding Principal Balance of the Bond Issue, the Available Funds for Amortisation shall be fully applied to amortising Class A Bonds, in accordance with rule 2 below.

2. The Available Funds for Amortisation applied to amortising Class A, both under rule 1 above and under rules 3 and 4 below, shall be applied as follows:

2.1 Ordinary application in the following order:

    1. Repayment of Series A2 Bond principal in the amount of the repayment falling due on the Payment Date in accordance with the repayment schedule established for Series A2.

    2. Repayment of Series A1 Bond principal.

2.2 Exceptional pro rata application of Class A ("**Pro Rata Amortisation of Class A**"): the application priority of paragraph 2.1 above and repayment of Series A2 Bond principal in the amount of the repayment instalment in accordance with the repayment scheduled established for Series A2 shall be stopped on any Payment Date if any of the circumstances established below should occur.

a) In the event that on the Determination Date immediately preceding the relevant Payment Date the amount of (i) the Outstanding Balance of Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due in relation to (ii) the amount of the Outstanding Balance of Mortgage Loans in good standing in payment of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date, is in excess of 2.00%.

   In that event, on the relevant Payment Date, the Available Funds for Amortisation applied to amortising Class A shall be applied to amortising Series A1 and Series A2 and be prorated among the same directly in proportion to the Outstanding Principal Balances of Series A1 and of Series A2 on the Determination Date preceding the relevant Payment Date.

b) In the event that on the relevant Payment Date, if upon calculating the Available Funds for Amortisation and their distribution for repayment of principal of each of the Series in accordance with the remaining rules of this section, the Outstanding Principal Balance of Series A2 were to be in excess of 25.00% of the Outstanding Principal Balance of the Bond Issue.

   In that event, on the relevant Payment Date the Available Funds for Amortisation applied to amortising Class A shall be applied to amortising Series A1 and Series A2 and be distributed among the same in such a way that the ratio of (i) the Outstanding Principal Balance of Series A2 to (ii) the Outstanding Principal Balance of the Bond Issue is kept at 25.00% or lower percentage closest thereto

3. From the Payment Date after the date on which the ratios established in rule 1 above are respectively equal to or greater than said 5.40% or 2.70%, the Available Funds for Amortisation shall be applied to amortising Class A and Series B and C, and be distributed among the same in such a way that the above ratios of (i) the Outstanding Principal Balances of Series B and Series C to (ii) the Outstanding Principal Balance of the Bond Issue are respectively kept at 5.40% or 2.70%, or higher percentages closest thereto.

   The Available Funds for Amortisation shall not however be applied to amortising Series B and Series C on the Payment Date upon the occurrence of any of the following circumstances:

   a) That the amount of the Cash Reserve provisioned is less than the Required Cash Reserve.

   b) That, on the Determination Date preceding the relevant Payment Date, the amount of (i) the Outstanding Balance of Mortgage Loans with an arrears in excess of three (3) months and less than eighteen (18) months in payment of amounts due in relation to (ii) the amount of the Outstanding Balance of Mortgage Loans in good standing in payment of amounts due or, if delinquent, with an arrears of less than eighteen (18) months on that same date, is in excess of 1.50%.

4. From the Payment Date, inclusive, on which the amount of the Outstanding Balance of the Mortgage Loans is less than 10% of the initial Outstanding Balance upon the Fund being constituted or on the Payment Date on which the Fund is liquidated, the Available Funds for Amortisation shall be sequentially applied firstly to amortising Class A, in accordance with rule 2 above, until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised.

CHAPTER VI

GENERAL INFORMATION ON THE FUND MANAGEMENT COMPANY

In accordance with System of Investment Trusts and Companies and on Mortgage Securitisation Funds Act 19/1992, July 7, Mortgage Securitisation Funds have no own legal personality, and Mortgage Securitisation Fund Management Companies are entrusted with constituting, managing and legally representing those Funds, and representing and defending the interests of the holders of the securities issued by the Funds they manage.

Accordingly, this Chapter itemises the information relating to EUROPEA DE TITULIZACIÓN S.A., S.G.F.T., as the Management Company constituting, managing and representing RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS.

VI.1 In relation to the company, other than its share capital..

VI.1.1 Name and registered office.

- **Company name:** EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.
- **Registered office:** Madrid, Lagasca, 120
- **VAT REG. No.:** A-80514466
- **Business Activity Code No.:** 6713

VI.1.2 Incorporation and registration in the Companies Register, and information relating to administrative authorisations by and registration at the Comisión Nacional del Mercado de Valores.

EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN was incorporated in a public deed executed on January 19, 1993 before a Madrid Notary Public Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, entered in the Companies Register of Madrid, volume 5,461, book O, folio 49, section 8, sheet M-89355, entry 1, dated March 11, 1993. It was subsequently re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and in the single transitional provision of Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and in a deed executed on October 25, 1999 before a Notary Public of Madrid, Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register. It is also entered in the special register of the CNMV, under number 2.

The Management Company has perpetual existence, other than in any of the events of dissolution provided by the laws and the articles of association.

VI.1.3 Objects.

In accordance with statutory requirements, article two of its Articles of Association establishes that: "The Company's exclusive objects shall be to constitute, administer, manage and legally represent both asset securitisation funds and mortgage securitisation funds. Furthermore, and in accordance with the statutorily applicable regulations, the Company shall, as the manager of third party business, be responsible for representing and defending the interests of the holders of securities issued on the Funds it manages and of all their other ordinary creditors."

VI.1.4 Place where the documents referred to in the Offering Circular or the existence of which may be inferred from its contents may be found.

The Articles of Association, accounting, economic and financial statements of the Management Company and any other document referred to in this Offering Circular, including the latter, or the existence of which may be inferred from its contents, may be found at the Management Company's registered office at Calle Lagasca number 120, Madrid.

This Offering Circular was entered in the official registers of the CNMV on October 28, 2003. It is publicly available, free of charge, at the Management Company's registered office and at the Underwriters' registered offices. It may also be found at the CNMV in Madrid, Paseo de la Castellana, 19, and at the AIAF governing body, of Madrid, Plaza Pablo Ruiz Picasso, s/n, Edificio Torre Picasso, planta 43.

Upon the Deed of Constitution being executed and before the Bond subscription period begins, the Management Company shall deliver a certified copy of the Deed of Constitution to the CNMV. Furthermore, the Management Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A, or the affiliated undertaking to which the latter delegates its functions, and the AIAF governing body shall at all times make copies of the Deed of Constitution available to the Bondholders and the public at issue in order that they may be examined.

VI.2 In relation to the share capital.

VI.2.1 Face amount subscribed for and paid up.

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

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

VI.2.2 Classes of shares.

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

VI.2.3 Evolution of the share capital over the last three years.

During the last three years there has been no change in the share capital of the Management Company, other than the rounding up of the face value of the shares in Series A and the rounding down of the face value of the shares in Series B, to the nearest euro cent upon the redenomination of the share capital in euros pursuant to a resolution of the Board of Directors at a meeting held on March 27, 2001 in accordance with the provisions of article 21 of Act 46/1998, December 17, on the changeover to the euro.

VI.3 Information relating to shareholdings.

VI.3.1 Existence or not of shareholdings in other companies.

There are no shareholdings in any other company.

VI.3.2 Group of companies in which the company has membership.

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

VI.3.3 Significant shareholders.

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

Name of shareholder company	Holding * (%)
Banco Bilbao Vizcaya Argentaria , S.A.	82.9703
J.P. Morgan España, S.A.	4.0000
Caja de Ahorros del Mediterráneo	1.5420
Bankinter, S.A	1.5317
Barclays Bank, S.A.	1.5317
Citibank España, S.A.	1.5317
Deutsche Bank Credit, S.A.	0.7658
Deutsche Bank, S.A.E.	0.7658
Banco Atlántico, S.A.	0.7658
Banco Cooperativo Español, S.A.	0.7658
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, S.A.	0.7658
Banco Urquijo, S.A.	0.7658
BNP España, S.A.	0.7658
Caja de Ahorros y Monte de Piedad de Madrid	0.3829
Caja de Ahorros de Salamanca y Soria – Caja Duero	0.3829
	100.00

* Rounded to 4 decimal places

VI.4 Corporate bodies.

The government and management of the Management Company are entrusted in the Articles of Association to the General Shareholders' Meeting and the Board of Directors. Its duties and authorities are as prescribed for those bodies in the Public Limited Companies Act and in Act 19/1992, July 7, in relation to the objects.

Among the other bodies for which provision is made in the Articles of Association, an Executive Committee has been set up with delegated authorities of the Board. There is also a General Manager vested with extensive authorities within the organisation and vis-à-vis third parties.

VI.4.1 Officers.

Board of Directors.

The Board of Directors has the following membership:

Chairman:	Mr Roberto Vicario Montoya
Directors:	Mr Carlos Pertejo Muñoz Mr José Manuel Aguirre Larizgoitia Mr José Mª. Castellón Leal on behalf of Barclays Bank, S.A. Mr Vicente Esparza Olcina Ms Ana Fernández Manrique Mr Mario Masiá Vicente Mr Juan Ortueta Monfort Ms Carmen Pérez de Muniaín Mr David Pérez Renovales on behalf of Bankinter, S. A. Mr Jesús del Pino Durán Mr Jorge Sáenz de Miera, on behalf of Deutsche Bank Credit, S.A. Mr Rafael Salinas Martínez de Lecea Mr José Miguel Raboso Díaz on behalf of Citibank España, S.A Mr José Manuel Tamayo Pérez Mr Pedro Mª. Urresti Laca, on behalf of J.P. Morgan España, S.A. Banco de la Pequeña y Mediana Empresa *
Non-Director Secretary:	Ms Belén Rico Arévalo

(* Appointment made by the Shareholders' Meeting at a meeting held on May 30, 2003, yet to be entered in the Companies Register.)

VI.4.2 General Manager.

The General Manager of the Management Company is Mr Mario Masiá Vicente.

VI.5 Aggregate interests in the Management Company by the persons referred to in section VI.4.

The persons referred to in section VI.4.1 above are not the direct or indirect holders or representatives of any share or obligation, other than the persons specifically referred to as representing a shareholder company, and only as such.

VI.6 Lenders of the Management Company in excess of 10 percent.

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

VI.7 Specification as to whether or not the management company has any bankruptcy proceedings under way and the possible existence of significant lawsuits and matters which might affect its economic and financial position or, in the future, its ability to carry out the fund management and administration functions for which provision is made in this Offering Circular.

There are none.

CHAPTER VII

RECENT EVOLUTION OF THE MORTGAGE MARKET AND IMPLICATIONS FOR THE FUND

VII.1 Most recent significant trends in the Mortgage Market in general and of the mortgage loan market in particular in relation to the legal framework, with the development of interest rates, and prepayment and delinquency rates.

The Spanish mortgage market has in recent years undergone a major transformation both in regard to its laws and the prevailing interest of credit institutions in developing and increasing their interest in the market, and as a result of factors inherent in the development of the market proper (interest rates, demand for credit and price of housing). The most significant elements in the recent evolution of the Spanish market are described hereinafter in this section.

Mortgage credit.

In late 2002, mortgage credit came to have an outstanding balance of EUR 354,368 millions, 54.5% in the investment portfolio of Savings Banks and 38.2% in that of banks. From early 1998, mortgage credit has grown at an average pace of around 20% per annum. Consequent upon this strong boost, mortgage credit accounted for almost 50% of the total credit portfolio of financial institutions towards the end of 2002.

OUTSTANDING CREDIT BALANCES WITH MORTGAGE SECURITY

(Year-end figures in EUR billions)

	Total	Banks	Savings Banks	Financial Credit Institutions	Credit Cooperatives
2002	354.4	135.5	193.3	3.7	21.9
2001	297.0	115.2	160.3	3.5	18.0
2000	250.8	97.7	135.0	3.3	14.8
1999	209.6	84.0	109.8	3.5	12.3
1998	174.6	68.3	92.9	3.5	9.8
1997	147.3	57.8	77.3	4.0	8.2
1996	124.1	48.4	65.2	4.2	6.3
1995	108.5	42.2	57.5	3.5	5.2
1994	97.6	38.4	51.0	3.8	4.3
1993	85.2	34.2	43.5	4.1	3.3
1992	75.5	31.2	37.2	4.3	2.7
1991	67.4	29.0	32.2	4.3	1.9
1990	58.6	24.9	28.9	3.5	1.3

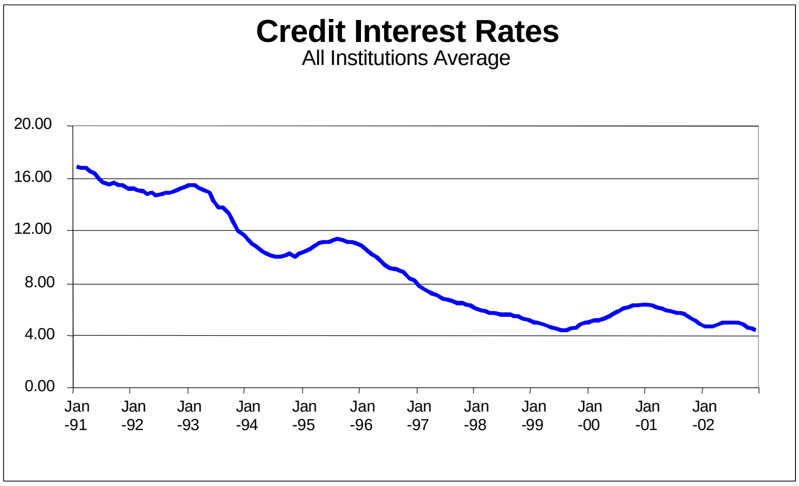
Source: Bank of Spain

The increased demand for mortgage credit was supported by the strong development of the housing market, resulting in more than a million transactions per annum since early 1998, and an increase in the average amount per mortgage, which has doubled over the last five years, going from an average of EUR 50,000 per mortgage in 1998 to EUR 100,000 on average in 2002.

Forecasts for 2003 point to the mortgage balance increasing up to EUR 400,000 million towards the end of the year, rising on average by around 12.5% in year-on-year rates.

Interest rates.

Upon the Spanish economy coming under the European Central Bank's discipline, there was an outstanding drop in interest rates which was rapidly passed to the mortgage market. These enhanced financial terms have made it easier for families to buy a home, boosting the demand for residential homes. From the early nineties, mortgage interest rates in Spain have dropped to one-third and repayment terms have been extended to 25 and 30 years. The reduced interest rates and extended credit terms has resulted in a significant drop in instalments paid by families for buying a home.



FINANCING TERMS

	% Interest Rates	Average Terms (years)	Rate per EUR 6,000 (EUR/month)	Average home price (EUR/100 m^2)
2002	4.5%	25	33.40	128,000
2000	5.0%	20	39.70	90,150
1995	10.0%	15	64.60	66,100
1990	14.0%	10	93.30	56,500

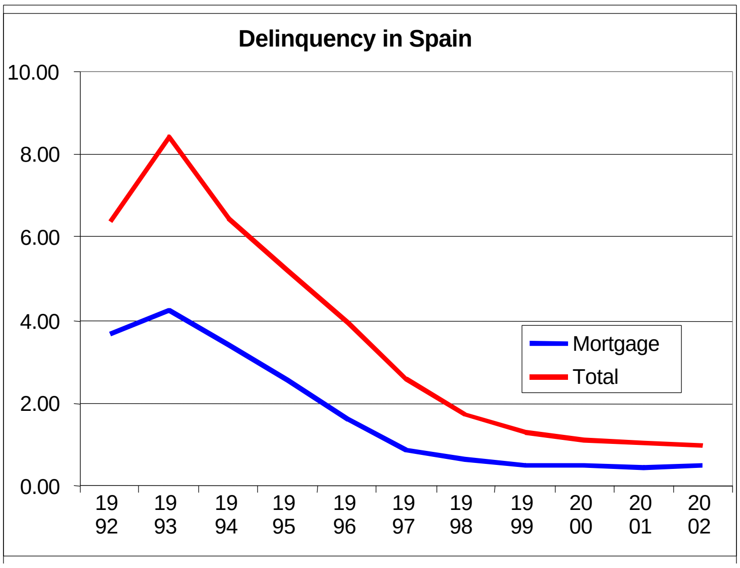
Source: BBVA

Real estate price increases have prevented the enhanced financing terms from being fully passed to the home accessibility ratios due to a significant real estate price increase. Overall, family monthly payments for buying a home have remained relatively consistent in proportion: although improved rates and extended terms result in lower monthly payments for a family buying a home, higher-priced homes have resulted in a greater credit amount being required, thereby increasing the monthly instalment. At present, a family on an average income buying an average-sized and priced home must allocate 40% of their income to paying monthly instalments. The current home accessibility ratio is similar to the ratio prevailing in 1995 or 1987.

Delinquency.

The mortgage market has been strongly boosted in these years in the midst of important risk management improvements resulting in mortgage delinquency of financial institutions as a whole being minimised.

Mortgage delinquency is currently less than 0.5% of the total mortgage portfolio, very far from the 4% rate there was in 1993. As for the portfolio as a whole, mortgage delinquency stands at less than 50% of total delinquency.



Regulatory changes.

The object of most recent regulations has been to provide mortgagors with a greater power to negotiate the terms of loans, and reduce certain costs attached to loan renegotiation. In this sense, in addition to Mortgage Loan Subrogation and Amendment Act 2/94, March 30 (making provision for the possibility of substituting and renegotiating the economic terms of loans, reducing both tax and fee costs, and reducing floating interest rate loan prepayment charges), two measures were taken designed to cheapen transaction costs in mortgage loan subrogation and amendment and novation transactions: on the one hand, the agreement made between the Economy Ministry and banks and savings banks, lowering charges; and on the other the approval of Royal Decree 2616/1996, December 20, modifying both notarial and registration fees in mortgage loan subrogation and novation transactions under that Act 2/94.

Prepayment.

The substantial cut in interest rates in recent years along with an enhanced competitiveness among credit institutions in this segment of financing given its strategic character with a view to fidelising customers, has fostered a considerable increase in prepayment rates of mortgage loans remaining with interest rates in excess of those prevailing in the mortgage market from time to time, upon the failure by the lenders to renegotiate the financial terms.

In any event, it should therefore be borne in mind that mortgage loan prepayment shall take place irrespective of such Mortgage Loan Subrogation and Amendment Act, for the possibility or advisability of so doing shall be prompted not only by the facilities given in that connection but by such more determinant factors as mainly age and higher interest rate of the loans in relation to those offered from time to time.

VII.2 Implications that might derive for the Fund from the trends remarked in the preceding point Vll.1 (prepayment rate, default rate, et cetera):

The Mortgage Loans backing the Mortgage Certificates subscribed for by the Fund all have a floating interest rate and are adjusted from time to time to market interest rate variations. Because of this, a high prepayment rate of the Mortgage Loans is not to be expected. The provisions established for the renegotiation for determining the interest rate of loans that might be in upper ranges in relation to the market level from time to time should also be borne in mind.

As for the Obligors' creditworthiness, as set forth in section IV.4.h), some of the provisional portfolio mortgage loans which shall back the issue of the Mortgage Certificates were liable at October 6, 2003 for arrears of up to 90 days in payment of amounts due, which situation was checked, as explained in paragraph III.1.10 of the audit report attached as Appendix V to this Offering Circular. Nevertheless, the Mortgage Loans that will finally back the issue of Mortgage Certificates for the Fund to be set up shall have no overdue amounts on the date of issue for a period in excess of one (1) month.

Signature: MARIO MASIÁ VICENTE
General Manager
EUROPEA DE TITULIZACIÓN, S.A., S.G.F.T.

APPENDIX I

DEFINITIONS

APPENDIX I

Definitions

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

"Act 2/1981" shall mean Mortgage Market Regulation Act 2/1981, March 25.

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

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

"Act 40/1998" shall mean Personal Income Tax and Other Tax Rules Act 40/1998, December 9.

"Act 41/1998" shall mean Non-Resident Income and Tax Rules Act 41/1998, December 9.

"Act 44/2002" shall mean Financial System Reform Measures Act 44/2002, November 22.

"Ahorro Corporación S.V." shall mean Ahorro Corporación Financiera, S.V.B., S.A.

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

"Available Funds for Amortisation on each Payment Date" shall mean the amount to be allocated to the amortisation of Bonds on each Payment Date.

"Available Funds" shall mean on each Payment Date the sum of (i) the balance on the Treasury Account, and (ii) the amount, if any and where appropriate, deriving from the liquidation of the Fund's assets.

"Banco Cooperativo" shall mean Banco Cooperativo Español, S.A.

"Banesto" shall mean Banco Español de Crédito S.A.

"Bond Issue" shall mean the asset-backed bonds issued by the Fund having a face value of EUR six hundred and ninety-five million (695,000,000.00), and consisting of six thousand nine hundred and fifty (6,950) Bonds pooled in four Series A1, A2, B and C.

"Bond Paying Agent Agreement" shall mean the Bond paying agent agreement entered into between the Management Company, acting for and on behalf of the Fund, and Banco Cooperativo.

"Bonds" shall mean the Series A1 Bonds, the Series A2 Bonds, the Series B Bonds and the Series C Bonds issued by the Fund.

"Business Day" shall mean any day other than a Saturday, Sunday or non-business day in the TARGET calendar.

"Caja Madrid" shall mean Caja de Ahorros y Monte de Piedad de Madrid.

"Cash Reserve" shall mean the cash reserve initially provisioned on the Closing Date by drawing down the Subordinated Loan, and subsequently provisioned up to the Required Cash Reserve.

"CET" shall mean Central European Time.

"Circular 2/1994" shall mean National Securities Market Commission Circular 2/1994, March 16, approving the standard Offering Circular for constituting Mortgage Securitisation Funds.

"Circular 2/1999" shall mean National Securities Market Commission Circular 2/1999, April 22, approving certain standard offering circulars for use in public issues and offerings of securities.

"Closing Date" shall mean October 31, 2003, the date on which the cash amount of the subscription for the Bonds must be paid up and the face amount of the Mortgage Certificates and the Pass-Through Certificates must be paid.

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

"CPR" shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Offering Circular.

"Crédit Agricole Indosuez" shall mean Crédit Agricole Indosuez Sucursal en España.

"Deed of Constitution" shall mean the public deed recording the constitution of the Fund, issue of and subscription for the Mortgage Certificates and the Pass-Through Certificates and Issue of the Bonds.

"Determination Dates" shall mean the dates falling on the third Business Day preceding each Payment Date.

"Dexia" shall mean Dexia Banque Belgique S.A..

"DZ BANK" shall mean DZ Bank AG Deutsche Zentral-Genossenschaftsbank.

"EBN Banco" shall mean Sociedad Española de Banca de Negocios Probanca S.A.

"EIB Rate" shall mean the rate applied by the European Investment Bank defined as the annual nominal interest rate determined quarterly by the European Investment Bank, in accordance with the policies and procedures established by its Board of Directors, applicable at the start of each interest accrual period (on March 15, June 15, September 15 and December 15) to floating rate loan transactions and borrowings and calculated taking into account the financing backing the same with debt securities, securities issues or other resources or funds obtained in euros by the European Investment Bank on the national or international capitals markets, allowing the European Investment Bank to finance with this floating interest rate at a variable margin.

“Early Amortisation” shall mean the amortisation of the Bonds on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund, in accordance with and subject to the requirements established in section III.7.1 of this Offering Circular.

“Early Liquidation Events” shall mean the events contained in section III.7.1 where the Management Company, following notice duly served on the CNMV, is entitled to proceed to an Early Liquidation of the Fund and Early Amortisation of the Bond Issue on a Payment Date.

“Early Liquidation of the Fund” shall mean the liquidation of the Fund and thereby an early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section III.7.1.

“Euribor Reference Rate” shall mean three- (3-) month Euribor rate, fixed at 11am (CET time) on the Interest Rate Fixing Date, or its substitute rate, other than for the first Interest Accrual Period where it shall be the rate resulting from the straight-line interpolation between the one- (1-) month and the three- (3-) month Euribor rate, taking into account the number of days in the first Interest Accrual Period.

“Euribor” shall mean the Euro Interbank Offered Rate which is the term interbank deposit offered rate in euros calculated as the daily average of the quotations supplied by a panel consisting of 57 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET time), accurate to three decimal places.

“Final Maturity Date” shall mean the final Bond amortisation date, i.e. March 15, 2035 or the following Business Day if that is not a Business Day.

“Financial Intermediation Agreement” shall mean the financial intermediation agreement entered into between the Management Company, acting for and on behalf of the Fund, and Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V..

“Financial Intermediation Margin” shall mean, under the Financial Intermediation Agreement, the variable subordinated remuneration to be accrued every year in an amount equal to the positive difference, if any, between the income and expenditure of the Fund before its official accounts are closed and before the fiscal year is closed, reduced by the amount, if any, of the tax losses brought forward yet to be set off in settling the Corporation Tax, and which shall be settled quarterly on each Payment Date, by means of part payments on account of the annual remuneration.

“Fund” shall mean RURAL HIPOTECARIO V FONDO DE TITULIZACIÓN DE ACTIVOS.

“Guaranteed Interest Rate Account (Treasury Account) Agreement” shall mean the guaranteed interest rate account (Treasury Account) agreement entered into between the Management Company, acting for and on behalf of the Fund, and Banco Cooperativo.

“Iberclear” shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.

“Interest Accrual Period” shall mean for Series A1, B and C the exact number of days elapsed between two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, December 15, 2003, exclusive.

“InverCaixa” shall mean InverCaixa Valores SVB, S.A.

“IRR” shall mean the internal rate of return.

“Lead Managers” shall mean Banco Cooperativo, Crédit Agricole Indosuez, DZ BANK and Société Générale.

“Management Company” shall mean Europea de Titulización, S.A., Sociedad Gestora de Fondos de Titulización.

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

“Mortgage Certificate and Pass-Through Certificate Custody Agreement” shall mean the Mortgage Certificate and Pass-Through Certificate custody agreement entered into between the Management Company, for and on behalf of the Fund, and Banco Cooperativo.

“Mortgage Certificates” shall mean the mortgage participation certificates issued in accordance with article 15 of Act 2/1981 and Royal Decree 685/1982 by Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., and subscribed for by the Fund.

“Mortgage Loan Servicing Agreement” shall mean the Mortgage Loan servicing agreement entered into between the Management Company, for and on behalf of the Fund, and Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., as Servicers, and Banco Cooperativo as guarantor of the fulfilment of the Servicers’ obligations.

“Mortgage Loan” shall mean the mortgage loans transferred to the Fund by means of the issue of the Mortgage Certificates and the Pass-Through Certificates.

“Natexis Banques Populaires” shall mean Natexis Banques Populaires S.A.

“Obligors” shall mean the Mortgage Loan borrowers.

"Originators" shall mean the institutions issuing the Mortgage Certificates or the Pass-Through Certificates: Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V.

"Outstanding Balance of the Mortgage Loans" shall mean the sum of outstanding capital and overdue capital not paid into the Fund for each and every one of the Mortgage Loans.

"Outstanding Principal Balance of the Bond Issue" shall mean the sum of the Outstanding Principal Balances of Series A1, A2, B and C.

"Outstanding Principal Balance of the Series" shall mean the sum of the outstanding principal balances to be amortised on the Bonds making up the Series, such balances including the principal amounts that should, as the case may be, have been amortised and were not so settled due to a shortage of Available Funds for Amortisation of the Bonds in the Priority of Payments.

"Pass-Through Certificates" shall mean the pass-through certificates in accordance with the provisions of additional provision five of Act 3/1994 as worded by Act 44/2002 by Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V., and subscribed for by the Fund.

"Paying Agent" shall mean the firm servicing the Bonds. The Paying Agent shall be Banco Cooperativo.

"Payment Date" shall mean March 15, June 15, September 15 and December 15 or the following Business Day if any of those is not a Business Day. The first Payment Date shall be December 15, 2003.

"Priority of Payments" shall mean the priority of payments for applying the Available Funds and for distribution of the Available Funds for Amortisation on each Payment Date to fulfilment of the Fund's payment or withholding obligations, irrespective of the time of accrual, in the same priority given.

"Pro Rata Amortisation of Class A" shall mean the exceptional distribution on a Payment Date of the Available Funds for Amortisation applied to the amortisation of Class A Bonds, and distributed for the amortisation of Series A1 and A2, the amortisation of Series A2 in accordance with the repayment schedule established being stopped in certain circumstances for which provision is made in the rules for Distribution of Available Funds for Amortisation between each Series in the Priority of Payments.

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

"Required Cash Reserve" shall mean on each Payment Date the lower of the following amounts: (i) EUR fifteen million nine hundred and eighty-five thousand (15,985,000.00), and (ii) the higher of a) 4.60% of the Outstanding Principal Balance of the Bond Issue and b) 1.15% of the face amount of the Bond Issue.

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

“Royal Decree 291/1992” shall mean Royal Decree 291/1992, March 27, on Issues of and Public Offerings for the Sale of Securities, as reworded by Royal Decree 2590/1998, December 7.

“Royal Decree 685/1982” shall mean Royal Decree 685/1982, March 17, implementing certain aspects of Act 2/1981, and Royal Decree 1289/1991, August 2, amending certain of the previous Royal Decree’s articles.

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

“Securities Market Act” shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and Act 44/2002, November 22.

“Series A1 Bonds” shall mean the Series A1 Bonds issued by the Fund having a total face amount of EUR five hundred and sixty-six million eight hundred thousand (566,800,000.00) comprising five thousand six hundred and sixty-eight (5,668) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A1, B and C Bond Management and Underwriting and Placement Agreement” shall mean the Series A1, B and C Bond Management and Underwriting and Placement Agreement entered into by the Management Company, for and on behalf of the Fund, and Banco Cooperativo Español S.A. (“Banco Cooperativo”), Crédit Agricole Indosuez Sucursal en España (“Crédit Agricole Indosuez”), DZ Bank AG Deutsche Zentral-Genossenschaftsbank (“DZ BANK”) and Société Générale Sucursal en España (“Sociéte Générale”) as Lead Managers and Underwriters and Placement Agents, and Ahorro Corporación Financiera S.V.B., S.A. (“Ahorro Corporación Financiera S.V.”), Banco Español de Crédito S.A.(“Banesto”), Caja de Ahorros y Monte de Piedad de Madrid (“Caja Madrid”), Dexia Banque Belgique S.A. (“Dexia”), Sociedad Española de Banca de Negocios Probanca S.A. (“EBN Banco”), InverCaixa Valores SVB, S.A. (“InverCaixa”) and Natexis Banques Populaires S.A. (“Natexis Banques Populaires”) as Underwriters and Placement Agents.

“Series A1” shall mean los Series A1 Bonds issued by the Fund.

“Series A2 Bond Subscription Agreement” shall mean the Series A2 Bond Subscription Agreement entered into by the Management Company, for and on behalf of the Fund, and the European Investment Bank.

“Series A2 Bonds” shall mean the Series A2 Bonds issued by the Fund having a total face amount of EUR one hundred million (100,000,000.00) comprising one thousand (1,000) Bonds having a unit face value of EUR one hundred thousand (100,000).

“Series A2” shall mean the Series A2 Bonds issued by the Fund.

“Series B Bonds” shall mean the Series B Bonds issued by the Fund having a total face amount of EUR eighteen million eight hundred thousand (18,800,000.00) comprising one hundred and eighty-eight (188) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Series C Bonds” shall mean the Series C Bonds issued by the Fund having a total face amount of EUR nine million four hundred thousand (9,400,000.00) comprising ninety-four (94) Bonds having a unit face value of EUR one hundred thousand (100,000).

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

“Servicer(s)” shall mean each of the Originators issuing the Mortgage Certificates or the Pass-Through Certificates under the Mortgage Loan Servicing Agreement, Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V.

“Servicing Agreement” shall mean the Mortgage Loan servicing agreement.

“Société Générale” shall mean Société Générale Sucursal en España.

“Start-Up Loan Agreement” shall mean the Start-Up Loan agreement entered into by the Management Company, for and on behalf of the Fund, and Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V.

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

“Subordinated Loan Agreement” shall mean the Subordinated Loan agreement entered into by the Management Company, for and on behalf of the Fund, and Caixa Rural de Balears S.C.C., Caja Rural Aragonesa y de los Pirineos S.C.C., Caja Rural de Aragón S.C.C., Caja Rural de Burgos S.C.C., Caja Rural de Navarra S.C.C., Caja Rural de Tenerife S.C.C., Caja Rural de Teruel S.C.C., Caja Rural de Toledo S.C.C., Caja Rural del Duero S.C.C., Caja Rural del Mediterráneo, Ruralcaja, S.C.C., Caja Rural del Sur S.C.C., Caja Rural Intermediterránea S.C.C. and Caja Rural San Vicente Ferrer de Vall de Uxo S.C.C.V.

“Subordinated Loan” shall mean the subordinated loan granted by the Originators to the Fund, in accordance with the provisions of the Subordinated Loan Agreement.

“Subscription Period” shall mean the period comprised between 1pm (CET time) on October 29, 2003, and 4pm (CET time) on the same day.

“Treasury Account” shall mean the financial account opened at Banco Cooperativo in the name of the Fund, under the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which all of the Fund’s receipts and payments shall be made.

"Underwriters and Placement Agents" shall mean Banco Cooperativo, Crédit Agricole Indosuez, DZ BANK, Société Générale, Ahorro Corporación Financiera S.V., Banesto, Caja Madrid, Dexia, EBN Banco, InverCaixa and Natexis Banques Populaires.