

The "Folleto Informativo" drafted in the Spanish language is the only official document, and no document other than the "Folleto Informativo" shall have any legal effect or be relied upon with regard to the Bond Issue. This prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission, "CNMV") on October 11, 2005

“TDA IBERCAJA 2, Fondo de Titulización de Activos”

REGISTRATION DOCUMENT AND SECURITIES DOCUMENT

MORTGAGE-BACKED SECURITIES

904,500,000 Euros

Series A Bonds	870,300,000 Euros.	AAA / Aaa
Series B Bonds	19,300,000 Euros.	A/A1
Series C Bonds	6,300,000 Euros.	BBB/Baa2
Series D Bonds	4,100,000 Euros.	BB/Ba2
Series E Bonds	4,500,000 Euros.	-/Caa1

supported by Mortgage Shares and Mortgage Transfer Certificates issued by



Paying Agent



Instituto de Crédito Oficial

Placement Directors



*Deutsche Bank
Bancaja*

*Underwriters and Distributors
JPMorgan*



*Ibercaja
EBN Banco*

Designer and structurer



Securitisation Fund promoted and managed by

Titulización de Activos, S.G.F.T., S.A.



Prospectus approved and registered in the registers of the CNMV on 11 October 2005

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THIS DOCUMENT IS A INFORMATION PROSPECTUS (HEREINAFTER REFERRED TO AS THE "PROSPECTUS") REGISTERED WITH THE COMISIÓN NACIONAL DEL MERCADO DE VALORES (NATIONAL SECURITIES MARKET COMMISSION) ON 11 OCTOBER 2005, IN ACCORDANCE WITH THE PROVISIONS ESTABLISHED IN COMMISSION REGULATION (EC) Nº 809/2004 OF 29 APRIL 2004 (HEREINAFTER REFERRED TO AS "REGULATION 809/2004").

[In accordance with Regulation 809/2004, the Prospectus contains:](#)

- A description of the main risk factors associated with the issuer, with the securities and with the assets backing the issue ("**Risk Factors**");
- a registration document, set out in accordance with Annex VII of Regulation 809/2004 (hereinafter referred to as the "**Registration Document**");
- a securities document, set out in accordance with Annex XIII of Regulation 809/2004 (hereinafter referred to as the "**Securities Document**");
- an additional module to the Securities Document, set out in accordance to Annex VIII of Regulation 809/2004 (hereinafter referred to as the "**Additional Module**"), and
- A glossary..

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I. RISK FACTORS

1. RISKS DERIVING FROM THE LEGAL STATUS AND BUSINESS OF THE ISSUER

1.1. Nature of the fund and obligations of the *Sociedad Gestora*

The Fund will be established as a separate capital base without legal form that, in accordance with Royal Decree 926/1998, May 14th, regulating asset securitisation funds and management companies of asset securitisation funds (hereinafter referred to as "**Royal Decree 926/1998**"), is managed by a securitisation funds' managing company ("*Sociedad Gestora*"). The Fund will only meet its financial liabilities to its creditors with its capital.

The *Sociedad Gestora* will carry out for the Fund those functions laid out under Royal Decree 926/1998, as well as protecting bondholders interests as manager of third party funds, without the existence of a bondholders syndicate. The capacity to defend the bondholders' interests will thus depend on the resources of the *Sociedad Gestora*.

1.2. Forced replacement of the *Sociedad Gestora*

In accordance with article 19 of Royal Decree 926/1998, in the event of the *Sociedad Gestora* being declared bankrupt, and without prejudice to the effects of that situation of bankruptcy described below, a *sociedad gestora* will be found to replace it. Provided that in this last case, four months have elapsed since the event determining the substitution took place and no new *sociedad gestora* has been found to take charge of managing the Fund, early liquidation of the Fund will take place and the securities issued and charged to it shall be redeemed, pursuant to the provisions of the Deed of Incorporation of the Fund and in this Prospectus

1.3. Insolvency of the *Sociedad Gestora*, of the assignor and other entities

Bankruptcy of any of the intervening companies (either Ibercaja, the *Sociedad Gestora* or any other entity which is a counterparty to the Fund) may affect its contractual relations with the Fund in accordance with the provisions of Law 22/2003, of July 9, Bankruptcy Law (hereinafter, "**Bankruptcy Law**").

In accordance with Royal Decree 926/1998, if the *Sociedad Gestora* is declared insolvent, it must find another *sociedad gestora* to replace it.

Without prejudice to the foregoing, in the event of insolvency of the *Sociedad Gestora*, the assets belonging to the Fund in possession of the *Sociedad Gestora* over which the latter has no right of use, guarantee or retention (except for monies due to their fungible nature) existing in the asset base, will be considered as belonging to the Fund and will be handed over by the receivers to the Fund at the request of the Fund. The structure of the bond securitisation transaction contemplated does not allow for any sums in cash to exist that could be incorporated into the *Sociedad Gestora*'s asset base, except in the event of breach of contract by the parties, since the amounts pertaining to the Fund must be deposited in the accounts opened in the name of the Fund (Reinvestment Account, Treasury Account with the possibility also of an Excess Account) by the *Sociedad Gestora*, (which intervenes in opening these accounts, not as an agent of the Fund, but as its legal representative, for which reason the Fund will be able to exercise the right of absolute separation, as provided for in articles 80 and 81 of the Bankruptcy Law).

In the event of Ibercaja being declared insolvent, the issue and assignment of the Mortgage Shares and Mortgage Transfer Certificates may only be withdrawn in the case of exercising the action of withdrawal, demonstrating the existence of fraud in that issue and assignment, in accordance with the provisions of Additional Provision Five, in paragraph 4 of Act 3/1994 of April 14.

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Furthermore, in the event that Ibercaja is declared insolvent pursuant to Bankruptcy Law, the Fund, acting through the Sociedad Gestora, will have the right of separation over the Multiple Securities under the terms provided for in articles 80 and 81 of the Bankruptcy Law. In addition, the Fund, acting through its Sociedad Gestora, will have the right to obtain from Ibercaja the amounts resulting from the Shares and Certificates, since these amounts will be considered as belonging to the Fund, through its Sociedad Gestora, and consequently, they will be transferred to the Sociedad Gestora on behalf of the Fund. Notwithstanding the above, it should not be ruled out that that it might not be possible to exercise that right of separation in respect of the funds managed by Ibercaja, for the account and at the order of the Fund, during the course of its fund-collecting duties with respect to the Mortgage Loans and the funds deposited in the Reinvestment Account opened in Ibercaja, in both cases, on the date of the declaration of insolvency, due to their fungible nature and the ensuing confusion with respect to the assets. The mechanisms for attenuating the aforementioned risk are set forth in paragraphs 3.4.4.1., 3.4.5. and 3.7.1. of the Additional Module.

1.4. Restricted actions against the Sociedad Gestora

Bondholders and remaining creditors of the Fund will have no recourse against the *Sociedad Gestora*, other than from non-performance of its functions or non-compliance with the provisions of Deed of Incorporation and this Prospectus.

2. RISK DERIVED FROM THE SECURITIES

2.1. Liquidity

There is no guarantee that a secondary market with a minimum frequency and liquidity will develop for the Bonds.

There is no undertaking for any entity to intervene in the secondary market providing liquidity to the Bonds by offering itself as counterparty.

Under no circumstances will the Fund be able to repurchase the Bonds from the bondholders, although they can be redeemed early in their totality in the case of the Early Liquidation of the Fund, under the terms established in section 4.4.3. of the Registration Document.

2.2. Yield of the bonds

Calculation of the Internal Yield Rate (CPR) for a Bondholder set forth in the Securities Document is subject to future market interest rates, in the light of the floating nominal interest rate for the Bonds in each Series.

2.3. Term of the bonds

The calculation of the duration of the Bonds for each Series mentioned in the Securities Document is subject, amongst other things, to assumptions of prepayment rates and default rates that may not be fulfilled, compliance of the early redemption rate is influenced by a series of geographical, economic and social factors such as the age of the debtors, seasonal factors, market interest rates and the unemployment rate, which make them impossible to predict.

2.4. Delinquency interest

The existence of delays in the payment of interest or principal to the Bondholders shall in no case result in additional interest in their favour.

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3. RISKS DERIVED FROM THE ASSETS BACKING THE ISSUE

3.1. Risk of default on the mortgage loans

Holders of the Bonds issued by the Fund will be exposed to the risk of default on the Mortgage Loans and Mortgage Transfer Certificates pooled in the fund, always taking into account the protection provided by credit enhancements referred to in the Additional Module.

The Assignor will not assume any liability whatsoever for the non-payment by the Mortgage Debtors of principal, interest or any other amount that may be due by virtue of the Mortgage Loans. The Assignor, in accordance with article 348 of the Commercial Code, is liable to the Fund only for the existence and legitimacy of the Mortgage Loans and the personality with which it performs the sale. The Assignor will not, under any circumstances, assume any responsibility in guaranteeing, either directly or indirectly, the success of the operation, nor will it give guarantees or warranties, nor enter into agreements for repurchasing Mortgage Shares Certificates and Mortgage Transfer Certificates, neither by virtue of the Fund Regulations nor by virtue of any other pact or contract. All of the above is without prejudice to the responsibilities of the Assignor (i) in respect of the management commitment in respect of the Mortgage Loans, described in section 3.7.1 of the Additional Module and the Deed of Incorporation, (ii) in respect of the replacement obligation set forth in section 2.2.9. of the Additional Module, and (iii) and (ii) in relation to the representations and warranties of the Assignor of the Fund with respect to the Mortgage Loans contained in section 2.2.8. of the Additional Module.

The Bonds issued by the Fund do not represent or constitute an obligation of Ibercaja or of the *Sociedad Gestora*. No other guarantees have been granted by any public or private entities, including IBERCAJA, the *Sociedad Gestora*, or any other firm affiliated with or invested in by any of the above.

3.2. Limited protection

An investment in the Bonds may be affected, among other things, by a downturn in general economic conditions which may adversely affect the payments of the Mortgage Loans which support the Fund. Sufficiently high defaults could reduce, or even eliminate, the protection of the A, B, C, and D Bonds against losses in the Mortgage Loan portfolio, which is provided through the credit enhancements described in the Additional Module.

3.3. Risk of prepayment of the mortgage loans

The Mortgage Share Certificates and Mortgage Transfer Certificates grouped in the Fund are subject to prepayment when the Debtors of the Mortgage Loans reimburse the amount of the outstanding principal of said Mortgage Loans, or in the event of their being subrogated in the corresponding Mortgage Loans by another bank qualified for that purpose, subject to Law 2/1994 of March 30 on the subrogation and modification of mortgage loans, in its valid text ("Law 2/1994") or by virtue of any other cause that could produce the same.

The risk entailed by said prepayment will be transferred quarterly, on each Payment Date, to the Bondholders in accordance with the redemption rules described in section 4.9 of the Securities Document.

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II. REGISTRATION DOCUMENT FOR MORTGAGE-BACKED SECURITIES (ANNEX VII REGULATION 809/2004)

1. RESPONSIBLE PERSONS

1.1. Persons responsible for the information contained in the registration document

Mr. Ramón Pérez Hernández, acting in the name and representation of TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A., with registered offices in Madrid, calle Orense, 69, and holding Tax Identification Number A-80352750 (hereinafter referred to as the "**Sociedad Gestora**"), the promoter of TDA IBERCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS (hereinafter referred to as the "**Fund**"), assumes responsibility for the content of this Registration Document.

Mr. Ramón Pérez Hernández, acting as General Manager of the *Sociedad Gestora* by virtue of the power of attorney executed on 18 April 2002 in the presence of Madrid notary Mr. Manuel Richi Alberti under number 737 of his notary record, and specifically by virtue of the agreement adopted by the Board of Directors of the *Sociedad Gestora* at its meeting held on 20 June 2005.

Placement Directors, Ms. Ute Stammeyer, in the name and on behalf of Deutsche Bank, AG London, with registered offices at Winchester House, Great Winchester Street, 1, EC2N 2DB, London (UK), as Lead Manager of the securitisation bond issue by TDA Ibercaja 2 Fondo de Titulización de Activos, acting as attorney of the company pursuant to the special power of attorney executed before the Notary Public of London Ms. Ruth Margaret Campbell on October 5, 2005 Mr. Arturo Miranda Martín, duly empowered for such purposes, acting in the name and in behalf of JP Morgan Securities, Ltd. (together with Deutsche Bank, AG London, the "**Placement Directors**"), with registered office at 125 London Wall, EC2Y 5AJ London (United Kingdom), as Lead Manager of the securitisation bond issue by TDA Ibercaja 2 Fondo de Titulización de Activos, acting as attorney of the company pursuant to the resolutions of the Board of Directors of the company dated October 9, 1992 and March 29, 1996.

1.2. Representations of the persons responsible for the information contained in the registration document

Mr. Ramón Pérez Hernández, on behalf of the *Sociedad Gestora*, declares that, after applying reasonable diligence and, to make sure this is so, the information contained in this Registration Document is, to his knowledge, consistent with the facts and contains no omissions that could affect its content.

Placement Directors means means Ms. Ute Stammeyer, on behalf of Deutsche Bank AG London, represents that (i) all relevant checks have been performed to verify the accuracy and completeness of the information appearing in this Registration Document and (ii) as a result of such checks, no circumstances have been found that contradict or alter the information appearing in this Registration Document, or that this Document contains any omission of significant facts or data that could be relevant to the investor.

D. Arturo Miranda Martín, on behalf of J.P. Morgan Securities Ltd., represents that (i) all relevant checks have been performed to verify the accuracy and completeness of the information appearing in this Registration Document and (ii) as a result of such checks, no circumstances have been found that contradict or alter the information appearing in this Registration Document, or that this Document contains any omission of significant facts or data that could be relevant to the investor.

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2. STATUTORY AUDITORS

2.1. Auditors of the fund

In conformity with the provisions contained in section 8.2 of this Registration Document, the Fund does not contain any historical information. e-During the term of the transaction, the accounts of the Fund will be audited and revised annually by the accounts auditors. The accounts of the Fund and auditor's report will be deposited with the Commercial Registry and the CNMV.

The Board of Directors of the *Sociedad Gestora*, at its meeting of 20 June 2005, appointed Pricewaterhouse Coopers Auditores, S.L. ("**Pricewaterhouse Coopers**"), registered in the ROAC Register (Official Auditors Register) with number S0242 and registered address in Madrid, Paseo de la Castellana, 43, and C.I.F. (Fiscal ID) number B-79031290 as auditor of the Fund, without specifying the number of accounting periods for which they have been appointed. In the event there should exist a later agreement by the *Sociedad Gestora* for the appointment of new Fund auditors, this will be notified to the CNMV, Rating Agencies and Bondholders, pursuant to the provisions of section 4.1.3. of the Additional Module.

2.2. Accounting principles used by the fund

The Fund will account for income and expenses on an accrual basis, i.e. on the basis of the actual flows represented by those revenues and expenses irrespective of when they are collected and paid.

a) Shares and Certificates subscribed by the Fund:

The Shares and Certificates are registered in the Funds assets for an amount equal to their face value, coinciding with their acquisition value. Interest on the Shares and Certificates are recorded in the profit and loss account, in keeping with the principle of accrual. Unpaid interest accrued on the Shares and Certificates not declared to be in Default are recorded as an asset in the balance sheet. Interest accrued and principal outstanding on the Shares and Certificates declared as being in Default are recorded as assets, except in those cases where it can be demonstrated that the mortgaged property is insufficient as a guarantee.

b) Bonds issued:

The Bonds are recorded as a liability in the Fund balance sheet for the same amount as their reimbursement value. Interest payable by virtue of the Bonds is recorded in the profit and loss account on an accrued basis, and that portion of such interest that is accrued, in accordance with the principle of accrual which is owed but remains unpaid is recorded in the related liabilities account.

c) Treasury Account and Reinvestment Account:

Cash accounts of the Fund maintained by the Payments Agent and Seller respectively, with pre-established reinvestment mechanisms. The amount of the accounts will be entered as a Fund asset, whereas income and expenses for these accounts form part of the Fund's income and expenses.

d) Operating expenses, fees and salaries:

All fees and expenses are deductible during the period they fall due. Preliminary expenses for the Fund and the issue of the Bonds described in section 6 of the Assets Note will be repaid on a lineal basis during a term of twenty consecutive Payment Dates, starting on January 26, 2006.

e) Technical advances:

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On each Collection Date for Technical Advances obtained on the previous Collection Date, this is considered deductible in the settlement of the Collection Period for which settlement is made, and a New Technical Advance can be requested, that is charged to the following settlement.

f) Initial Expenses Loan and Subordinated Loan:

The interest on the Initial Expenses Loan and the Subordinated Loan will be booked during each period in keeping with the accrual principle.

g) Interest Swap:

The Interest Swap Agreement signed by the Sociedad Gestora on behalf of the Fund is intended to cover the interest rate risks to which the Fund is exposed as a result of the reference rates of its assets and liabilities being different. The profits obtained on this agreement are recorded in the profit and loss account symmetrically to the profits obtained by the elements covered.

Accounting period: The Fund accounting periods will commence on January 1 and end on December 31 of each year, except for the first accounting year which will begin on the Date of Incorporation of the Fund, and the last one, which will end on the date on which the Fund is liquidated. Profit: The net profit for each year must be nil

3. RISK FACTORS OF THE FUND

The risk factors of the Fund are detailed in section 1 of the Risk Factors document.

4. INFORMATION ABOUT THE ISSUER

4.1. Statement that the issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities

The issuer is a Fondo de Titulización de Activos incorporated with a separate asset base, without legal personality and regulated in accordance with Spanish law.

4.2. Legal and commercial name of the issuer

The legal name of the Fund will be "TDA IBERCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS". For identification purposes, the name "TDA IBERCAJA 2, FTA" may also be used.

4.3. Place of registration of the fund and registration number

The Sociedad Gestora hereby notes that neither the incorporation of the Fund, nor the Bonds to be issued against its assets, will be registered in any Spanish Commercial Registry, as per exemption contained in article 5.4 of Royal Decree 926/1998, without prejudice to the registration of this Prospectus by the CNMV, which took place on October 11, 2005, and to the deposit with that entity, for incorporation into the public register, of a copy of the Deed of Incorporation of the Fund, of issue and subscription of Mortgage Shares and Transfer Certificates and the issue of the Bonds (hereinafter the "Deed of Incorporation"), the content of which will coincide with what is established in the present Prospectus and in the draft of the Deed of Incorporation of the Fund presented to the CNMV, in which under no circumstances will the terms of the Deed of Constitution enter into conflict with, modify, alter or render invalid the contents of the present Prospectus.

The Deed of Incorporation may not be altered, except in exceptional circumstances and provided this is permitted by the applicable legislation and under the regulatory terms established. In all cases, such acts will be notified in advance by the Sociedad Gestora to the CNMV or competent administrative body, or authorised first, if necessary, and notified to the Ratings Agencies, provided

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these acts do not have any negative effect on the rating awarded to the Bonds by the Rating Agencies. Any modification made to the Deed of Incorporation will be notified by the Sociedad Gestora to the CNMV and Rating Agencies. The Deed of Incorporation may also be amended at the request of the CNMV.

4.4. Date of incorporation and activity period of the fund

4.4.1 Date of incorporation of the fund

The Fund will be constituted on 13 October 2005 (hereinafter referred to as the "**Date of Incorporation**"), two (2) days after the date it is registered by the CNMV, by virtue of the Deed of Incorporation, setting forth the (i) issue by Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (hereinafter referred to as "**Ibercaja**" or the "**Assignor**") of the corresponding Mortgage Shares (hereinafter referred to as the "**Shares**") and the Mortgage Transfer Certificates (hereinafter referred to as the "**Certificates**"), (ii) incorporation of the Fund, (iii) subscription by the Fund of the Shares and Certificates, and (iv) issue by the Fund of Bonds, in accordance with the terms established in Article 6 of Royal Decree 926/1998.

4.4.2 Activity period of the fund

The period of activity of the Fund will commence on the date of the Deed of Incorporation, and shall terminate on the Legal Maturity Date of the Fund, which is 26 October 2042, as established in section 4.4.3. of this Registration Document.

Notwithstanding the foregoing, the Fund maturity date may be brought forward as provided below.

4.4.3 Early liquidation and extinction of the fund

By virtue of the agreement established in the Fund Regulations and this Prospectus, the *Sociedad Gestora* is entitled to proceed to the Early Liquidation of the Fund and thus, early redemption of the whole Bond issue, where, on a Payment Date (as defined in section 4.8. of the Securities Document) following in which the outstanding principal pending maturity plus matured and unpaid principal (hereinafter referred to as the "**Outstanding Nominal Balance to Collection**") of the Shares and Certificates is less than 10% of their initial balance, provided the proceeds from the sale of the outstanding Shares and Certificates together with the balance of the Fund's Account, and the Treasury Account and Reinvestment Account, when applicable, are sufficient to discharge the outstanding obligations to the Bondholders, in accordance with the priority order of payments described in section 3.4.6.4 of the Additional Module, and that all the necessary authorisations have been obtained from the relevant authorities.

The Fund will be terminated through the sale of remaining assets only in the following circumstances, and the CNMV and the Rating Agencies will be informed of such event:

(i) When, in the opinion of the *Sociedad Gestora*, exceptional circumstances arise which render impossible, or extremely difficult, the financial survival of the Fund. In this event, the *Sociedad Gestora*, after notifying the CNMV and the Rating Agencies, will proceed to liquidate the Fund in accordance with the Priority Order of Payments.

(ii) In the event foreseen in Article 19 of Royal Decree 926/1998, that establishes the obligation to undertake the early liquidation of the Fund in the event that four months after an event that justifies the substitution of the *Sociedad Gestora* (insolvency proceedings or bankruptcy), no alternative *Sociedad Gestora* has been found to manage the Fund, the liquidation will follow the established Priority Order of Payments.

(iii) When a default takes place which would indicate a serious and permanent unbalance in relation to any of the issued Bonds or to any unsubordinated credit, or such default is expected will occur . In

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this event, the *Sociedad Gestora*, after notifying the CNMV and the Rating Agencies, will proceed to liquidate the Fund in accordance with the Priority Order of Payments.

(iv) When the tax regime is modified and this, in the opinion of the *Sociedad Gestora*, significantly affects and undermines the financial balance of the Fund. In such circumstances, the Fund will be liquidated in accordance with the Priority Order of Liquidation Payments.

The Fund will be liquidated in all cases as a consequence of the following circumstances:

- (i) When the Shares and Certificates have been repaid in full. In the event of all the Shares and Certificate maturing and there existing amounts pending collection with respect to the Shares and Certificates and payment obligations pending in favour of the Bondholders, the Fund will be liquidated on the Payment Date immediately following 30 months from the date of maturity of the last Mortgage Loan pooled in the Fund, i.e., October 26 2042 (hereinafter, the "**Legal Termination Date**"). In such event, the *Sociedad Gestora* shall proceed to the ordered liquidation of the Fund, in accordance with the Priority Payment Order set forth in section 3.4.6.4. of the Additional Module.
- (ii) When the Bonds issued have been repaid in full.
- (iii) When, prior to the start of the term for subscribing the Bonds, which will commence on October 17, 10:00 hours (C.E.T.), and will end on October 18, at 10:00 hours (C.E.T.) (hereinafter, the "**Bond Subscription Period**"), any of the provisional ratings granted to the Bonds by the Credit Rating Agencies have not been confirmed. (hereinafter, the "Bond Subscription Period"). In this case the following will also be deemed terminated: the issue and subscription of the Shares and Certificates, the Agreement to open an Account at Guaranteed Interest Rate (Reinvestment Account), the Agreement for the Management, Underwriting and Placement of the Bond Issue, The Interest Swap Agreement, the Initial Expenses Loan, the Subordinated Loan, the Participative Loan and the rest of the Fund Agreements and the issue of the Bonds.

If, at the time of liquidation of the Fund, payment obligations remain unfulfilled by the Fund with respect to any Bondholder, the *Sociedad Gestora* shall take any of the following actions:

(i) It will sell the assets and request at least five (5) offers from the institutions most active in the sale/purchase of these assets and which can, as a consequence, offer a market value. The *Sociedad Gestora* will be obliged to accept the best offer received for the assets offered by these institutions which, in its opinion, covers the market value of the asset in question. In order to establish the market value, the *Sociedad Gestora* may request any valuation reports it deems necessary. The designation of the entities will be notified to the CNMV.

If the Fund is liquidated and Shares and Certificates and assets remained unredeemed, the Assignor will be entitled to repurchase the unredeemed Shares and Certificates that belong to the Fund, in accordance with the terms and conditions established by the *Sociedad Gestora* and in conformity with the provisions in the previous paragraph. This right does not imply, under any circumstances, an agreement or declaration on the part of the Assignor to repurchase the Shares and Certificates in question. The Assignor will have five (5) Business Days to exercise this right as from the date on which the *Sociedad Gestora* notifies it of the conditions of the sale of Shares and Certificates.

(ii) Cancel any contracts that are not deemed necessary for the Fund liquidation process.

(iii) If the abovementioned actions are not sufficient or unredeemed assets remain, it will proceed to sell the other assets remaining in the Fund. The *Sociedad Gestora* is empowered to accept any offers which, in its opinion, cover the market value of the asset and are paid in cash and in full. In order to establish the market value, the *Sociedad Gestora* may request any valuation reports it deems necessary.

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The *Sociedad Gestora*, once the reserve has been established to cover any expenses resulting from the liquidation of the Fund (hereinafter referred to as the "**Reserve for Extinction Expenses**"), will apply all the amounts obtained through the sale of Fund's assets, together with the remaining Available Resources, to pay the different concepts, in the manner, amount and order given in the Liquidation Payment Priority Order.

If any outstanding amounts remain once the Fund has been liquidated and all the payments envisaged in section 3.4.6.4 of the Additional Module have been made, these shall be paid to the Assignor. If the amount remaining is not a liquid amount and corresponds to the Shares or Certificates pending legal or notarial resolution initiated as a consequence of default in payment by the Debtor of the Mortgage Loans, its continuation and the result of any resolutions will correspond to the Assignor.

In any event, the *Sociedad Gestora*, acting on behalf and on the account of the Fund, will not extinguish the Fund or cancel its registration in the appropriate administrative registers until the assets of the Fund have been liquidated and the Available Resources distributed, in accordance with the Liquidation Payment Priority Order, with the exception of the reserve recorded to cover the extinction expenses.

Six (6) months after the liquidation of the remaining assets of the Fund and the distribution of the Available Resources, the *Sociedad Gestora* will grant a notary deed declaring: (i) the termination of the Fund, and the causes established in the Deed of Incorporation and this Prospectus which prompted termination; (ii) the procedure used to notify the Bondholders and the CNMV; and (iii) the distribution of the available amounts in the order established in the Liquidation Payment Priority Order. It will make it public through advertisements in national papers and it will also carry out any other administrative procedures that are necessary. The *Sociedad Gestora* must submit this deed to the CNMV.

4.5. Domicile, legal form of the issuer and legislation applicable to the issuer

The Fund is established in Spain pursuant to the provisions contained in Royal Decree 926/1998. The Fund will be governed by the following:

- (i) this Prospectus;
- (ii) the Deed of Incorporation of the Fund;
- (iii) Royal Decree 926/1998 and its implementing provisions;
- (iv) Law 19/1992, July 7th, *Régimen de las Sociedades y Fondos de Inversión Inmobiliaria y regulación de los Fondos de Titulización Hipotecaria* ("Real Estate Investment Funds and Companies and Mortgage Backed Securitisation Funds") (hereinafter referred to as "**Law 19/1992**"), in respect of aspects not covered by Royal Decree 926/1998 when applicable;
- (v) Law 24/1988, July 28th, *Ley del Mercado de Valores* ("Securities Market Law") (hereinafter referred to as "**Law 24/1988**") in its current wording, in respect of supervision, inspection and sanctions and on every other applicable matter;
- (vi) Article 18 of Law 44/2002, November 22nd, establishing financial system reform measures (hereinafter referred to as "**Law 44/2002**"); and
- (vii) any other current applicable legal regulations.

The present Registration Document has been prepared in accordance with the format provided in Commission Regulation (EC) 809/2004.

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The Fund will constitute a separate asset base with no legal status, which pursuant to Royal Decree 926/1998, will be managed by a sociedad gestora. The sociedad gestora will be responsible for the incorporation, administration and representation of the Fund and, as a manager of third-party business, the representation and defence of the interests of the Bondholders issued against the assets it manages, and other ordinary Fund creditors. The Fund will only be liable for its obligations towards its creditors with its assets.

The registered offices of the Fund will be the same as the domicile of the *Sociedad Gestora*, i.e. in Madrid at calle Orense 69, Post Code 28020. The contact telephone number is 91 702 08 08.

4.6. Taxation of the fund

There follows a brief summary of the general tax regulations applicable to the Fund. It must be understood without prejudice to the peculiarities of each local jurisdiction and of the regulations which may apply at the time the relevant income is obtained or declared.

The tax regime applicable to *Fondos de Titulización de Activos* (Asset Securitisation Funds) consists of the general provisions contained in Royal Legislative Decree 4/2004, of 5 March, which approves the consolidated text of the *Ley del Impuesto sobre Sociedades* (Spanish Corporate Income Tax Law) and its implementing provisions, with the specific aspects arising from the provisions contained in Law 19/1992, Law 3/1994, of 14 April, adapting Spanish legislation governing credit entities to the Banking Coordination (Second Council Directive) Regulations and introduces other modifications relating to the financial system (hereinafter referred to as "**Law 3/1994**") and in Royal Decree 926/1998, which, in summary, define the following fundamental principles:

- 1) Asset Securitisation Funds are independent entities liable for Corporate Income Tax, and subject to taxation under the general rules for determining the taxable base, at the general income tax rate of 35 percent, and to the common rules for tax deductions, set-off of losses and other substantive elements of the tax.
- 2) Investment income of Securitisation Funds is subject to the general rules on withholdings on account of Corporate Income Tax, with the particularity that article 59-k of the Regulations approved by Royal Decree 1777/2004 of 30 July 2004 (hereinafter, "**Royal Decree 1777/2004**"), provides that withholding does not apply to "income from mortgage participating units, mortgage loans and other credit rights that constitute revenue items for the securitisation funds". Consequently, in addition to income from Mortgage Transfer Certificates which are the direct object of the securitisation, the withholding exemption also extends, according to the expressly stated policy of the tax authorities, to income from Mortgage Loans, insofar as they form part of the ordinary business activity of the said funds.
- 3) Article 5.10 of Act 19/1992 provides that the formation of mortgage securitisation funds is exempt from classification as "corporate operations" for Capital Transfer Tax and Stamp Duty purposes, thereby predetermining its submission to same.

Article 16 of Royal Decree Law 3/1993, which approved urgent measures on budgetary, tax, financial and employment matters, authorised the national government to "extend the regime provided for securitisation of mortgage participating units (...) to the securitisation of other Mortgage Loans and credit rights". This authority was ratified and expanded by the Fifth Additional Provision of Act 3/1994.

Similarly, Royal Decree 926/1998 provides that asset securitisation funds, insofar as that regulation is silent, will be subject to the rules contained in Act 19/1992 for mortgage securitisation funds, to the extent they are applicable having regard to their specific nature.

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Therefore, even when Royal Decree 926/1998 does not specifically refer to the tax treatment applicable to Asset Securitisation Funds, it may be understood that the exemption of the "Corporate Operations" item mentioned previously is also applicable to the incorporation of Asset Securitisation Funds (such as this Fund).

- 4) The transfer to the Fund of the Shares and Certificates envisaged in the Deed in the manner described above is a transaction subject to, but also exempt from, Value Added Tax, in accordance with the provisions contained in Article 20.One.18-e of Value Added Tax Law 37/1992 of 28 December 1992 (hereinafter referred to as the "VAT Law").

The establishment and assignment of guarantees is subject to the general tax regime with no exceptions.

- 5) As regards Value Added Tax, the Fund will be subject to general VAT regulations, the sole exception being that the management and depository services rendered on behalf of the Fund by the *Sociedad Gestora* will be exempt from Value Added Tax, as provided in Article 5.10 of Law 19/1992 and Article 20.One.18- n) of the VAT Law.
- 6) The Bonds issue will be exempt from Value Added Tax (Article 20.One.18 of the VAT Law) and from Capital Transfer Tax and Stamp Duty (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) (Article 45-I.B number 15 of the Consolidated Text of the Capital Transfer Tax and Stamp Duty Act, confirmed by the ruling handed down by the Spanish Supreme Court on 3 November 1997).

4.7. Description of the issuer's authorised and issued capital and the amount of any capital issues to be agreed and the number and classes of the securities comprising said issues

Not applicable.

5. DESCRIPTION OF THE COMPANY

5.1. Brief description of the issuer's main activities

As described throughout this Registration Document and in the Additional Module, the Fund "TDA IBERCAJA 2, Fondo de Titulización de Activos" is set up as a vehicle for carrying out a specific transaction, pursuing the principal activities summarised below and explained in detail in this Prospectus:

- a) The Fund, at its Date of Incorporation, will acquire, by means of the issue by Ibercaja of Shares and Certificates, a portfolio of Mortgage Loans owned by Ibercaja, the main characteristics of which are described in the Additional Module.
- b) To pay the price of that acquisition, the Fund will issue, on that same date, Bonds of the Series A, B, C and D, for an amount equal to the amount of the Mortgage Loans acquired.
- c) On the same Date of Incorporation A, series of contracts will likewise be made which are described in this Prospectus for the purpose of giving the A, B, C and D Bond Series a number of credit enhancements to avoid certain risks for those Bonds, in order to obtain the credit ratings described herein from the Rating Agencies. Thus, an Interest Swap Agreement will be executed with Ibercaja and an Agreement to Open a Guaranteed Interest Rate Account (Reinvestment Account) with Ibercaja.
- d) The Reserve Fund will be established with the amount of the Series E Bonds to be issued by the Fund on the same Date of Incorporation.

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- e) Additionally, on the same Date of Incorporation, the *Sociedad Gestora*, for and on behalf of the Fund, will conclude a number of agreements necessary for the administration and management of the Fund and for the subscription and management of the Bonds issued, and, for this purpose, it will enter into the following agreements:
- a. Initial Expenses Loan Agreement with Ibercaja to obtain funds to pay the initial expenses of the Fund;
 - b. Subordinated Loan Agreement with Ibercaja to cover deficits between the accrual and collection of interest on the first Payment Date;
 - c. Agreement to Open a Guaranteed Interest Rate Account (Reinvestment Account) with Ibercaja;
 - d. Financial Services Agreement with the *Instituto de Crédito Oficial* (Official Credit Institute) to handle payments of the interest and principal of the Bonds on the stipulated due dates, including the Disbursement Date of the Bonds; and
 - e. a Management, Underwriting and Distribution Agreement for the Bond Issue with Deutsche Bank AG London, Ibercaja, J.P. Morgan Securities Ltd. and another series of entities, for underwriting the Bonds and placing them with qualified investors.
- f) Pursuant to the foregoing, the sole activity of the Fund, as the issuer, with the *Sociedad Gestora* acting in its name and on its behalf, will be to manage the contracts and obligations described above, such that the main activities carried on by the Fund over its life will be the following:
- a. It will receive the amount of principal, interest and any other sum belonging to the Fund, in accordance with the provisions contained in this Prospectus, from the Shares and Certificates administrated by Ibercaja, and which will be initially deposited in the Reinvestment Account opened in Ibercaja.
 - b. One Business Day before each Payment Date, the amount of the Shares and Certificates deposited in the Reinvestment Account will be transferred to the Treasury Account, together with interest accrued by the Reinvestment Account. Within the same period amounts deposited in the Excess Account, if applicable, shall be transferred, as well as any interest accrued by the Excess Account. This amount will be used to pay the obligations acquired by the Fund, including the Bonds and amounts it must pay, where required, under the Interest Swap Agreements, the Initial Expenses Loan Agreement, the Subordinated Loan Agreement, the Financial Services Agreement, and the rest of the Fund's expenses in accordance with the Priority Order of Payment and the Priority Order of Liquidation Payments for Liquidation of the Fund.
 - c. In accordance with the provisions contained in the Financial Services Agreement, it will give the necessary instructions to the Paying Agent for the latter to deliver to the Bondholders the amounts to which they are entitled in respect of interest and principal of the Bonds on each Payment Date.

5.2. General description of the parties to the securitisation program

- The main functions in securitisation operation described in the current prospectus have been fulfilled by the following entities:
- TITULIZACIÓN DE ACTIVOS, SGFT, S.A., is the *Sociedad Gestora* of the Fund.

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TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A. is a Spanish public limited company (sociedad anónima), that manages securitisation funds, with registered office at Calle Orense, 69, Madrid (Spain) and holds corporate taxpayer identification number (CIF) A-80352750 and C.N.A.E: 67. This entity is registered in the Special Register of Mortgage Securitisation Fund Managers in the CNMV, under nº 3.

It holds no credit ratings from any rating agencies.

- Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja), is (i) the Assignor of the Mortgage, (ii) the entity granting the Initial Expenses Loan and the Subordinated Loan and (iii) the entity in which the Fund holds the Reinvestment Account (iv) the counterparty for the Interest Swap Agreement and (v) Underwriter and Placement Entity.

Ibercaja is a Spanish savings bank, a credit institution organised as a foundation for social welfare purposes, with Tax Identification Number G-50000652, with registered offices at Plaza Basilio Paraíso, 2 (Zaragoza), registered with the Zaragoza Commercial Registry, Volume 1194, Sheet 23, Section 8, Page Z-4.862, and with the Bank of Spain Registry under number 2085, and CNAE 0814.

The ratings given to non-subordinated and non-secured debt of Ibercaja by the Rating Agencies are as follows:

	Fitch	Moody's	S&P
Short-term	-	P-1	A-1
Long-term	-	A1	A+

- Deutsche Bank AG London acts as (i) designer and structurer of the Fund, (ii) Placement Director, and (iii) Underwriter and Placement Entity.

Deutsche Bank AG London is the Branch for England and Wales of the German credit institution Deutsche Bank AG, with registered offices at Taunusanlage, 12, D-60325, Frankfurt am Main, and the registered office of the London Branch is Winchester House, Great Winchester Street, 1, EC2N 2DB, London, registration number BR000005.

The ratings given to non-subordinated and non-secured debt of Deutsche Bank AG London by the Rating Agencies are as follows:

	Fitch	Moody's	S&P
Short-term	F1+	P-1	A-1+
Long-term	AA-	Aa3	AA-

- J.P. Morgan Securities Ltd. shall act as (i) Placement Director (ii) Underwriter and Placement Entity.
- J.P. MORGAN SECURITIES L.T.D., i.e., J.P. MORGAN, is a limited liability company set up under English Law, in the United Kingdom, and entered in the Registry of Companies of England and Wales under number 2711006. J.P. MORGAN has also been registered in the official registers of the CNMV as an Investment Service-Provider within the European Economic Zone that freely renders its services, under number 107, on January 5, 1996.

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The registered office of J.P. MORGAN is in 125 London Wall ECY2 5AJ, London (United Kingdom), with CIF GB-397249893.

J.P. MORGAN SECURITIES L.T.D. has no credit ratings from any rating agencies.

- EBN Banco de Negocios, S.A. and Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja) (together with Ibercaja, Deutsche Bank, AG London, and J.P. Morgan Securities Ltd.) shall act as Underwriters and Placement Entities
- Bancaja is a Spanish savings bank, a credit institution organised as a foundation for social welfare purposes, with Tax Identification Number G-48002804, and registered offices at Calle Caballeros, 2 (Castellón de la Plana), registered with the Castellón Commercial Registry, Volume 532, Book 99, Sheet 1, Section 8, Page CS-2.749, and with the Valencia Region Savings Banks Registry under number 4, and CNAE 0814.

The ratings given to non-subordinated and non-secured debt of Bancaja by the Rating Agencies are as follows:

	Fitch	Moody's	S&P
Short-term	F1	P-1	-
Long-term	A+	A1	-

EBN Banco de Negocios, S.A., is a credit institution with Tax Identification Number A-28763043 and registered offices in calle Almagro, 46 (Madrid).

It holds no credit ratings from any rating agencies.

Deutsche Bank, AG London, J.P. Morgan Securities Ltd., Ibercaja, Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja) and EBN Banco de Negocios, S.A. shall jointly be called the "Underwriters and Placement Entities".

- Instituto de Crédito Oficial (ICO) shall be Financial Agent of the Fund, and the Treasury Account shall be opened therein by the Fund.

The ICO is a public trade entity as provided under article 43.1.b) of Act 6/1997, of April 14, on the Organisation and Operation of the General Government Administration, which reports to the Ministry of the Economy and the Treasury through the Secretary of State for the Economy, which has the legal form of a financial institution, and the consideration of a Government Financial Agent, holding its own legal personality, assets and funds, and independent authority to act with a view to achieving its ends. Its registered office is in Madrid (Spain), at Paseo del Prado, 4.

The ratings given to non-subordinated and non-secured long and short-term debt of ICO by the rating agencies are as follows:

	Fitch	Moody's	S&P
Short-term	F1+	P-1	A-1
Long-term	AAA	Aaa	AAA

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- Deutsche Bank, AG London and JP Morgan Securities Ltd. (hereinafter jointly referred to as the "bookrunners") shall be entrusted with keeping the book of Bond subscription orders.
- Uría & Menéndez y Cía, Abogados S.C. and Romero Rey Abogados, S.L. have provided legal advice on the transaction and advised on tax issues

Uría, Menéndez y Cía., Abogados, S.C. y Romero Rey Abogados, S.L., is a partnership which provides legal advice services, with Tax Identification Number C-28563963 and registered offices at Príncipe de Vergara 187, 28002 Madrid.

Romero Rey Abogados, S.L. is a limited company which provides legal advice services, with Tax Identification Number. B 84186972 and registered offices at Plaza del Conde del Valle de Suchil, 12 - 5º Izq., 28015 Madrid.

- Moody's Investors Service España, S.A. and Standard & Poor's España, S.A. act as Rating Agencies in the present transaction

Moody's Investors Service España, S.A. is a Spanish joint-stock company with Tax Identification Number. A-80448475, and registered offices at calle Balmes 89-91, Barcelona.

Standard & Poor's España, S.A. is a Spanish joint-stock company with Tax Identification Number A-90310824 and registered offices at Carrera de San Jerónimo, 15, Madrid.

- Pricewaterhouse Coopers Auditores, S.L. acts as (i) auditor of the Fund, and (ii) auditor of the attributes of the Mortgage Loans belonging to the assets of the Fund: Pricewaterhouse Cooper Auditores, S.L.

Pricewaterhouse Coopers Auditores, S.L., is a limited company with Tax Identification Number B-79031290 and registered offices in Madrid, Paseo de la Castellana, 43.

It holds no credit ratings from any rating agencies.

There is no evidence of any type of direct or indirect ownership or control between any of the legal entities participating in the securitisation operation, with the exception of the holding of Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja) and EBN Banco de Negocios, S.A in Titulización de Activos, S.G.F.T., S.A., corresponding, in both cases, to 12.86% of its capital stock, as indicated in the table included in section 7 of this Registration Document.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1. Management, administration and representation of the issuer

As provided by RD 926/1998, the Fund will be represented and managed by its *Sociedad Gestora*, Titulización de Activos, SGFT, S.A.

The name of the *Sociedad Gestora* is *Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A.*, CIF: A- 80352750.

The *Sociedad Gestora* is a Spanish Corporation (*Sociedad Anónima*) incorporated on May 2, 1992, , domiciled in Madrid (Spain), at calle Orense, 69 (Tel: +34 91 7020808), and registered with the Commercial Registry of Madrid in Volume 4280, Book 0, Page 183, Section 8, Sheet M-71066, entry

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number 5, on 4 June 1993, and also registered with the *Registro Especial de Sociedades Gestoras de Fondos de Titulación Hipotecaria* of the CNMV, under entry number 3.

The Sociedad Gestora is subject to supervision by the CNMV, in accordance with the provisions of Royal Decree 926/1998.

The term of the Sociedad Gestora shall be indefinite, save in the event of any of the causes provided in applicable law for its dissolution.

6.2. Auditing of the accounts of the sociedad gestora

The Sociedad Gestora has audited accounts for the years 2004, 2003 and 2002 deposited with the CNMV and the Commercial Registry. The auditor's reports for the annual accounts corresponding to years 2004, 2003 and 2002 show no exceptions. The auditor of the Sociedad Gestora's accounts is Ernst & Young, S.L., registered with the Official Auditors' (ROAC) Registry under number S0530, with registered offices in Madrid, Plaza Pablo Ruiz Picasso, s/n and Tax Identification Number A-78970506.

6.3. Main activities

The sole purpose of the *Sociedad Gestora* company is the incorporation, management and legal representation of *Fondos de Titulación de Activos* (Asset Securitisation Funds) and *Fondos de Titulación Hipotecaria* (Mortgage Securitisation Funds), in accordance with Royal Decree 926/1998.

The administration and legal representation of the Fund rest with TITULIZACIÓN DE ACTIVOS, SGFT, S.A. in accordance with the provisions of Royal Decree 926/1998 and Law 19/1992 for those aspects not covered by Royal Decree 926/1998, when applicable, and other applicable regulations, as well as in accordance with the terms contained in the Deed of Incorporation. The *Sociedad Gestora* will carry out for the Fund those functions established in Royal Decree 926/1998. It also falls to the *Sociedad Gestora*, as the manager of third-party funds, to represent and safeguard the interests of holders of Bonds issued from the Fund and its other ordinary creditors. As a result, the *Sociedad Gestora* should subordinate its actions to the defence of these in accordance with provisions established for that purpose at all times. Bondholders and remaining creditors of the Fund will have no recourse against the *Sociedad Gestora*, other than from non-performance of its functions or non-compliance with the provisions of Deed of Incorporation and this Prospectus.

Upon registration of the present Prospectus, the Sociedad Gestora manages a total of 57 securitisation funds, whose details are provided in section 6.8. of the present Security Document.

6.4. Existence or non-existence of holdings in other entities

The Sociedad Gestora holds no shares in any company.

6.5. Parties making loans to the sociedad gestora by more than 10%

The Sociedad Gestora has no financial loans from other parties.

6.6. Litigation by the sociedad gestora

On the date of registration of this Prospectus, there are no litigations, disputes or situations of insolvency that could have a significant effect on the economic and financial situation of the Sociedad Gestora or which may in the future have an effect on its ability to carry out the functions of managing and administering the Fund.

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6.7. Administration, management and supervision bodies

As provided for in the By-laws of the Sociedad Gestora, at the date of registration of this Prospectus, no other Management Bodies of the Sociedad Gestora exist except for the Shareholders Meeting and Board of Directors

The Board of Directors of the *Sociedad Gestora* is made up, as at the date of registration of the Prospectus, of the following persons:

- D. Francisco Javier Soriano Arosa: Chairman
- Caja Municipal de Burgos, represented by D. Horacio Mesonero: Director
- D. Francisco Javier Sáiz Alonso: Director
- D. Víctor Iglesias Ruiz: Director
- Caja de Ahorros del Mediterráneo, represented by D. Eleuterio Jover: Director
- D. Gumersindo Ruiz Bravo de Mansilla: Director
- D. José Carlos Contreras Gómez: Director
- Bear Stearns Spanish Securitization Corporation, represented by Dña. Alicia Reyes: Director

Please note that, by resolution of the Board of Directors of the Sociedad Gestora dated September 20, 2005, an individual representative of the Director Bear Stearns Spanish Securitization Corporation has been appointed, D. Jesús del Río, replacing Dña. Alicia Reyes. Such change of representative is pending registration with the Madrid Commercial Registry on the registration date of the present Prospectus. D. Jesús del Río, is an employee of Bear Stearns, as head of securitisation for Southern Europe.

Mr. Luis Vereterra Gutiérrez-Maturana is Secretary non-Director of the Board, who has held this post since 27 May 1992.

D. Ramón Pérez Hernández holds the position of General Manager of the Company by virtue of the public deed April 18, 2002, executed in the presence of the Notary of Madrid, Mr. Manuel Richi Alberti, there being currently no CEO in the company.

All these persons have their professional domicile at the registered office of the Sociedad Gestora (calle Orense, 69, Madrid) and do not perform any activities that could enter into conflict or be relevant to the Fund, outside the Sociedad Gestora.

The Sociedad Gestora is under the supervision of the Comisión Nacional del Mercado (CNMV) in accordance with the provisions of Royal Decree 926/1998.

In compliance with the provisions of the Law on the Securities Market and Royal Decree 629/1993 of 3 May, on rules of conduct in securities market and mandatory recordkeeping, the Board of Directors of the *Sociedad Gestora*, at its meeting held on 7 December 1993, approved an Internal Code of Conduct containing the rules of conduct in relation to securities managed by the *Sociedad Gestora* for and on behalf of securitisation funds that are traded on organised markets.

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The aforementioned Code is deposited in the records of the CNMV and contains, amongst other items, the rules on confidentiality of information, dealings with persons subject to the Code, disclosure of material information and conflicts of interest.

The *Sociedad Gestora* has not approved any regulations of the Board of Directors and is not subject to the application of any Code of Good Corporate Governance.

The individual persons appointed as Directors and Chairman of the *Sociedad Gestora* pursue the following significant activities outside the company:

Name	Office in listed and/or material companies
Mr. Francisco Javier Soriano Arosa	<p>CEO of EBN Banco de Negocios, S.A.</p> <p>Chairman of the Board of EBN Capital, S.G.C.R., S.A.</p> <p>Director of Cartera Nuvalia, S.L.</p> <p>Director of Consejo de Planiger, S.A.</p> <p>Chairman of the Board of Campus Patrimonial, S.A.</p> <p>Director of Grupo Hoteles Playa, S.A.</p>
Mr. Horacio Mesonero	<p>Head of Risk Control Department of Caja Municipal de Burgos.</p> <p>Director of Ahorro Gestión Hipotecario, EFC, S.A.</p> <p>Director of Inmobiliaria Burgoyal, S.A.</p> <p>Director of Europea de Desarrollos Urbanos, S.A.</p>
Mr. Francisco Javier Sáiz Alonso	<p>General Vice-Manager of Financial Division of Caja Castilla La Mancha</p> <p>Director of Ahorro Corporación Gestión, S.G.I.I.C., S.A.</p> <p>Director of Analistas Financieros Internacionales, S.A.</p> <p>Director of Exportalia, S.L.</p>
Mr. Víctor Iglesias Ruiz	<p>General Vice-Manager, HEAd of Credit Investments and Capital Markets, Ibercaja.</p> <p>Director of Ibercaja Leasing y Financiación, S.A. EFC.</p> <p>Director of Heraldo de Aragón, S.A.</p> <p>Director of Gestión de Activos de Aragón, S.A.</p>

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Mr. Eleuterio Jover	Former Risk Manager of CAM. * Director of Tabimed, S.A.
Mr. Gumersindo Ruiz Bravo de Mansilla	CEO and General Manager of Unicorp Corporación Financiera. VP Unicorp Vida Chairman of Unigest Co-chairman of Segurándalus Chairman of Unicorp Patrimonio Chairman of Unicorp Mercados VP Carisa
Mr. José Carlos Contreras Gómez	General Vice-Manager, Corporate Finance Manager of Caja de Ahorros y Monte de Piedad de Madrid. Director of Marco Polo Investments, S.G.C.R., S.A. Director of Banco Inversis Director of Corporación Interamericana de Financiamiento de Infraestructuras.
Ms. [●] Alicia Reyes	Head of Fixed Income for Spain and Portugal Bear Stearns. Director of Marco Polo Investments, S.G.C.R., S.A.

* Pending new appointment

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6.8. Funds managed

At the date of registration of this Prospectus, the *Sociedad Gestora* manages the following securitisation funds:

Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
TDA 4, FONDO DE TITULIZACIÓN HIPOTECARIA	22-apr-98	150.253.026€	41,141,416€,
TDA 5, FONDO DE TITULIZACIÓN HIPOTECARIA	16-oct-98	1.171.973.604€	266,717,646€,
TDA 6, FONDO DE TITULIZACIÓN HIPOTECARIA	20-jan-99	351.500.000€	99,894,042€,
TDA 7, FONDO DE TITULIZACIÓN HIPOTECARIA	12-mar-99	1.051.700.000€	368,524,858€,
TDA 8, FONDO DE TITULIZACIÓN HIPOTECARIA	9-apr-99	150.200.000€	57,855,161€,
TDA 9, FONDO DE TITULIZACIÓN HIPOTECARIA	12-may-99	332.400.000€	115,457,074€,
TDA 10, FONDO DE TITULIZACIÓN HIPOTECARIA	21-jul-99	240.500.000€	73,308,589€,
TDA 11, FONDO DE TITULIZACIÓN HIPOTECARIA	24-jan-00	660.600.000€	256,343,479€,
TDA 12, FONDO DE TITULIZACIÓN HIPOTECARIA	26-jun-00	513.900.000€	219,457,451€,
TDA 13-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	5-dec-00	389.500.000€	182,950,750€,
TDA 14-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	20-jun-01	601.100.000€	310,183,412€,

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Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
TDA 15-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	4-nov-02	450.900.000€	290,575,486€,
TDA 16-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	26-may-03	532.000.000€	331,243,734€,
TDA 17-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	24-oct-03	455.000.000€	327,733,386€,
TDA 18-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	14-nov-03	421.000.000€	299,206,826€,
TDA 19-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	27-feb-04	600.000.000€	453,151,672€,
TDA 20-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	25-jun-04	421.000.000€	365,436,736€,
TDA 21-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	23-jul-04	775.000.000€	630,909,920€,
TDA 22-Mixto, FONDO DE TITULIZACIÓN DE ACTIVOS	1-dec-04	530.000.000€	454,407,611€,
TDA 23, FONDO DE TITULIZACIÓN DE ACTIVOS	18-mar-05	860.000.000€	792,350,054€,

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Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
TDA PASTOR 1, FONDO DE TITULIZACIÓN DE ACTIVOS	25-feb-03	494.600.000€	328,717,352€,
TDA CAM 1, FONDO DE TITULIZACIÓN DE ACTIVOS	13-mar-03	1.000.000.000€	678,002,706€,
TDA CAM 2, FONDO DE TITULIZACIÓN DE ACTIVOS	27-jun-03	1.100.000.000€	785,291,760€,
TDA CAM 3, FONDO DE TITULIZACIÓN DE ACTIVOS	16-jan-04	1.200.000.000€	935,153,733€,
TDA CAM 4, FONDO DE TITULIZACIÓN DE ACTIVOS	9-mar-05	2.000.000.000€	1,843,424,614€,
TDA IBERCAJA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	8-oct-03	600.000.000€	471,055,598€,
TDA CAJAMAR 2, FONDO DE TITULIZACIÓN DE ACTIVOS	18-may-05	1.000.000.000€	952,591,826€,
TDA CAM 5, FONDO DE TITULIZACIÓN DE ACTIVOS	5-oct-05	2,000,000,000€	2,000,000,000€

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Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
FTPYME ICO-TDA 2, FONDO DE TITULIZACIÓN DE ACTIVOS	20-feb-01	262.732.500€	30,863,080€,
FTPYME TDA 3, FONDO DE TITULIZACIÓN DE ACTIVOS	14-feb-02	225.055.000€	77,712,839€,
FTPYME TDA 4, FONDO DE TITULIZACIÓN DE ACTIVOS	10-oct-03	250.000.000€	273,175,797€,
FTPYME TDA 5, FONDO DE TITULIZACIÓN DE ACTIVOS	29-dec-04	200.000.000€	165,322,340€,
FTPYME TDA SABADELL 1, FONDO DE TITULIZACIÓN DE ACTIVOS	3-jun-02	600.000.000€	273,175,797€,
FTPYME TDA SABADELL 2, FONDO DE TITULIZACIÓN DE ACTIVOS	12-nov-03	500.000.000€	500,000,000€,
FTPYME TDA CAM 1, FONDO DE TITULIZACIÓN DE ACTIVOS	17-jun-02	600.000.000€	257,967,966€,
FTPYME TDA CAM 2, FONDO DE TITULIZACIÓN DE ACTIVOS	17-nov-04	750.000.000€	648,714,723€,
CIBELES III FTPYME, FONDO DE TITULIZACIÓN DE ACTIVOS	19-dec-03	500.000.000€	500,000,000€,

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Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
FTPYME TDA BANCA MARCH, FONDO DE TITULIZACIÓN DE ACTIVOS	25-oct-04	200.000.000€	156,424,398€
CM BANCAJA 1, FONDO DE TITULIZACIÓN DE ACTIVOS	28-sep-05	556.200.000€	556.200.000€
EAS SPAIN, FONDO DE TITULIZACIÓN DE ACTIVOS	25-jul-02	314.971.503€	34.755.868€
TDA AUTO ABS 2002, FONDO DE TITULIZACIÓN DE ACTIVOS	8-jul-02	950.000.000€	471.475.057€
GLOBALDRIVE (SPAIN) 2002-1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	3-dec-02	488.000.000€	488.000.000€
GLOBALDRIVE DEALER FLOORPLAN (SPAIN) TdA, FONDO DE TITULIZACIÓN DE ACTIVOS	5-apr-04	- Maximum 3,000,000,000	766.187.485€
GLOBALDRIVE SERIES 3 (SPAIN) TDA, FONDO DE TITULIZACIÓN DE ACTIVOS	10-may-05	499.999.948€	490.360.897€
BANCO FINANTIA SOFINLOC Nº 1, FONDO DE TITULIZACIÓN DE ACTIVOS	1-jul-04	150,000,000€	78.346.206€

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Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
BANCO FINANTIA SOFINLOC TDA Nº 2, FONDO DE TITULIZACIÓN DE ACTIVOS	11-mar-05	Max. 500.000.000€	47.454.633€
CAP-TDA 1, FONDO DE TITULACION DE ACTIVOS	25-jun-03	300.000.000€	300.000.000
FONDO DE TITULIZACIÓN DE ACTIVOS KWH-1	30-apr-04	202.000.000€	202.000.000
CÉDULAS TDA 1 FONDO DE TITULIZACIÓN DE ACTIVOS	12-jun-03	1.750.000.000€	1.750.000.000
CÉDULAS TDA 2 FONDO DE TITULIZACIÓN DE ACTIVOS	13-nov-03	2.000.000.000€	2.000.000.000
CÉDULAS TDA 3 FONDO DE TITULIZACIÓN DE ACTIVOS	25-feb-04	2.000.000.000€	2.000.000.000
CÉDULAS TDA 4 FONDO DE TITULIZACIÓN DE ACTIVOS	10-jun-04	1.500.000.000€	1.500.000.000
CÉDULAS TDA 5 FONDO DE TITULIZACIÓN DE ACTIVOS	24-nov-04	1.500.000.000€	1.500.000.000

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Securitisation Fund	Date of Incorporation	Initial Bond Issue	Bond Issue. Balance at 30/09/2005
CÉDULAS TDA 6 FONDO DE TITULIZACIÓN DE ACTIVOS	18-may-05	3.000.000.000€	1.500.000.000
CÉDULAS TDA 7 FONDO DE TITULIZACIÓN DE ACTIVOS	10-jun-05	2.000.000.000€	2.000.000.000
FONDO DE TITULACION DE ACTIVOS RESULTANTES DE LA MORATORIA NUCLEAR	25-apr-96	4.297.236.546€	1.005.973.597
CAJA SAN FERNANDO CDO I, FONDO DE TITULIZACIÓN DE ACTIVOS	17-feb-05	180.150.000\$ + 128.200.000€	172.301.891,2\$ + 124.495.424€

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6.9. Share capital and equity

The Share Capital of the Sociedad Gestora at the time of registering the present Prospectus amount of 903,000 euros, fully paid up.

All the shares issued by the Sociedad Gestora up to the date of registration of this Prospectus (150,000 shares of 6.02 euros nominal value) are ordinary and give their owners identical economic and voting rights. All the shares belong to the same class and series.

Shareholders' equity of the Sociedad Gestora at the time of registration of the Prospectus is as follows:

Shareholders' Equity	31/12/2003	31/12/2004
Capital	903.000	903.000
Reserves		
Legal Reserve	180.600	180.600
Voluntary Reserves	1.107.137,92	1.426.151,51
Profit and Loss		
Profit of financial Year	859.013,59	1.273.036,01
TOTAL	3.049.751,51	3.782.787,52

6.10. Principal transactions with related parties and conflicts of interest

There are no dealings with related parties or conflicts of interest, although several shareholders of the Sociedad Gestora, described in the following section, have participated as Assignors to some of the Funds managed by the Company.

7. MAJOR SHAREHOLDERS

All the shares issued by the Sociedad Gestora up until the date of registration of this Prospectus (150,000 shares with a nominal value of 6.02 Euro each) are ordinary shares and offer identical economic and voting rights.

The Sociedad Gestora does not form part of any group of companies.

Without prejudice to the foregoing, the shareholder distribution, at the time of Prospectus Registration, was as follows:

	Percentage	Nº Shares
Caja de Ahorros de Castilla La Mancha	12,86%	19.286
Caja de Ahorros de Zaragoza, Aragón y Rioja (Ibercaja)	12,86%	19.286
Caja de Ahorros del Mediterráneo	12,86%	19.286
Caja de Ahorros Municipal de Burgos	12,86%	19.286

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Unicorp (Unicaja)	12,86%	19.286
EBN Banco de Negocios. S.A. (EBN)	12,86%	19.286
Caja de Ahorros y Monte de Piedad de Madrid	12,86%	19.284
Bear Stearns Spanish Securitisation Corporation	10,00%	15.000
TOTAL	100,00%	150.000

8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL SITUATION, AND PROFITS AND LOSSES

8.1. Declaration on commencement of operations and financial statements of the issuer prior to the date of the registration document

The Fund's operations will commence on the date of Incorporation of the Fund, for which reason no financial statement have been incorporated into the present Registration Document.

8.2. Historical financial information

Not applicable.

8.2 bis Historical financial information on security issues with an individual denomination of 50,000 euros or more

Not applicable.

8.3. Legal and arbitration proceedings

Not applicable.

8.4. Material adverse change in the fund's financial situation

Not applicable.

9. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1. Statements or reports attributed to a person acting in an expert capacity

No such statement or report is included.

9.2. Information from third parties

No information from third parties is included

10. DOCUMENTATION AVAILABLE FOR CONSULTATION

If necessary, the following documents may be inspected physically, during the term of the present Security Document :

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- By-laws of the Sociedad Gestora and audited annual accounts at the registered offices of the Sociedad Gestora, calle Orense number 69 de Madrid (Spain) and at the CNMV registry.
 - the Deed of Incorporation of the Fund, after execution thereof, at the registered offices of the Sociedad Gestora, calle Orense number 69 de Madrid (Spain) and at the CNMV and IBERCLEAR.
- a) Placement Directors
- b) This Prospectus, in electronic format; will be made available to the public without charge at the registered address of the Sociedad Gestora and of the Underwriters and Placement Entities, and posted on the websites of the CNMV (www.cnmv.es) and Sociedad Gestora (www.tda-sgft.com).
- The agreements, once they have been executed and delivered, at the registered office of the Sociedad Gestora, at Calle Orense 69 in Madrid (Spain):
 - (i) Financial Services Agreement,
 - (ii) the Agreement to Open a Guaranteed Interest Rate Account (Reinvestment Account), (iii) the Initial Expenses Loan Agreement,
 - (iv) the Subordinated Loan Agreement
 - (v) the Interest Swap Agreement and
 - (vi) and the Bond Issue Management, Underwriting and Placement Agreement
 - Furthermore, the following documents may be consulted at the CNMV Registry, plus all information provided in this Prospectus:
 - a. Glossary.
 - b. Representations of the Assignor.
 - c. Representations of the Placement Entities.
 - d. Board Resolutions of the Assignor and the Sociedad Gestora.
 - e. Audit report on attributes of the Mortgage Loans from which shall be based the Shares and Certificates pooled in the Fund.
 - f. Provisional and final rating letters awarded to each Bond Series by the Rating Agencies.

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III. SECURITIES DOCUMENT (ANNEX XIII REGULATION 809/2004)

1. RESPONSIBLE PERSONS

1.1. Persons responsible for the information contained in the securities document

Mr. Ramón Pérez Hernández, acting in the name and representation of the *Sociedad Gestora*, the promoter of the Fund, in his capacity as General Manager of the *Sociedad Gestora*, by virtue of the power of attorney executed on 18 April 2002 in the presence of Madrid notary Mr. Manuel Richi Alberti under number 737 of his notary record, and specifically by virtue of the agreement adopted by the Board of Directors of the *Sociedad Gestora* at its meeting held on 20 June 2005.

Ms. Ute Stammeyer, in the name and on behalf of Deutsche Bank, AG London, with registered offices at Winchester House, Great Winchester Street, 1, EC2N 2DB, London (UK), as Lead Manager of the securitisation bond issue by TDA Ibercaja 2 Fondo de Titulización de Activos, acting as attorney of the company pursuant to the special power of attorney executed before the Notary Public of London Ms. Ruth Margaret Campbell on October 5, 2005.

Mr. Arturo Miranda Martín, duly empowered for such purposes, acting in the name and in behalf of JP Morgan Securities, Ltd. (together with Deutsche Bank, AG London, the "Placement Directors"), with registered office at 125 London Wall, EC2Y 5AJ London (United Kingdom), as Lead Manager of the securitisation bond issue by TDA Ibercaja 2 Fondo de Titulización de Activos, acting as attorney of the company pursuant to the resolutions of the Board of Directors of the company dated October 9, 1992 and March 29, 1996.

1.2. Placement director representations of the persons responsible for the information contained in the securities document

Mr. Ramón Pérez Hernández declares that, after applying reasonable diligence to ensure this is so, the information contained in this Securities Document and its Additional Module is, to his knowledge, consistent with the facts and contains no omissions that could affect its content.

Placement Directors means Ms. Ute Stammeyer, on behalf of Deutsche Bank AG London, represents that (i) all relevant checks have been performed to verify the accuracy and completeness of the information appearing in this Securities Document and its Additional Module and (ii) as a result of such checks, no circumstances have been found that contradict or alter the information appearing in this Securities Document, or that this Document contains any omission of significant facts or data that could be relevant to the investor. This declaration does not include and refer to the data included in the account auditor's report contained in the present Securities Document and its Additional Module with respect to the mortgage loans selected.

Mr. Arturo Miranda Martín, on behalf of J.P. Morgan Securities Ltd., represents that (i) all relevant checks have been performed to verify the accuracy and completeness of the information appearing in this Registration Document and (ii) as a result of such checks, no circumstances have been found that contradict or alter the information appearing in this Registration Document, or that this Document contains any omission of significant facts or data that could be relevant to the investor. This declaration does not include and refer to the data included in the account auditor's report contained in the present Securities Document and its Additional Module with respect to the mortgage loans selected.

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2. RISK FACTORS LINKED TO THE SECURITIES

The risk factors of the securities and assets backing the issue are detailed in sections 2 and 3, respectively, of the Risk Factors document.

3. FUNDAMENTAL INFORMATION

3.1. Interest of natural and legal persons in the issue

The identification details of the entities participating in the offer is as follows.

- a) Titulización de Activos, S.G.F.T., S.A., is Sociedad gestora of the Fund.
- b) Deutsche Bank AG London has performed the design and structuring of the transaction.
- c) Ibercaja is (i) assignor of the Mortgage Loans through the issue of the Shares and Certificates to be fully subscribed by the Fund upon incorporation thereof, (ii) administrator of the Mortgage Loans and depository of the Shares and Certificates, (iii) grantor of the Initial Expenses Loan and the Subordinated Loan, (iv) entity wherein the Reinvestment Account is opened and (v) counterparty in the Interest Rate Swap Agreement.
- d) Instituto de Crédito Oficial (ICO) is Financial Agent.
- e) Deutsche Bank, AG London and J.P. Morgan Securities Ltd. Act as Placement Directors.
- f) Deutsche Bank, AG London, J.P. Morgan Securities Ltd., Ibercaja, Caja de Ahorros de Valencia, Alicante y Castellón (Bancaja), and EBN Banco de Negocios, S.A. act as Underwriters and Placement Entities. Deutsche Bank, AG London and J.P. Morgan Securities Ltd. Shall act as book runners for the Bond order subscription book.
- g) Pricewaterhouse Coopers acts as auditor for the verification of a series of attributes in the selection of mortgage loans held by Ibercaja on which shall be based the Mortgage Loans assigned by the issue of the Shares and Certificates, which shall be subscribed by the Fund upon incorporation thereof. Furthermore, Pricewaterhouse Coopers acts as auditor of the Fund.
- h) Uría, Menéndez y Cía., Abogados, S.C. and Romero Rey Abogados, S.L. act as legal advisors to the transaction.
- i) Moody's and S&P act as the Bonds' credit risk Rating Agencies.

3.2. Description of any interest, including conflicting interests, that is important for the issue, detailing persons involved and the nature of their interests

The *Sociedad Gestora* declares itself to be unaware of the existence of any sort of legal, economic or family link whatsoever between the entities taking part in the Fund (with the exception of the Assignor's and EBN Banco de Negocios, S.A.'s holdings in the *Sociedad Gestora* referred to in section 5.2. of the Registration Document) and between those entities and holders of the Mortgage Loans incorporated in the Shares and Certificates acquired by the Fund, that may be detrimental to the Fund in general and to the investors in the Bonds issued by the Fund in particular.

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4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING

4.1. Total amount of the securities

The total amount of the Bond issue amounts to nine hundred and four million five hundred thousand (904,500,000) euros. The issue will comprise nine thousand and forty-five (9,045) Bonds, with a nominal par value of one hundred thousand (100,000) euros each, represented by book entries, in accordance with Royal Decree 116/1992, of 14 February, governing the representation of securities by means of the book entry system and the settlement of stock market operations (hereinafter referred to as "**Royal Decree 116/1992**").

4.2. Description of the type and class of the securities

4.2.1 Type and class of securities

The present Securities Document is drafted for purposes of the issue of asset-backed Bonds corresponding to the Fund.

Securitized bonds of assets are securities issued by asset securitisation funds representing a debt for the issuer of same; they pay interest and are redeemable through early amortisation or at final maturity. The bonds enjoy the legal status of marketable fixed income securities with explicit returns, and are subject to the regime provided by the Securities Market Law and its implementing regulations

The Bonds are grouped into five series (A, B, C, D and E), as follows:

- **Series A:** eight thousand seven hundred and three (8,703) Series A Bonds for a total nominal amount of eight hundred and seventy million three hundred thousand (870,300,000) euros, represented by eight thousand seven hundred and three (8,703) securities with a nominal par value of one hundred thousand (100,000) euros each (hereinafter referred to as "**Series A Bonds**").
- **Series B:** one hundred and ninety-three (193) Series B Bonds for a total nominal amount of nineteen million three hundred thousand (19,300,000) euros, represented by one hundred and ninety-three (193) securities with a nominal par value of one hundred thousand (100,000) euros each (hereinafter referred to as "**Series B Bonds**").
- **Series C:** sixty-three (63) Series C Bonds for a total nominal amount of six million three hundred thousand (6,300,000) euros, represented by sixty-three (63) securities with a nominal par value of one hundred thousand (100,000) euros each (hereinafter referred to as "**Series C Bonds**").
- **Series D:** forty-one (41) Series D Bonds for a total nominal amount of four million one hundred thousand (4,100,000) euros, represented by forty-one (41) securities with a nominal par value of one hundred thousand (100,000) euros each (hereinafter referred to as "**Series D Bonds**").
- **Series E:** forty-five (45) Series E Bonds for a total nominal amount of four million five hundred thousand (4,500,000) euros, represented by forty-five (45) securities with a nominal par value of one hundred thousand (100,000) euros each (hereinafter referred to as "**Series E Bonds**", and, together with Series A Bonds, Series B Bonds, Series C Bonds and Series D Bonds, the "**Bonds**").

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4.2.2 Underwriting and placement of the securities

Simultaneously to the incorporation of the Fund and for the account of the Fund, the *Sociedad Gestora* will execute with the Placement Directors and with the Underwriters and Distributors mentioned in section 5.2 of the Registration Document a management, subscription and underwriting agreement for the placement, whereby the aforementioned entities undertake to subscribe or to obtain, at their liability, subscribers for the Bonds, in the amounts mentioned below, with each bearing liability for the respective amount it has underwritten (hereinafter referred to as the "Bond Issue Management, Underwriting and Distribution Agreement"):

Entity	Series A Bonds	
	Num.	Amount
Deutsche Bank, AG London	4.335	433.500.000
JP Morgan Securities, Ltd.	3.868	386.800.000
Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja)	200	20.000.000
Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja)	150	15.000.000
EBN Banco de Negocios, S.A.	150	15.000.000
Total	8.703	870.300.000

Entity	Series B Bonds	
	Num.	Amount
Deutsche Bank, AG London	102	10.200.000
JP Morgan Securities, Ltd.	91	9.100.000
Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja)	0	0
Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja)	0	0
EBN Banco de Negocios, S.A.	0	0
Total	193	19.300.000

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Entity	Series C Bonds	
	Num.	Amount
Deutsche Bank, AG London	33	3.300.000
JP Morgan Securities, Ltd.	30	3.000.000
Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja)	0	0
Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja)	0	0
EBN Banco de Negocios, S.A.	0	0
Total	63	6.300.000

Entity	Series D Bonds	
	Num.	Amount
Deutsche Bank, AG London	30	3.000.000
JP Morgan Securities, Ltd.	11	1.100.000
Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja)	0	0
Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja)	0	0
EBN Banco de Negocios, S.A.	0	0
Total	41	4.100.000

The Underwriting and Placement Entities will assume the obligations contained in the Management and Underwriting Agreement for the Bond Issue, which are basically as follows:

- 1) procure subscription of the Series A, B, C and D Bonds. Ibercaja shall fully subscribe the Series E Bonds, and therefore, no placement duties shall be performed regarding such series.
- 2) commitment to subscribe on its own behalf of any Series A B, C and D Bonds that have not been subscribed by third parties during the Subscription Period, until completing the amounts stipulated in their respective joint underwriting commitments;

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- 3) payment by the Underwriting and Placement Entities to the Financial Agent, on the Disbursement Date and prior to 11:00 hours (CET) on the Disbursement Date, for same-day value, of the nominal amount of the Series A, B, C and D Bonds placed by each of them and, if necessary, subscribed by themselves up to the limit stipulated in their respective underwriting commitments;
- 4) all other aspects governing underwriting and placement of the Bonds will take place during the Subscription Period, which shall take place between October 17, at 10:00 (C.E.T.), and October 18, at 10:00 (C.E.T.). The placement, and the allocation which each underwriter guarantees under the Bond Issue Management, Underwriting and Distribution Agreement, will be freely done by the underwriter, in all events endeavouring to ensure that no discriminatory treatment is given to orders of similar characteristics, notwithstanding which the Underwriters and Distributors may give priority to the orders from their clients as they deem fit. The obligation acquired by the Underwriters and Distributors is of a joint but not several nature and irrevocable, such that each one of them is liable solely for the amount it has underwritten.

Absence of confirmation prior to the beginning of the Subscription Period of any of the provisional ratings assigned to the Bonds by the Rating Agencies will constitute sufficient grounds to cancel the incorporation of the Fund and the Issue of the Bonds, the Bond Issue Management, Underwriting and Placement Agreement and the other contracts and agreements of the Fund.

As consideration for the commitment undertaken by the Underwriters and Distributors, they shall receive an underwriting and distribution commission an estimation of which is included as part of the initial expenses of the Fund in section 6 of the Securities Document. Each of the Bond Underwriters and Distributors will receive an underwriting and placement fee, on the basis of the nominal value of the relevant Bond Series each of them has underwritten which shall be between 0.04% and 0.07% for Series A, B, C and D Bonds

The amount of the underwriting and placement fee accrued in favour of each Underwriter and Placement Entity shall be received by each of them in one sole payment on the Disbursement Date, after they have paid the Fund the nominal amount of the Bonds placed by each of the Underwriters and Placement Entities and, as the case may be, subscribed on their own account up to their relevant underwriting commitments. Notwithstanding the foregoing, the Underwriters and Placement Entities shall be entitled to deduct such fee from any amounts to be delivered to the Fund in accordance with the provisions of Section Six above.

Ibercaja shall receive no consideration for its subscription commitment for the Series E Bonds.

The final fees applicable to each of the Bond Series A, B, C and D will be determined by common accord by the Placement Directors no later than 13:00 hours (CET) of October 6. The Placement Directors will notify the Sociedad Gestora, no later than 14:00 hours (CET) the second Business Day prior to the Disbursement Date (i.e., October 14, 2005), the final fees. In the absence of an agreement or notice, within the period provided, Sociedad Gestora will set the final underwriting and placement fee applicable to each of the Bond Series at 0.04% for the Series A, B, C and D Bonds.

4.2.3 Placement directors

Deutsche Bank, AG London and J.P. Morgan Securities Ltd. Act as Placement Directors, for which they receive no consideration whatsoever.

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4.3. Legislation governing the securities

Incorporation of the Fund and the issue of the Bonds has taken place in accordance with the Spanish legislation applicable to the Fund and to the Bonds themselves. In particular, they are issued in accordance with (i) the Securities Market Act 24/1988 28 July 1988, (ii) Royal Decree 926/1998 and its implementing provisions and Law 19/1992, insofar as matters on which Royal Decree 926/1998 is silent and insofar as applicable, and (iii) Royal Decree 291/1992 of 27 March 1992 on public issues and offerings of securities, in its current version and (iv) other applicable legislation and regulations in force from time to time.

The present Registration Document has been prepared in accordance with the format provided in Commission Regulation (EC) 809/2004.

4.4. Indication as to whether the securities are registered or bearer securities, and if they are certified or represented by book entries

The Bonds issued by the Fund will be represented as book entries, in conformity with Article 11 of Royal Decree 116/1992.

The entity entrusted with maintaining the accounting register of the Bonds will be *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.* (hereinafter referred to as "IBERCLEAR"), with registered address in Madrid at calle Pedro Teixeira, number 8, 1^a planta, Post Code 28020.

In this regard the Deed of Incorporation will produce the effects provided for in article 6 of the Securities Market Act in its new wording pursuant to Royal Decree Law 5/2005, of March 11, , of urgent reforms to boost productivity and improve public contracting. The Bondholders will be identified as such, depending on the book entry performed by the entities participating in IBERCLEAR.

4.5. Currency of the issue

The issue will be in euros.

4.6. Classification of the securities according to the subordination rules

4.6.1 Simple mention of the ranking of interest payments for the bonds in each of the series in the priority order of payments of the fund

Payment of interest accrued on Series A Bonds ranks 4th (iv) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module and 5th (v) in the Priority Order of Liquidation Payments established in section 3.4.6.4. of the Additional Module.

Payment of interest on Series B Bonds will rank 5th (v) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module, unless the conditions for their deferment provided in that section of the Additional Module are complied with, in which case it will rank 9th (ix) in the Priority Order of Liquidation Payments and 7th (vii) in the Priority Order of Liquidation Payments established in section 3.4.6.4 of the Additional Module.

Payment of interest accrued on Series C Bonds will rank 6th (vi) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module, unless the conditions for their deferment provided in that section of the Additional Module are complied with, in which case it will rank 10th (x) in

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the Priority Order of Liquidation Payments and 9th (ix) in the Priority Order of Liquidation Payments established in section 3.4.6.4. of the Additional Module.

Payment of interest accrued on Series D Bonds will rank 7th (vii) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module, unless the conditions for their deferment provided in that section of the Additional Module are complied with, in which case it will rank 11th (xi) in the Priority Order of Liquidation Payments and 11th (xi) in the Priority Order of Liquidation Payments established in section 3.4.6.4. of the Additional Module.

Payment of interest accrued on Series E Bonds will rank 14th (xiv) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module and 14th (xiv) in the Priority Order of Liquidation Payments established in section 3.4.6.4. of the Additional Module.

4.6.2 Simple mention of the ranking of principal payments for the bonds in each of the series in the priority order of payments of the fund

The withholding on redemptions of Series A, B, C and D Bonds will rank 7th (vii) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module, and be subject to the rules established in sections 4.9.3 and 4.9.4. of this Securities Document.

In the event of Early Liquidation, payment of the principal of Series A, B, C and D will rank 4th (iv), 7th (vii), 9th (ix) and 11th (xi), respectively, in the Priority Order of Liquidation Payments established in section 3.4.6.4. of the Additional Module.

In the case of Series E Bonds, payment of the principal corresponding to the aforementioned Bonds will rank 14th (xiv) in the Priority Order of Payments established in section 3.4.6.3. of the Additional Module and 15th (xv) in the Priority Order of Liquidation Payments established in section 3.4.6.4. of the Additional Module.

4.7. Description of the rights attached to the securities

As per current legislation, the securities detailed in the present Securities Document do not entitle the investor to any future or current rights to the Fund or the Sociedad Gestora.

The economic and financial rights relating to the securities will be those deriving from the conditions in which the issue is performed, namely, interest rates, yields and redemption prices and which are detailed in sections 4.8 and 4.9 below.

On each Payment Date, the Financial Agent, in accordance with the Financial Services Agreement, shall pay the Bondholders the interest and reimbursement of the principal of the Bonds determined by the Sociedad Gestora, on behalf of the Fund, in accordance with the provisions of the present Prospectus, in any case subject to the Priority Order of Payments of the Fund. For the payment of the corresponding amounts, the Bondholders will be identified as such (on their behalf or with third parties) as indicated in the accounting records kept by IBERCLEAR, in such a way that the clearing and payment of the Bonds is performed in accordance with the rules that are established or may be established in the future by IBERCLEAR for securities accepted for listing on the AIAF - *Asociación de Intermediarios de Activos Financieros* (Financial Brokers Association) - market (hereinafter referred to as the "AIAF") and represented by book entries.

Payment will be made through the Official Credit Institute (*Instituto de Crédito Oficial*) (hereinafter referred to as the "Financial Agent" or "ICO"), and distributed through IBERCLEAR, or the entity replacing it, and its associated entities.

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Bondholders of the Fund will not be entitled to take any legal action against the *Sociedad Gestora* except in the event of non-fulfilment of its functions or non-compliance with the provisions contained in this Prospectus, the Deed of Incorporation and applicable legislation.

Any dispute regarding the Fund that may arise during its operations or liquidation, be it amongst the Bondholders or between the Bondholders and the *Sociedad Gestora*, will be submitted to the courts and tribunals of Spain, with waiver of any other jurisdiction to which the parties may be entitled.

4.8. Nominal interest rate and provisions relating to interest payments

Interest payments to the Bondholders will be made, in relation to the Fund's other payment obligations, according to the Priority Order of Payments and based on the rules described in this section.

Bond interest

Variable annual nominal interest, calculated and payable on a quarterly basis, will accrue as from [●] October 2005, i.e. three (3) Working Days after the Incorporation Date, the date of payment of the Bonds and of price of Shares and Certificates to the Assignor (hereinafter referred to as the "**Disbursement Date**"), until they are fully redeemed.

This annual nominal interest will be paid at the end of each quarter on each Payment Date on the outstanding principal pending maturity plus matured and unpaid principal on such date (hereinafter referred to as the "**Nominal Balance Pending Collection**") for each Bond at the beginning of this Interest Accrual Period, as long as the Fund has sufficient funds in accordance with the Priority Order of Payments.

For accrual purposes, the Bond interest period will be divided into interest accrual periods (hereinafter referred to as "**Interest Accrual Periods**"), which will be the period between two consecutive Payment Dates (including the first payment date and excluding the last payment date). The first Accrual Period will begin on the Disbursement Date and will end on the first Payment Date, namely 26 January 2006 (excluding this date).

The Nominal Interest Rate, as defined in the following section, will accrue over the days actually elapsed of each Interest Accrual Period for which this rate has been determined and will be calculated on the basis of a year of three hundred and sixty (360) days.

The annual rate of interest accrued on Bonds during each Interest Accrual Period will be the sum of the following two factors:

- (i) the Reference Interest Rate, as defined below, and rounded to the nearest thousandth of a percentage point, taking into account that, if the amount rounded up or down is identical, such rounding will be performed upwards; and
- (ii) the margin applicable to the Bonds, as indicated below.

Reference Interest Rate

The Reference Interest Rate for determining the interest rate applicable to the Bonds will be the 3-month EURIBOR, or an alternative interest rate, if required, which will be determined as follows (hereinafter referred to as the "**Reference Interest Rate**"). EURIBOR is the market's reference interest rate for the Euro.

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""Determination of the Reference Interest Rate

On each Determination Date (as defined in the present section), the *Sociedad Gestora* will determine the Reference Interest Rate, which will be equal to the EURIBOR, as follows:

- (i) The three-month EURIBOR which appears on the REUTERS' screen, EURIBOR= page at 11:00 am, Madrid time, on the Determination Date, on a 360 day basis. "REUTERS' screen, EURIBOR= page" is the page that displays the content of the "EURIBOR=" page on the REUTERS MONITOR MONEY RATES SERVICE (or any other page that might replace in this service).
- (ii) In absence of the rates indicated in part (i) above, the average shall be that corresponding to the three-month EURIBOR rate on the Determination Date which appears on the "TELERATE" screen (TELERATE SPAIN, S.A.), page 248, (or any other page that might replace it in this service) at 11:00, Madrid time.
- (iii) In absence of the rates indicated in parts (i) and (ii) above, the average shall be that corresponding to the London three-month interbank interest rates for Euro-denominated deposit operations declared simultaneously on the Determination Date by the following institutions (the rate will be requested simultaneously to these entities):
 - Banco Santander Central Hispano (London office)
 - J.P. Morgan Chase & Co. (London)
 - Barclays Bank (London)
 - Confederación Española de Cajas de Ahorros (London office)

If any of these institutions do not supply quotes, the applicable rate shall be the simple arithmetic mean of the quoted interest rates declared by at least two of the remaining institutions.

- (iv) If the rates cannot be determined by the procedures mentioned in (i), (ii), and (iii) above, the applicable rate shall be the Reference Interest Rate applicable for the previous Interest Accrual Period. On the First Determination Date, if no Reference Rate has been published as stipulated in sections (i), (ii) and (iii) above, the rate published on the last Business Day on which this Reference Interest Rate has been published will be used, in accordance with section (i).

The *Sociedad Gestora* will keep lists of the content of REUTERS or TELERATE pages, or, where appropriate, the quotes supplied by the institutions mentioned in subsection (iii) above, as evidence of the type of EURIBOR established.

Once the Reference Interest Rate for the Bonds has been determined, and on the same Determination Date, the *Sociedad Gestora* will calculate and determine for each Series of Bond the applicable interest rate for the following Interest Accrual Period.

Determination Date of the Referente Interest Rate and Interest Rate of the Bonds

The date of determination of the Reference Interest Date for each Interest Accrual Period shall be on the second (2nd) Business Day prior to a Payment Date (or the Disbursement Date for the first Interest Accrual Period) and shall apply to the following Interest Accrual Period (hereinafter, "**Determination**

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Date). For the first Interest Accrual Period the Reference rate shall be determined on the second (2nd) Business Day prior to the Disbursement Date (i.e., October 14, 2005).

Margin to be applied to the reference interest rate for each series of Bonds

The margin to be applied to the Reference Interest Rate, as determined in the previous section, to calculate the Nominal Interest Rate to be accrued during each Interest Accrual Period by the Bonds of each Series will be set between the following values.

- Series A Bonds: between 0.08% and 0.16%, inclusive.
- Series B Bonds: between 0.20% and 0.40%, inclusive.
- Series C Bonds: between 0.35% and 0.65%, inclusive.
- Series D Bonds: between 1.00% and 2.25%, inclusive.
- Series E Bonds: between 3.50% and 4.50%, inclusive.

The spreads applicable to each series of Bonds, expressed in percentage terms, will be determined mutual agreement of the Placement Directors at the latest before 13:00, Madrid time, on the second (2nd) Business Day prior to the Disbursement Date (i.e. on 14 October 2005). The final spread of the Bonds will faxed to the *Sociedad Gestora* before 14:00 hours, Madrid time, on the second (2nd) Business Day prior to the Disbursement Date (i.e. on 14 October 2005) by the Placement Directors. If this notice is not issued, the *Sociedad Gestora* will set the margin of 0.15% for Series A Bonds, 0.35% for Series B Bonds, 0.60% for Series C Bonds, 2.00% for Series D Bonds and 4.00% for Series E Bonds.

Final Margins applicable to each series which should have been set in the absence of an agreement shall be communicated by the *Sociedad Gestora*, prior to the start of the Subscription Period, to the Placement Directors in order that they may communicate them to Underwriters and Placement Entities, so that they may communicate them in their turn to investors interested in subscribing the Bonds. At the same time, the *Sociedad Gestora* will also notify the CNMV of this as additional information to the Prospectus. The final spreads applicable will be certified in the closing deed. In any case, the spreads of all the series of Bonds will be set before the beginning of the Subscription Period.

Formula for calculating interest

Interest accrued on the Bonds of the Series during each Interest Accrual Period will be calculated by the *Sociedad Gestora* according to the following formula:

$$I_i = N_i * r_i * \frac{n_i}{360}$$

where:

N_i is the Outstanding Nominal Balance to Collection of the Bond at the beginning of the Interest Accrual Period.

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I_i is the total amount of interest accrued on the Bonds in the series during the Interest Accrual Period.

r_i is the Nominal Interest Rate of the Bonds in the series on an annual basis, calculated as the sum of the Reference Interest Rate for the relevant Interest Accrual Period plus the margin established for each series.

n_i is the number of days in the Interest Accrual Period.

4.8.1 Dates, place, entities and procedure for interest payments

Interest payments on the Bonds and repayment of the principal, regardless of the series, will be made quarterly on 26 January, April, July and October of every year until the Bonds are fully redeemed (each date will hereinafter be referred to as a "**Payment Date**"). If one of these dates is not a Business Day, the interest for the quarter will be paid on the next Business Day immediately after the aforementioned date.

For the purposes of this Prospectus, business days ("**Business Days**") are all days except the following:

- holidays in the city of Madrid, or
- non-business days on the TARGET (Trans European Automated Real-Time Gross Settlement Express Transfer System) calendar.

If on a Payment Date, and despite the mechanisms established to protect the rights of the Bondholders, the Available Resources of the Fund, as defined below in section 3.4.6.2. of the Additional Module, are not sufficient to satisfy all of the payment obligations of the Fund, the amount available will be distributed in accordance with the Priority Order of Payments.

Established withholdings, contributions and other taxes, as well as any taxes that may be established in the future on the principal, interest, or yields of the Bonds, will be solely borne by the Bondholders and the corresponding amounts will be deducted, accordingly, by the designated entity in the form established by law.

The payment procedure will comply with the rules contained in section 4.7 of this Securities Document.

4.8.2 Description of the underlying asset on which the interest rate is based; historic information

The Reference Interest Rate to be used to determine the nominal interest rate applicable to each Bond Series is that described in section 4.8 of the Securities Document.

At present, the Euribor rate is the rate of Interbank deposits offered in Euro calculated as the daily average of the rates provided for fifteen maturity terms by a panel composed by 57 banks which are the most active in the Euro zone. The rate is quoted on the basis of true days to maturity and years composed of 360 days, and is fixed at 11:00 (CET) expressed with three decimal points.

Definitions relating to the Euribor rate approved by the European Banking Federation (FBE) and by the ACI (Asociación Cambista Internacional) complementary to the actual definition of the Euribor rate are deemed included to the effects the Reference Interest Rate relative to the Euribor rate not

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requiring amendment to the present terms of the Reference Interest Rate or the notice to the bondholders by the Sociedad Gestora.

For information purposes only please find below data of the three month Euribor published on the dates indicated, in the electronic page EURIBOR01 facilitated by Reuters, as well as Nominal Interest Rate that would have resulted if applied to each one of the Bond Series, on the assumption that the applicable spreads would be the average within the spread provided for each series in section 4.8. above.

FECHAS	EURIBOR 3 mes	BONO A	BONO B	BONO C	BONO D	BONO E
5-oct-05	2,183%	2,333%	2,533%	2,783%	4,183%	6,183%
4-oct-05	2,181%	2,331%	2,531%	2,781%	4,181%	6,181%
3-oct-05	2,178%	2,328%	2,528%	2,778%	4,178%	6,178%
30-sep-05	2,176%	2,326%	2,526%	2,776%	4,176%	6,176%
29-sep-05	2,170%	2,320%	2,520%	2,770%	4,170%	6,170%
28-sep-05	2,146%	2,296%	2,496%	2,746%	4,146%	6,146%
27-sep-05	2,144%	2,294%	2,494%	2,744%	4,144%	6,144%
26-sep-05	2,141%	2,291%	2,491%	2,741%	4,141%	6,141%
23-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
22-sep-05	2,135%	2,285%	2,485%	2,735%	4,135%	6,135%
21-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
20-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
19-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
16-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
15-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
14-sep-05	2,135%	2,285%	2,485%	2,735%	4,135%	6,135%
13-sep-05	2,136%	2,286%	2,486%	2,736%	4,136%	6,136%
12-sep-05	2,134%	2,284%	2,484%	2,734%	4,134%	6,134%
9-sep-05	2,134%	2,284%	2,484%	2,734%	4,134%	6,134%
8-sep-05	2,134%	2,284%	2,484%	2,734%	4,134%	6,134%
7-sep-05	2,134%	2,284%	2,484%	2,734%	4,134%	6,134%
6-sep-05	2,132%	2,282%	2,482%	2,732%	4,132%	6,132%
5-sep-05	2,131%	2,281%	2,481%	2,731%	4,131%	6,131%
2-sep-05	2,130%	2,280%	2,480%	2,730%	4,130%	6,130%
1-sep-05	2,133%	2,283%	2,483%	2,733%	4,133%	6,133%

4.8.3 Calculation agent

The Calculation Agent for the interest of the Bonds will be the *Sociedad Gestora* in the name and on behalf of the *Sociedad Gestora*.

4.9. Security maturity and redemption dates

4.9.1 Redemption price

The redemption value of each Bond will be one hundred thousand (100,000.00) Euros, equivalent to its nominal value, free of expenses and taxes for the Bondholder, to be paid progressively on every Payment Date as established in the following sections.

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4.9.2 Redemption date

The Bond redemption dates will be the Payment Dates, i.e. 26 January, 26 April, 26 July and 26 October of every year. The first Payment Date will be 26 January 2006.

4.9.3 Ordinary rules governing the redemption of series A and D bonds

The redemption of Series A Bonds will begin on the first Payment Date.

The redemption of Series B Bonds will only begin once all the Series A Bonds are fully redeemed, except in the case described in section 4.9.4. of this Securities Document.

The redemption of Series C Bonds will only begin once all the Series A and B Bonds are fully redeemed, except in the case described in section 4.9.4. of this Securities Document.

The redemption of Series D Bonds will only begin once all the Series A, B and C Bonds are fully redeemed, except in the case described in section 4.9.4. of this Securities Document.

Series A, B, C and D Bonds will be redeemed on a pro rata basis among the Bonds from the same redeemable Series (as provided below), by reducing the nominal amount, until it has been fully redeemed, on each Payment Date.

The Bonds will be redeemed on each Payment Date from Available Resources in an amount equal to the lesser of the following amounts:

- a) the positive difference on that Payment Date between the Outstanding Nominal Balance to Payment of the Bonds (prior to the redemption to be performed on that Payment Date) and the Outstanding Nominal Balance of the Shares and Certificates which do not have to be treated as Defaulted Shares and Certificates, in accordance with the definition below (hereinafter, the "**Non-Defaulted Shares and Certificates**") corresponding to the last day of the month prior to the Payment Date; and
- b) The Available Resources on that Payment Date, less the amounts corresponding to previous items on the Priority Order of Payments described in section 3.4.6.3. of the Additional Module.

Consequently, Shares and Certificates (for which the corresponding Mortgage Loans have a payment delay of at least 18 months or more or which have been declared as defaulted by the Assignor (hereinafter referred to as the "**Defaulted Shares or Certificates**"), will result in the redemption of the Bonds. The Available Resources of the Fund will be used for redemption purposes, following the payment of the prior commitments in the Priority Order of Payments described in section 3.4.6.3. of the Additional Module. If there are no Available Resources to cover these payments, the corresponding amounts will remain outstanding until the next Payment Date.

If the Shares and Certificates cannot be replaced, as established in section 2.2.9. of the Additional Module, the amounts originating from early redemption, by the Assignor, of the Shares and/or Certificates in question will be used to redeem the Bonds on the next Payment Date, subject to the Priority Payment Order described in section 3.4.6.3 of the Additional Module.

4.9.4 Extraordinary rules governing the pro rata redemption of series A and D bonds

Without prejudice to the ordinary rules governing the redemption of Series A and D Bonds, established in section 4.9.3. of this Securities Document, the principal of Series A, B, C and D will be redeemed on the Payment Date if any of the following situations occurs simultaneously:

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- (1) the ratio between the Outstanding Nominal Balance of Collection of combined Series B, C and D Bonds and the Outstanding Nominal Balance of Collection of Series A, B, C and D is double the ratio between the Outstanding Nominal Balance of Collection of combined Series B, C and D and the Outstanding Nominal Balance of Collection of Series A, B, C and D Bonds on the Date of Incorporation of the Fund.
- (2) that the Outstanding Nominal Balance of Collection of Mortgage Loans with, on a given date, payments outstanding for a period of more three (3) months, excluding loans underlying Defaulted Shares and the Certificates (hereinafter referred to as "**Debtor Mortgage Loans**"), is below 2% of the Outstanding Nominal Balance Payable of the Bonds at that moment.
- (3) that, if the Outstanding Nominal Balance of Collection of the Shares and Certificates is less than 10% of its initial balance, the *Sociedad Gestora* does not opt for early redemption of the Fund.
- (4) that the Reserve Fund covers the initial level requested by the Rating Agencies (4,500,000 Euro).

4.9.5 Rules governing the redemption of series E bonds

Series E Bonds will be amortised, after repayment of the principal, as from the Payment Date of 28 January 2019, in the amount of Available Resources after the corresponding payments (i) to (xiii) in the Priority Order of Payments.

4.9.6 Legal maturity date

The Legal Maturity Date and, consequently, the final Bond redemption date is 26 October 2042 (the Payment Date immediately after the corresponding date to be added thirty (30) months prior to the final redemption date of the Mortgage Loans) or, if this is not a Business Day, and without prejudice to the *Sociedad Gestora*, on behalf and account of the Fund, and in conformity with the provisions contained in section 4.4.3. of the Registration Document, redeeming the Bonds prior to the Legal Maturity Date. The final redemption of the Bonds on the Legal Maturity Date will take place in accordance with the Priority Order of Liquidation Payments.

4.9.7 Notice dates, calculation periods and calculation dates

The *Sociedad Gestora* will notify the amount of principal and interest payable to Bondholders, as described in section (4.1) of the Additional Module of this Prospectus, on the second (2nd) Business Day prior to each Notice Date.

In Its turn, "**Calculation Periods**" shall be calendar months. As an exception, the first Calculation Period shall be the period between the Incorporation Date and the final day in October, and the final Calculation Period shall be between the first day of the month on which liquidation of the Fund takes place and the Payment Date of such liquidation.

Finally, "**Calculation Date**" is defined as the 20th each calendar month. On such date the Fund revenue for the immediately preceding Calculation Period shall be calculated, i.e.. The amount of principal plus interest effectively paid by the debtors, plus the Technical Advance requested on such date, minus the return of the Technical Advance requested on the preceding Calculation Date.

Notwithstanding the foregoing, the above shall only apply where Collection Dates are in a monthly basis, and thus are coincident with Calculation Dates (20th of each month). In the event that a Collection Date should accrue on a weekly or daily basis, in accordance with section 3.4.5.1. of the Additional Module, the amounts mentioned in the preceding paragraph will not be paid, but instead the amount of principal and interest effectively paid by the debtors on the immediately preceding and the current Collection Date.

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4.9.8 Early redemption of the bonds

Irrespective of the Fund's obligation, through the Sociedad Gestora, to redeem the Bonds of each Series on the Legal Maturity Date, (October 26th, 2042), or if it is not a Business Day, the next Business Day), or to execute partial redemptions on each Payment Date, as detailed above, the Sociedad Gestora is authorised to proceed with the early liquidation of the Fund and thus the early redemption on a Payment Date, of the entire Bond Issue, in accordance with the events of early liquidation and with the requirements detailed under section 4.4.3 of the Registration Document and with adherence to the Payment Priority Order set forth in section 3.4.6.3. of the Additional Module.

4.10. Indication of the yield for the investor and calculation method

The main characteristic of the Bonds of this Issue is that their regular redemption depends on the aggregate behaviour of the Mortgage Loans.

The average life, yield, duration and final maturity of the Bonds of each Series depends on several factors, the most significant of which are as follows:

- a) The redemption system and timetable for each of the Mortgage Loans established in the related agreements.
- b) The capacity of the Mortgage Debtors to prepay, in full or in part, the Mortgage Loans and the speed at which such prepayment takes place in aggregate over the life of the Fund.
- c) The floating interest rates that will apply to each of the Mortgage Loans, which will cause the amount of each repayment instalment to vary.
- d) Delinquency of the debtors in making the Mortgage Loan repayments.

In this regard, prepayments by the debtors of the Mortgage Loans are very significant. The prepayments are subject to continuous change and in this Prospectus are estimated using several assumptions for the future behaviour of the constant effective annual prepayment rate (hereinafter, "TAA") which . This will have a direct bearing on the velocity at which the Bonds are redeemed and hence on their average life and duration.

To calculate the data shown in the tables contained in this section, and given the uncertain nature of many of the parameters, the following assumptions have been made:

1. The reference rate of the Bonds is deemed to remain constant during the life of the operation, using for this purpose the 3-month EURIBOR on October 5, 2005, at a rate of 4.342.183%. The annual Nominal Interest Rates applicable to the Bonds of Series A, B, C, D and E, variable quarterly, will be maintained constant throughout the term of the operation, at the following rates:

	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Series E Bonds
Nominal interest rate	2,333%	2,533%	2,783%	4,183%	6,183%

2. Amortisation based on a constant rate for the entire portfolio. To calculate the interest, we used the interest rate currently applied to the loan up to the fifth month (average weighted month at the portfolio review date) and then the 12-month EURIBOR set on the same date as the bond EURIBOR rate, whose value is 2.334%, plus the applicable margin. For IRPH (Mortgage Loan Reference Index) loans, a margin of 1.14% with respect to EURIBOR was considered.

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3. Based on the assumption of a non-defaulted payment of 0% and a percentage of defaults of 0.30% as from October 31, 2006.
4. The data were calculated for different scenarios of early redemption rates of mortgage loans and assuming early liquidation by the *Sociedad Gestora* when the Outstanding Nominal Balance pending Collection of the Mortgage Loans is less than 10% of their initial amount upon incorporation of the Fund.

Consideration has also been given to the real data of the operation, such as the Closing Data, the Payment Dates, the fact that the theoretical redemption of the Bonds depends on the aggregate behaviour of the mortgage loans, the Bond redemption rules and the Bond reimbursement price.

Duration	5% CPR	10% CPR	15% CPR
Bono A	6,63	4,93	3,86
Bono B	10,31	8,01	6,34
Bono C	10,12	7,89	6,27
Bono D	9,18	7,30	5,87
Bono E	9,64	8,56	7,32

To calculate the average life of the Bonds, we used the following formula:

$$V = \frac{\sum_{n=1}^n (P_n * D_n)}{T} * \frac{1}{365}$$

where:

V = Average life of each Series of the Bond issue expressed in years.

P_n = Principal to be redeemed of each Bond Series at each Payment Date, according to the amount to be redeemed for each Bond Series, as described in section 4.9.3 of this Securities Document.

D_n = Number of days elapsed from the Disbursement Date until the Payment Date in question.

T = Total nominal amount in of each Bond Series in euros.

n = 1,.....,t. Number of quarters in which the amounts P_n will be paid.

Yield	5% CPR	10% CPR	15% CPR
Bono A	2,386%	2,386%	2,386%
Bono B	2,593%	2,593%	2,593%
Bono C	2,852%	2,852%	2,852%
Bono D	4,309%	4,309%	4,309%
Bono E	6,418%	6,418%	6,418%

To calculate the Internal Rate of Return (IRR), we used the following formula:

$$N = \sum_{n=1}^T a_n * (1 + I)^{-\left(\frac{d_n}{365}\right)}$$

where,

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- N= subscription price of the Bond.
- I= IRR expressed as an annual rate, as a decimal fraction of one.
- dn= Days between the Disbursement Date of the First Issue of Bonds and each Payment Date.
- an= a1,.....,an. Total amounts of redemption (at maturity) and interest to be received by the investors on a quarterly basis
- n= 1,.....,t. Number of quarters in which the amounts will be paid.

Duration	5% CPR	10% CPR	15% CPR
Bono A	6,63	4,93	3,86
Bono B	10,31	8,01	6,34
Bono C	10,12	7,89	6,27
Bono D	9,18	7,30	5,87
Bono E	9,64	8,56	7,32

To calculate the duration of the Bonds (Macaulay duration formula), we used the following formula:

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

D = Duration of each Bond Series expressed in years.

aj = Time elapsed (in years) between the Disbursement Date and each of the n Payment Dates in question.

VAj= Present value of each of the amounts comprising principal and gross interest payable on each of the n Payment Dates discounted at the internal rate of return (IRR) of each Series.

PE= Issue price of each Bond Series (100,000.00 €).

i = Effective yield (IRR) of each Series, as a decimal fraction of one.

Nevertheless, when referring to duration, it must be taken into account that Bonds issued by the TDA IBERCAJA 2 Fund are variable-rate, a characteristic that has the consequences explained below.

During the periods between interest rate revision dates, the market price of a variable-rate Bond will vary if market interest rates change. Nevertheless, its price will always be close to par on the interest rate revision date, since on that date the cost of holding the Bond may be refinanced under market conditions similar, with respect to the Bond, to those at the purchase date. Nevertheless, the price may not equal par on such a date if certain conditions and characteristics (market reference, applicable margin, revision period, average life of the Bond, final redemption of the Bond, etc.) at that

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moment are valued differently by the market (better or worse) than the available investment alternatives. Except for this exception, however, it can be assumed that the price of a variable interest rate Bond is par on its interest rate revision dates.

As a consequence of the foregoing, the duration of a variable-rate Bond must behave in a manner similar to a fixed-rate zero-coupon Bond maturing on the same date as the interest rate revision date of the variable-rate Bond. Therefore, on a given date, the approximate duration of Bonds, with a revision period of three months, can be assumed to be the remaining term until the next interest rate revision.

The abovementioned value of the duration is obtained by applying the concept defined by Macaulay, but taking into consideration that changes in market interest rates will modify the flow of Bond payments (in favour of the Bondholder) which does not occur in the case of fixed-rate Bonds.

The prepayment risk of the Bond, i.e. the uncertain nature of the amounts redeemed on each payment date, will affect the duration of the Bond in a very different manner depending on whether its interest rate is fixed or variable. While the effect is very important in the case of fixed-rate Bonds, since the duration depends largely on the average life of the Bond, it is not as important in the case of variable-rate Bonds because in this case the duration does not depend on the average life of the Bond but on the term remaining until the next modification of the interest rate.

Final maturity: for each Series, the envisaged date for final redemption of the Bonds, assuming the Early Liquidation of the Fund and Early Redemption of the Bond Issue options are exercised when the Nominal Outstanding Balance of Collection of the Mortgage Loans is less than 10% of the initial Nominal Outstanding Balance.

Call Date	26/01/2023	28/01/2019	26/04/2016
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Initial and final redemption date: The following tables show the estimated initial dates and final dates for each bond:

Series	Payment Date	5% CPR	10% CPR	15% CPR
A Bonds	Initial Date	26/01/2006	26/01/2006	26/01/2006
	Last Date	26/01/2023	28/01/2019	26/04/2016

Series	Payment Date	5% CPR	10% CPR	15% CPR
B Bonds	Initial Date	26/10/2012	26/10/2010	27/07/2009
	Last Date	26/01/2023	28/01/2019	26/04/2016

Series	Payment Date	5% CPR	10% CPR	15% CPR
C Bonds	Initial Date	26/10/2012	26/10/2010	27/07/2009
	Last Date	26/01/2023	28/01/2019	26/04/2016

Series	Payment Date	5% CPR	10% CPR	15% CPR
D Bonds	Initial Date	26/10/2012	26/10/2010	27/07/2009
	Last Date	26/01/2023	28/01/2019	26/04/2016

Series	Payment Date	5% CPR	10% CPR	15% CPR
E Bonds	Initial Date	28/01/2019	28/01/2019	26/04/2016
	Last Date	26/01/2023	28/01/2019	26/04/2016

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4.11. Bondholder representation

No Bondholder Syndicate will be set up for the securities included in this Issue. The Bondholders will be represented by the *Sociedad Gestora* in accordance with the provisions contained in Article 12 of Royal Decree 926/1998, of 14 May 1998.

4.12. Resolutions, authorisations, and approvals for the securities issue

4.12.1 Corporate resolutions

1. Resolution to transfer mortgage loans through the issue of mortgage loan shares and mortgage transfer certificates:

The Board of Directors of Ibercaja, at its meeting held on 28 July 2005, agreed to authorise the transfer of mortgage guarantee loans owned by Ibercaja through the issue of mortgage transfer shares and certificates for their subscription by the Fund.

2. Resolution to incorporate the Fund and issue of securities

The Board of Directors of the *Sociedad Gestora*, at its meeting held on 20 June 2005, agreed on (i) the incorporation of the Fund; (ii) the grouping of Shares and Certificates of the Fund; and (iii) the issue of the securities envisaged in this Securities Document.

4.12.2 Registration by the CNMV

This Prospectus was registered in the Official Registers of the CNMV on 11 October 2005, in conformity with the provisions established in Article 5.1.e) of Royal Decree 926/1998.

No other prior administrative authorisation is required except the registration of the Prospectus by the CNMV. The CNMV has not issued any warnings or opinions on the incorporation of the Fund and the issue of the Bonds.

Pursuant to Royal Decree 926/1998, neither the Fund nor the Bonds issued by it will be registered in the *Registro Mercantil* (Commercial Registry).

4.12.3 Granting of the public deed of incorporation of the fund

After registration of this Prospectus by the CNMV and prior to the commencement of the Bond Subscription Period the Deed of Incorporation of the Fund will be drawn up, in which (i) the Assignor issues the corresponding Shares and Certificates; (ii) the Fund is constituted; (iii) the Fund subscribes the Shares and Certificates; and (iv) the Fund issues the Bonds envisaged in this Securities Document, all of which in the terms provided in article 6 Royal Decree 926/1998. The Deed of Incorporation shall be executed on the first Business Day after the registration date of the present Prospectus. A copy of such Deed of Incorporation shall be forwarded to the CNMV for its inclusion in the public registries.

4.13. Issue date of the securities

The date of the Bond issue shall be the date of execution of the Deed of Incorporation.

The Bond Subscription Period will begin on 17 October 2005 at 10:00 hours and will end on the Disbursement Date at 10:00 hours.

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In order for subscription applications to be taken into consideration, they must be presented during the Subscription Period established in section 4.13.1. above, and submitted to the Underwriters and Distributors Deutsche Bank, AG London, JP Morgan Securities Ltd., Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja), Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja) and EBN Banco de Negocios, S.A., in accordance with the procedures described below.

The subscription or holding of Bonds from one Series does not imply the subscription or holding of Bonds from the other Series.

The Underwriters and Distributors mentioned in section 5.2. of the Registration Document, in accordance with the nature of the issue and the customary practices in these markets, may distribute the underwritten bonds at their discretion, according to the provisions established in the Management, Underwriting and Distribution Agreement for the Bond Issue between the *Sociedad Gestora* and the Underwriters and Distributors, the main terms and conditions of which are described in section 4.2.2 of this Securities Document, and endeavouring, at all times, to ensure that no discriminatory treatment is given to requests of similar characteristics, notwithstanding which the Underwriters and Distributors may give priority to the orders from their clients as they deem fit.

Disbursement of the Bonds will take place on the Disbursement Date, namely 18 October 2005.

On the Disbursement Date each Underwriter and Distributor will pay the amount respectively underwritten into the Fund's account opened with the Financial Agent, at the value on that date. The Placement Directors will insist that the Underwriters and Distributors comply with this undertaking.

Investors who have been allotted Bonds must pay the Underwriters and Distributors, before 10:00, Madrid time, on the Disbursement Date, for value that same day, the corresponding issue price for each Bond allotted. The Underwriters and Distributors should income their corresponding amounts in the Treasury Account of the Fund, before 11:00 CET on the Disbursement Date.

The subscribers of the Bonds may request written confirmation of the transfer of ownership of the Bonds subscribed from the Underwriter through which they have made the subscription, without prejudice to the fact that the ownership of the Bonds will be recorded in the corresponding accounting register of the Bonds, as the Bonds are represented in book-entry form.

Placement Directors

The Underwriters and Placement Entities have undertaken, before the *Sociedad Gestora*, to subscribe, either directly or through third-parties, the entire issue of Bonds con cargo al Fondo, in the terms established in the Management, Underwriting and Distribution Agreement for the Bond issue, the main terms of which are described in section 4.2.2. of this Securities Document.

Deutsche Bank, AG London, J.P. Morgan Securities Ltd., Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja), Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja), and EBN Banco de Negocios, S.A. act as Underwriters and Placement Entities.

Deutsche Bank, AG London and JP Morgan Securities, Ltd. act as Placement Directors.

In view of the main characteristics of the issue, and its placement, distribution and promotion system, the placement of the issue is aimed at institutional investors. The Assignor shall fully subscribe the Series E Bonds. It shall also underwrite and subscribe a percentage of the Series A Bonds.

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The subscription for the Bonds implies acceptance by each Bondholder of the terms of the Deed of Incorporation of the Fund.

Once the issue has been entirely placed and the Bonds have been listed in the organised AIAF Market, the Bonds may be purchased through this market, in accordance with standard trading practice in the market.

4.14. Restrictions on the free transferability of the securities

The title of each Bond shall be transmitted by accounting transfer. The recording in accounts of the transfer in favour of the buyer shall be deemed to have the same effect as the delivery of the title and thereafter the transfer will be effective vis-à-vis third parties. In this connection, third parties purchasing the Bonds issued by the Fund represented by book entries from a person or entity that, according to the accounting entries, appear to be legally entitled to transfer said Bonds, shall not be subject to any type of recovery claim, unless the party in question has acted in bad faith or with gross negligence at the time of acquisition.

5. RESOLUTIONS ON LISTING AND TRADING

5.1. Market where the securities will be traded

The *Sociedad Gestora* will request the listing of the issue in the AIAF fixed income market, with immediate effect as from the Disbursement Date. The issue is expected to be registered in the AIAF market within thirty (30) days following the Disbursement Date, once the corresponding authorisations have been obtained. The *Sociedad Gestora* hereby declares that it understands the requirements and conditions necessary for the admission, maintenance and exclusion of securities in the AIAF fixed income market, in accordance with current legislation, and the requirements of its ruling body; the *Sociedad Gestora*, on behalf of the Fund, will undertake to comply with the aforementioned requirements.

In the event of a delay in admission to listing of the Bonds issued by the Fund, the *Sociedad Gestora* undertakes to publish in a national paper both the causes that have given rise to the aforementioned delay and the new date envisaged for the admission to listing of the issued Bonds, without prejudice to any liability of the *Sociedad Gestora* if it is responsible for this delay.

Furthermore, the *Sociedad Gestora* will request the inclusion of the Bonds in IBERCLEAR so that they may be cleared and paid in accordance with the rules of regulated securities listed on the AIAF fixed income market, and represented by book entries or approved in the future by IBERCLEAR.

5.2. Financial agent and custodian

The payment of the coupons and the principal of the Bonds Issue covered in this Asset Document will be managed by the ICO, located for these purposes in Madrid (Spain), Paseo del Prado, number 4, which has the full capacity to carry out these functions.

The interest of the Bonds of each of the Series will be paid until their final redemption at the end of each Interest Accrual Period on each of the Payment Dates, in accordance with the conditions established in section 4.8 of this Securities Document.

The *Sociedad Gestora*, in the name and on behalf of the Fund, will sign a Financial Services Agreement with the ICO, who will be responsible for the financial service of the Issue of Bonds with charge to the Fund (hereinafter, the "Financial Services Agreement").

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The obligations of ICO in this Financial Services Agreement are summarised as follows:

- (i) On the Disbursement Date, pay to each of the Underwriting and Placement Entities the amount corresponding to the underwriting and placement fee accrued in their favour.
- (ii) Make the Bond interest and redemption payments, on the respective Payment Date, after receiving the relevant instructions from the Sociedad Gestora.
- (iii) On each Determination Date, notify the Sociedad Gestora of the Reference Interest Rate that will be used as a basis for calculating the Nominal Interest Rate applicable to each Bond Series during the respective Interest Accrual Period.

Without prejudice to the provisions of the preceding section, lack of confirmation prior to the Subscription Period, of the provisional credit ratings granted to the Bonds by the Credit Rating Agencies will be an event of termination of the Financial Services Agreement and the rest of the Fund agreements.

As compensation for the services performed by the Financial Agent, the Fund will pay the latter, on every Payment Date during the term of the contract, a commission comprising a fixed amount of six thousand two hundred and sixty-nine (6,269) euros and a variable at an annual rate of 0.00343% of the -matured principal (hereinafter, the "**Outstanding Nominal Balance to Maturity**") of the Shares and Certificates Non-Defaulted on the previous Payment Date, including any taxes, where applicable. The Financial Agent will also charge the Fund five hundred and sixteen (516) euros for management expenses on every Payment Date.

The Sociedad Gestora is entitled to replace the Financial Agent (in all or some of its duties concerning maintenance of the Treasury Account, paying agent or custodian of the Shares and Certificates), provided that this is allowed under applicable law and prior authorisation where required of the competent authorities. The cause motivating the replacement must be a serious breach of its obligations, and entail a serious detriment to the interests of the Bondholders. Such replacement shall be communicated to the CNMV, the Rating Agencies and the Assignors.

In the event that the rating of the Financial Agent authorised by the Rating Agencies for short term risk, where the current rating is P-1 in the case of Moody's and A-1 in the case of S&P, were reduced to below P-1 in the case of Moody's or to A-1 in the case of S&P, or the rating were for whatever reason, revoked by the Rating Agencies, the Sociedad Gestora must exercise, at the Fund's cost, within 30 days following the reduction, in order to maintain the ratings assigned to each of the Series of Bonds by the Rating Agencies, and with prior notice to them, one of the required options described below, which allow an adequate level of guarantee to be maintained with respect to the commitments derived from its duties as custodian, paying agent and concerning maintenance of the Treasury Account:

- (i) To obtain guarantees or similar commitments from a credit entity or entities with a rating of no less than P-1, where awarded by Moody's, and no less than A-1 in the case of S&P, that guarantees the commitments undertaken by the Financial Agent.
- (ii) To replace the Financial Agent with an entity with a rating of no less than P-1 in the case of Moody's and A-1 in the case of S&P, who will assume, under the same conditions, the duties of the Financial Agent

As provided in section 4.4 of this Securities Document, the Bonds will be represented by book entries. IBERCLEAR is entrusted with keeping the accounting records of the Bonds.

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6. OFFERING AND LISTING ADMISSION EXPENSES

The initial expenses of the Fund will be paid with the amount of the Initial Expenses Loan described in section 3.4.3.1 of the Additional Module. In this connection, the breakdown of estimated Fund expenses at the present registration date is as follows:

Fund incorporation and Bond issue expenses	Euros
Registration of the Prospectus in the CNMV	39,033.29 Euros.
Supervision of the listing process by the CNMV	27,135.00 Euros.
Fee for listing in AIAF Fixed Income Market	52,200.00 Euros.
Inclusion of the issue in the book entry system, IBERCLEAR	2,900.00 Euros.
Subtotal (listing expenses)	121,268.29 Euros.
Notary fees, audit, rating, legal, advertising of the issue, printing and other fees	498,731.71 Euros
Underwriting and distribution fees for the Bond issue.	630,000.00 Euros
Total expenses	1,250,000.00 Euros

7. ADDITIONAL INFORMATION

7.1. Statement of the capacity in which the advisors involved in the issue that are mentioned in the securities document have acted

1. The financial structure of the Fund and the Bond Issue has been arranged by DEUTSCHE BANK AG London.
2. Uría, Menéndez y Cia., Abogados, S.C., and (Romero Rey Abogados, S.L.) as the independent consultant, has provided the legal consultancy for the incorporation of the Fund and the Bond issue and has reviewed the representations relating to the tax treatment of the Bonds and the Fund contained in section 4.6. of the Registration Document and 4.3.2. of the Securities Document.
3. Other information in the Securities Document that has been audited or reviewed by the auditors

The auditors have not reviewed this Securities Document.

7.2. Third party expert representations or reports

Pricewaterhouse Coopers acts as auditor for the verification of a series of attributes of a selection of mortgage loans belonging to Ibercaja from where the Mortgage Loans will be extracted in order to issue the Shares and Certificates that will be subscribed by the Fund upon incorporation.

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7.3. Third party information

D. Pedro Manuel Dolz Tomey on behalf Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja), in its capacity as issuer of the Shares and Certificates, represents:

- (i) That the statements made regarding the Mortgage Loans, Mortgage Shares and Mortgage Transfer Certificates included in section 2.2.8. of the Additional Module of the Securities Document, are true.
- (ii) That these statements will be guaranteed to the Sociedad Gestora, on behalf of the Fund, in the Deed of Incorporation of the Fund.
- (iii) that the necessary checkings have been made to verify the accuracy and completeness of the information contained in Prospectus (Registration Document and Securities Document, including the Additional Module) on the portfolio of mortgage loans selected, most of which will be assigned to the Fund, constituting the Mortgage Loans based on which the Mortgage Shares and Transfer Certificates are issued and
- (iv) that as a result of those checkings, no circumstances that contradict or alter the information contained in this Prospectus has been found, and the Prospectus has not been found to omit significant facts or data that could be relevant for the investor.

7.4. Credit ratings assigned by the rating agencies

The *Sociedad Gestora*, in the name and representation of the Fund, and the Assignor, have agreed to request Moody's Investors Service España, S.A. (hereinafter referred to as "**Moody's**") and Standard & Poor's España, S.A. (hereinafter referred to as "**S&P**", and together with Moody's, the "**Rating Agencies**") to assign ratings to each Series of Bonds, in accordance with Article 5 of Royal Decree 926/1998.

On the registration date, the following preliminary rating was awarded by the Rating Agencies:

Bonds	Moody's	S&P
Class A Bonds	Aaa	AAA
Class B Bonds	A1	A
Class C Bonds	Baa2	BBB
Class D Bonds	Ba2	BB
Class E Bonds	Caa1	-

The Rating Agencies were commissioned to perform an evaluation of the Bonds and provide the rating thereof.

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Moody's ratings for each Series of Bonds takes into account the structure of the Bond issue, the legal aspects of same, the characteristics of the Fund, the nature and characteristics of the Mortgage Loans and the regularity and continuity of flows in the operation.

Moody's rating is not an evaluation of the likelihood of Mortgage Debtors making early repayments of the principal, or the extent to which these payment differ from those originally envisaged. The rating does not constitute an assessment of the level of yield reported in actuarial tables.

The ratings Moody's assigns to each Bond series measure the expected loss before the Legal Maturity Date of the Fund. In Moody's opinion, the structure allows the Fund to pay interest and principal during the life of the transaction, and in any event before the Legal Maturity Date.

Moody's has based its assessment on statements made by the entities participating in the transaction, by its auditors and lawyers, and by other experts in connection with the accuracy and completeness of the information provided in relation to the rating and subsequent monitoring.

The rating awarded by Moody's upon the creation of the Fund may be reviewed, suspended or withdrawn at any time, based on any information it receives. The initial rating, as well as any revision or suspension:

(i) is formulated by Moody's based on the considerable amount of information it receives, and in respect of which Moody's gives no assurance as regards accuracy or completeness, hence Moody's may not be considered liable in way for this information.

(ii) does not constitute and cannot, accordingly, be interpreted in any manner as a recommendation or encouragement to Bondholders to proceed to perform any transaction in respect of the Bonds, and in particular, to buy, hold, retain, pledge or sell the Bonds.

(iii) nor does it reflects the market conditions, or the possible needs of any particular investor.

The rating assigned by S&P for the level of credit risk is the Agency's opinion on the capacity of the Bonds to comply with the regular interest and principal payments during the term of the operation.

S&P has issued no opinion on the Series E Bonds.

S&P's rating is based on the quality of the Shares and Certificates grouped in the Fund, on the credit enhancement available and on the legal and financial aspects of the Bond issue.

The rating assigned by S&P is not an assessment of the probability of the Mortgage Debtors prepaying or repaying the principal of the Shares and Certificates. The rating does not in any way imply an assessment of the likely yield of the Bonds.

S&P has based its assessment on statements made by the entities participating in the transaction, by its auditors and lawyers, and by other experts in connection with the accuracy and completeness of the information provided in relation to the rating and subsequent monitoring.

The rating awarded by S&P upon the creation of the Fund may be reviewed, suspended or withdrawn at any time due to information it receives or due to the non-availability of information, or for any other reason.

The rating assigned by S&P does not constitute a recommendation to buy, sell or retain the securities.

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As envisaged in section 10 of the Registration Document, the document in which the Rating Agencies award the provisional rating to this issue will be made available to the public at the registered office of the Fund or at the offices of the CNMV. Furthermore, the document in which the Rating Agencies award the final rating to this issue will be notified to the CNMV.

The importance attributed by Moody's and S&P to the long- and short-term ratings used in this Prospectus, as well as the intermediate ratings, are described below.

a) Long Term

Standard & Poor's	Meaning
AAA	Capacity to pay interest and repay principal is extremely strong
AA	Capacity to pay interest and principal is very strong
A	Strong capacity to pay interest and principal. More susceptible to the adverse effects of future changes in circumstances and economic conditions
BBB	Regarded as having adequate capacity to pay interest and principal. Adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and principal.
BB	Speculative grade. Cannot be assumed that the future is assured. Interest and principal payment is very moderate.
B	The guarantee of interest and principal repayment can be low. Highly vulnerable to adverse economic conditions.
CCC	Vulnerable to default. Payment continuity dependent on financial, economic, and business conditions being favourable

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-	Highly speculative
-	Current or imminent default .
-	Speculative securities. Its value may not exceed its redemption value in the case of liquidation or sector restructuring.

Standard & Poor's applies a + or minus (-) sign in AA to CCC categories to indicate the relative position within each category.

Moody's applies numbers 1,2 and 3 to each category from Aa to B, to indicate the relative position within each category, number 1 is the highest position within each category, number 2 is a medium position and number 3 is the lowest.

Moody's	Meaning
Aaa	Interest payments are covered by a wide or exceptionally stable margin and possibilities of collection of the principal are certain
Aa	The fluctuation in the protection elements may or may not be greater, or there may not exist other elements that lead to the perception the long-term risk is higher than that of rated securities.
A	Strong rating as investment instruments and must be considered as medium-high quality securities. The factors guaranteeing collection of capital and interest are sufficient, but there may be elements that suggest a possible deterioration in the future.
Baa	Payments of interest and principal are considered sufficiently well protected, but some protection elements may not exist or be unreliable in the long term
Ba	Speculative grade. Payments of principal and interest may be modestly protected and therefore vulnerable in the future. These securities are characterised by having an uncertain situation.
B	The certainty of fulfilling interest and principal payments may be limited in the long term
Caa	Poor quality. These issues may have failed to comply with payment obligations already past due and may contain elements that endanger the collection of capital and interest.
Ca	Highly speculative. These issues have often defaulted or have other marked deficiencies.

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	have other marked deficiencies.
C	The possibility of these issues reaching a investment value is remote.
	Speculative securities. Its value may not exceed its redemption value in the case of liquidation or sector restructuring.

2. b) Short Term

Standard & Poor's	Meaning
A-1	Highest rating indicating that the degree of certainty in obtaining payment in the time frame established is very high. For Standard & Poor's, it may be accompanied by the + symbol if the certainty is extreme.
A-2	The capacity to correctly discharge the debt is satisfactory, although the level of certainty is not as high as above.
A-3	Capacity for repayment is satisfactory but greater vulnerability than above to adverse changes in circumstances
B	Normally indicates a satisfactory payment capacity, but adverse effects will seriously condition debt servicing
C	Short term debt rating assigned to debt with doubtful payment capacity
D	In default. Used when interest payment o principal has not been processed in its due date, even if a grace period remains pending expiration.
i	Used only for governments that have not formally requested a rating for specific debt issues

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Moody's	Meaning
P-1	Strong capacity to return on time its commitments with respect to issues of less than one year.
P-2	Strong capacity of repayment for debt commitments in a timely manner with respect to issues of less than one year.
P-3	Acceptable capacity for repayment of debt commitments issued at a term of under one year.
No Prime	Do not have the characteristics of any of the above categories

These ratings are not a recommendation to buy, sell or hold securities. The credit rating may be revised, suspended or withdrawn at any time by the rating agency.

The aforesaid credit ratings are only an estimate and should not keep prospective investors from making their own analysis of the securities to acquire.

The *Sociedad Gestora*, on behalf of the Fund, undertakes to provide the Rating with periodic information regarding the situation of the Fund and the behaviour of the Mortgage Loans in order that they may be able to continue to rate the Bonds. Similarly, it will supply said information whenever reasonably requested to do so, and in any event, whenever there are changes in the conditions of the Fund, in the contracts entered into by the Fund through its *Sociedad Gestora* or in the interested parties.

Lack of confirmation prior to the start of the Bond Subscription Period, of any of the provisional ratings granted to the Bonds by the Credit Rating Agencies will be considered an event of termination with respect to the issue and subscription of the Shares and Certificates, the Initial Expenses Loan, the Subordinated Loan, and the rest of the Fund contracts, incorporation of the Fund and the Bond Issue.

The Prospectus submitted for registration with the CNMV is exactly coincident with the one submitted to the Rating Agencies.

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IV. SECURITIES DOCUMENT (ADDITIONAL MODULE FOR ASSET-BACKED SECURITIES) (ANNEX VIII REGULATION 809 / 2004)

1. SECURITIES

1.1. Minimum denomination of the issue

The Mortgage Shares and Mortgage Transfer Certificates which shall comprise the assets of the Fund at the time of its incorporation will have a principal amount equal to or slightly less than nine hundred million (900,000,000) Euros.

1.2. Confirmation that the information regarding a company or debtor not participating in the issue has been reproduced exactly

Not applicable.

2. UNDERLYING ASSETS

2.1. Confirmation of the capacity of the securitised assets to produce the funds payable on the securities

In accordance with the information supplied by the Assignor and the analysis performed by the Placement Directors and Rating Agencies, the Shares and Certificates to be issued will be backed by Mortgage Loans and the characteristics of these loans (term, interest rate, mortgage guarantees, etc.) and demonstrate the capacity to generate funds to comply with the payments arising from the Bonds, in accordance with the Priority Order of Payments established in section 3.4.6.3. of this Additional Module.

Nevertheless, in order to consolidate its financial structure and achieve maximum hedging of risks inherent in the issue, the *Sociedad Gestora* will, on behalf of the Fund, and the date of execution of the Deed of Incorporation, conclude the agreements and contracts and perform the acts stipulated in section 3.4.2 of this Additional Module.

Also, since not all the Bonds are affected by the same default risk, the Rating Agencies have assigned each Series the credit ratings set out in section 7.5 of the Securities Document.

Without prejudice to the foregoing, the *Sociedad Gestora*, after notifying the CNMV, will be authorised to carry out the Early Liquidation of the Fund and thus the Early Redemption of the Bonds in the events and subject to the requirements set out in section 4.4.3 of the Registration Document.

2.2. Assets backing the issue

The credit rights comprising the assets of the Fund will consist solely of credit rights belonging to Ibercaja under loans granted by Ibercaja to corporate clients, for a total amount equal to, or slightly more than, nine hundred million (900,000) euros, guaranteed by mortgages of property located in Spanish territory, and which have been granted in accordance to Spanish legislation (the "**Mortgage Loans**").

The Mortgage Loans shall be transferred by Ibercaja to the Fund by issuing Shares and Certificates, in accordance with the individual features of each Mortgage Loan.

On the Date of Incorporation, the Shares and Certificates to be assigned to the Fund shall be taken from the loan portfolio audited as of September 9, 2005, comprising 12,616 mortgage loans with an Outstanding Nominal Balance Pending Maturity amounting to 1,021,050,572.18 euros.

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Audit of assets securitised through the Fund

The selected loans have been audited by the auditing firm Pricewaterhouse Coopers Auditores, S.L., registered in the ROAC Register (Oficial Auditors Register) with number S02422 and with registered office in Madrid, at Paseo de la Castellana, 43, and CIF (Corporate Taxpayer Identification number) B-79031290.

The aforementioned audit was performed using sampling techniques based on the analysis of a number of items (sample) smaller than the total selection of loans (population) in order to draw conclusions on the aforementioned population with 99% reliance. The examination covers a series of quantitative and qualitative attributes of the loans, specifically: purpose of the loan, identification of the borrower, formalisation date, maturity date, reference interest rate, current interest rate, interest rate margin, initial amount of the loans, current balance of the loans, payments in arrears, appraised value, ratio between the current balance of the loan and the appraised value, mortgaged property address, mortgage guarantee and damage insurance. Selected loans containing sample verification errors will not be assigned to the Fund by Ibercaja.

The results of the audit are presented in a report prepared by Pricewaterhouse Coopers Auditores, S.L.. This is one of the documents available for consultation as indicated in section 10 of the Registration Document.

2.2.1 Legal jurisdiction by which the pool of assets is governed

The credit rights comprising the assets of the Fund are governed by Spanish Law.

2.2.2 General characteristics of the debtors

The assets of the Fund will be formed by Shares and Certificates representing participations in loans granted for the acquisition, construction or restoration of a home located on Spanish soil, where the debtors are private individuals or natural persons (hereinafter referred to as the "**Mortgage Debtors**"), and all guaranteed by mortgage loans duly registered with the Property Register.

The following tables show the distribution of the mortgage loans comprising the audited portfolio according to residual maturity date, contracted date, date of next interest rate review, current balance, current nominal rate, reference rate, ratio between principal and appraised value, arrears, and geographical location. These tables were prepared based on information current as of 9 September 2005

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AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE (Grouped by issue date)								
ISSUE DATE	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANC E %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
1996	19	910.694,71	0,09	222	116	3,41	3,08	3,75
1997	323	15.354.173,28	1,50	257	160	3,50	2,67	4,25
1998	874	44.288.268,33	4,34	255	170	3,43	2,35	4,25
1999	1.277	68.375.885,14	6,70	260	187	3,42	2,42	4,00
2000	1.237	76.659.611,09	7,51	268	206	3,46	2,35	7,00
2001	2.025	142.264.406,82	13,93	272	224	3,33	2,35	7,00
2002	1.667	137.566.995,46	13,47	287	249	3,12	2,35	3,96
2003	2.223	209.419.006,67	20,51	303	277	3,03	2,35	4,36
2004	2.791	305.196.989,14	29,89	322	308	2,89	2,35	4,87
2005	180	21.014.541,54	2,06	329	323	2,76	2,42	3,47
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	2,353	7,00

AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE (Grouped by Remaining Term)								
REMAINING TERM	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANC E %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
45,00 - 60,00	3	152.405,69	0,01	115	53	3,29	2,95	3,75
60,00 - 75,00	31	1.246.749,29	0,12	144	70	3,39	2,60	6,00
75,00 - 90,00	146	6.027.021,30	0,59	162	83	3,37	2,55	4,00
90,00 - 105,00	349	15.117.627,60	1,48	171	98	3,33	2,52	4,00
105,00 - 120,00	372	18.466.625,34	1,81	173	112	3,29	2,35	4,00
120,00 - 135,00	273	14.671.992,29	1,44	178	128	3,27	2,44	6,25
135,00 - 150,00	391	21.955.199,67	2,15	196	142	3,22	2,35	4,00
150,00 - 165,00	756	41.079.098,63	4,02	218	157	3,27	2,42	4,25
165,00 - 180,00	628	37.892.148,67	3,71	221	171	3,22	2,35	4,00
180,00 - 195,00	582	37.968.170,92	3,72	236	188	3,27	2,42	7,00
195,00 - 210,00	726	48.913.626,03	4,79	244	201	3,19	2,44	4,25
210,00 - 225,00	945	64.015.886,01	6,27	264	217	3,20	2,44	4,36
225,00 - 240,00	1.119	79.704.464,77	7,81	281	232	3,28	2,35	4,37
240,00 - 255,00	1.107	84.092.129,95	8,24	297	248	3,34	2,35	7,00
255,00 - 270,00	1.164	100.724.687,31	9,86	299	262	3,11	2,35	4,00
270,00 - 285,00	1.151	110.853.112,26	10,86	301	276	3,02	2,35	4,25
285,00 - 300,00	532	55.086.960,18	5,40	304	289	2,91	2,35	4,87
300,00 - 315,00	102	3.745.564,33	0,36	344	308	3,20	2,50	4,00
315,00 - 330,00	323	33.863.584,58	3,32	356	324	3,10	2,50	3,75
330,00 - 345,00	936	112.292.051,17	11,00	359	338	2,99	2,44	4,00
345,00 - 360,00	715	89.512.539,61	8,77	360	348	2,87	2,50	4,62
360,00 - 375,00	3	307.880,31	0,03	384	369	2,99	2,83	3,09
375,00 - 390,00	6	947.204,72	0,09	398	390	2,81	2,60	3,02
390,00 - 405,00	24	3.547.844,58	0,35	419	403	2,97	2,67	3,17
405,00 - 420,00	232	32.865.936,37	3,22	420	409	2,88	2,55	3,61
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	2,353	7,00

AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE (Grouped by current balance)									
CURRENT BALANCE EUROS	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANC E %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	AVERAGE CURRENT BALANCE EUROS	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
0,00 - 15.000,00	3	31.253,12	0,00	206	190	3,22	10.417,71	2,92	3,38
15.000,00 - 30.000,00	357	9.683.628,23	0,95	220	161	3,48	27.125,01	2,55	7,00
30.000,00 - 45.000,00	1925	73.505.392,66	7,20	237	177	3,41	38.184,62	2,42	7,00
45.000,00 - 60.000,00	2468	129.756.803,44	12,71	260	205	3,33	52.675,69	2,35	4,62
60.000,00 - 75.000,00	2100	141.140.788,09	13,82	275	230	3,25	67.209,88	2,35	6,75
75.000,00 - 90.000,00	1620	133.090.062,21	13,03	289	253	3,12	82.154,36	2,35	4,25
90.000,00 - 105.000,00	1223	118.371.359,18	11,65	300	269	3,06	97.278,30	2,35	6,50
105.000,00 - 120.000,00	895	100.398.569,83	9,83	308	280	3,01	112.177,17	2,35	4,00
120.000,00 - 135.000,00	598	75.719.846,08	7,42	319	293	3,01	126.621,82	2,35	6,50
135.000,00 - 150.000,00	520	74.073.541,57	7,25	324	300	2,96	142.449,12	2,42	4,25
150.000,00 - 165.000,00	293	45.965.864,27	4,50	331	309	2,96	156.893,84	2,35	4,00
165.000,00 - 180.000,00	244	42.045.826,77	4,12	339	319	2,94	172.318,96	2,35	3,75
180.000,00 - 195.000,00	154	28.826.774,05	2,82	336	317	2,89	187.186,84	2,35	3,47
195.000,00 - 210.000,00	98	19.790.122,66	1,94	345	326	2,88	201.940,03	2,44	3,42
210.000,00 - 225.000,00	47	10.173.265,60	1,00	328	305	2,90	216.452,46	2,51	3,62
225.000,00 - 240.000,00	32	7.413.028,93	0,73	312	294	2,85	231.657,15	2,35	3,50
240.000,00 - 255.000,00	12	2.890.506,82	0,28	350	338	2,80	244.208,81	2,44	3,13
255.000,00 - 270.000,00	9	2.365.189,43	0,23	333	319	2,81	262.798,83	2,44	3,05
270.000,00 - 285.000,00	11	3.043.855,35	0,30	333	318	2,88	276.714,12	2,44	3,22
285.000,00 - 300.000,00	6	1.783.796,03	0,17	360	347	2,73	293.966,01	2,60	2,87
300.000,00 - 315.000,00	1	300.017,76	0,03	420	412	2,63	300.017,76	2,63	2,69
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	80.932,99	2,353	7,00

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AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE
(Grouped by current Interest Rate)

CURRENT INTEREST RATE	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE E %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
2,00 - 3,00	4.054	421.094.717,09	41,24	310	289	2,80	2,35	3,00
3,00 - 4,00	8.332	588.089.287,19	57,60	283	237	3,33	3,00	3,96
4,00 - 5,00	215	10.990.703,60	1,08	287	218	4,03	4,00	4,87
6,00 - 7,00	13	816.012,99	0,08	266	211	6,42	6,00	6,75
7,00 - 8,00	2	59.851,31	0,01	270	214	7,00	7,00	7,00
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	2,353	7,00

AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE
(Grouped by Reference Interest Rate)

REFERENCE INDEX	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE E %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE MARGIN	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
TOTALES EURIBOR	9.320	838.412.026,63	82,11	299	269	0,74	2,35	6,75
0,00 - 0,50	567	59.538.620,35	7,10	296	277	0,39	2,35	2,95
0,50 - 1,00	6.329	607.510.960,52	72,46	303	276	0,68	2,60	6,00
1,00 - 1,50	2.339	166.598.448,18	19,87	285	244	1,05	2,80	6,75
1,50 - 2,00	85	4.763.997,68	0,57	285	251	1,51	3,60	4,13
TOTALES IRPH	2.729	154.352.012,29	15,12	279	217	0,13	3,00	7,00
-0,50 - 0,00	69	4.059.342,29	2,63	276	200	-0,25	3,00	3,50
0,00 - 0,50	2.475	140.642.591,86	91,12	278	217	0,11	3,31	7,00
0,50 - 1,00	180	3.409.118,11	6,10	289	223	0,51	3,81	7,00
1,00 - 1,50	4	198.608,76	0,13	276	261	1,08	4,31	4,62
1,50 - 2,00	1	42.351,27	0,03	300	286	1,50	4,87	4,87
TOTALES MIBOR	567	28.286.533,26	2,77	236	152	1,05	2,42	4,00
0,00 - 0,50	6	390.266,24	1,38	303	218	0,25	2,42	2,63
0,50 - 1,00	24	1.160.841,30	4,10	230	138	0,78	2,76	3,25
1,00 - 1,50	516	25.755.286,76	91,05	235	151	1,06	3,11	3,75
1,50 - 2,00	21	980.138,96	3,47	247	161	1,52	3,61	4,00
TOTAL	12.616	1.021.050.572,18	100,00	294	258		2,353	7,00

AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE
(Grouped by next reset of the interest period)

NEXT INTEREST RESET (year-month)	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE E %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
200509	1366	110.572.370,38	10,83	297	261	3,19	2,55	4,62
200510	1405	112.619.623,38	11,03	299	285	3,22	2,56	6,25
200511	1543	130.339.665,70	12,77	304	272	3,13	2,52	7,00
200512	1729	141.641.034,11	13,87	301	266	3,11	2,44	6,75
200601	1485	124.415.280,12	12,19	303	271	3,04	2,35	4,50
200602	1201	94.806.362,55	9,29	298	263	3,16	2,42	7,00
200603	567	44.372.136,50	4,35	275	233	3,21	2,56	6,75
200604	714	55.379.627,43	5,42	278	236	3,18	2,59	4,00
200605	610	46.079.649,93	4,51	277	233	3,15	2,42	4,00
200606	729	58.597.903,85	5,74	282	242	3,00	2,44	4,00
200607	717	56.357.291,31	5,52	279	236	2,94	2,35	3,95
200609	645	45.406.303,49	4,45	284	260	2,98	2,42	3,92
200810	3	312.954,34	0,03	267	245	4,25	4,25	4,25
200811	1	100.653,53	0,01	360	339	4,00	4,00	4,00
200812	1	49.715,56	0,00	240	220	4,25	4,25	4,25
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	2,353	7,00

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AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE
(Grouped by delinquency)

DELINQUENCY (months)	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED INITIAL MATURITY (months)	WEIGHTED RESIDUAL MATURITY (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
0	12.522	1.013.648.391,23	99,28	294	258	3,12	2,35	7,00
1	93	7.257.420,50	0,71	304	271	3,24	2,68	4,00
2	1	144.760,45	0,01	360	345	3,02	3,02	3,02
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	2,353	7,00

AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE
(Grouped by location property)

PROPERTY PROVINCE	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM	WEIGHTED AVERAGE CURRENT INTEREST	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
ALAVA	4	464.707,46	0,05	322	305	3,16	2,98	3,62
ALBACETE	38	2.327.100,86	0,23	280	242	3,13	2,59	3,50
ALICANTE	249	18.051.146,05	1,77	270	240	3,10	2,42	6,25
ALMERIA	7	685.690,73	0,07	302	285	2,88	2,55	3,61
ASTURIAS	97	9.759.932,87	0,96	317	293	2,87	2,57	3,56
AVILA	10	492.819,64	0,05	251	220	3,19	2,60	3,75
BADAJOS	31	2.551.677,46	0,25	328	317	2,76	2,35	3,57
BALEARES	40	5.059.620,27	0,50	315	284	2,91	2,60	3,50
BARCELONA	853	83.929.514,91	8,22	325	287	3,23	2,35	6,50
BURGOS	154	14.044.433,23	1,38	319	285	2,91	2,50	3,75
CACERES	74	6.548.818,80	0,64	315	289	2,86	2,57	3,50
CADIZ	31	2.842.808,36	0,28	316	296	2,84	2,42	3,44
CANTABRIA	50	4.562.066,78	0,45	290	265	2,86	2,60	3,50
CASTELLON	350	23.950.161,96	2,35	284	247	3,19	2,42	7,00
CIUDAD REAL	10	602.552,40	0,06	278	251	3,18	2,67	4,00
CORDOBA	50	5.259.123,76	0,52	321	301	2,84	2,50	3,38
CUENCA	37	2.351.989,65	0,23	284	258	2,95	2,60	3,62
GERONA	57	4.677.188,68	0,46	288	256	3,10	2,35	3,75
GRANADA	77	7.313.019,67	0,72	336	319	2,83	2,56	3,44
GUADALAJARA	635	44.821.208,90	4,39	283	240	3,22	2,35	4,00
GUIPUZCOA	1	94.358,87	0,01	300	259	3,05	3,05	3,05
HUELVA	5	388.177,41	0,04	283	256	2,92	2,56	3,29
HUESCA	552	34.120.491,73	3,34	262	223	3,21	2,35	6,50
JAEN	71	7.159.214,14	0,70	327	308	2,86	2,60	3,50
LA CORUÑA	64	5.945.110,89	0,58	311	282	2,84	2,50	3,34
LAS PALMAS	77	7.633.955,19	0,75	320	295	2,93	2,60	3,33
LEON	33	2.583.886,37	0,25	312	290	2,84	2,35	3,60
LERIDA	361	26.544.790,67	2,60	305	272	3,24	2,35	4,25
LOGROÑO	409	33.160.778,31	3,25	289	260	3,08	2,35	4,25
LUGO	2	200.926,02	0,02	316	300	3,16	2,75	3,40
MADRID	3.871	335.701.589,93	32,88	294	255	3,15	2,35	6,25
MALAGA	34	3.158.009,71	0,31	297	271	2,93	2,52	4,00
MURCIA	40	3.080.292,87	0,30	296	268	3,16	2,59	6,00
NAVARRA	222	19.327.329,08	1,89	311	279	3,14	2,50	4,87
ORENSE	38	3.383.950,97	0,33	310	287	2,78	2,44	3,75
PALENCIA	30	2.599.851,41	0,25	291	259	2,80	2,35	3,25
PONTEVEDRA	13	1.401.273,77	0,14	323	308	2,79	2,55	3,19
S. C. DE TENERIFE	53	4.554.947,31	0,45	311	285	2,92	2,55	3,42
SALAMANCA	4	435.926,76	0,04	369	356	2,81	2,67	3,09
SEGOVIA	14	798.692,94	0,08	239	206	3,07	2,64	3,75
SEVILLA	69	6.333.407,07	0,62	307	280	2,90	2,59	3,33
SORIA	67	4.092.371,48	0,40	284	236	3,08	2,57	6,00
TARRAGONA	350	27.798.247,03	2,72	296	265	3,13	2,42	4,25
TERUEL	179	11.519.137,77	1,13	273	237	3,18	2,35	4,00
TOLEDO	111	8.762.988,27	0,86	293	263	3,13	2,60	4,00
VALENCIA	1.111	78.420.004,08	7,68	286	252	3,14	2,35	6,75
VALLADOLID	32	2.466.709,51	0,24	272	235	2,84	2,65	3,34
VIZCAYA	2	364.924,98	0,04	360	338	2,85	2,72	3,09
ZAMORA	2	170.271,57	0,02	300	279	2,81	2,65	3,09
ZARAGOZA	1.945	148.553.373,63	14,55	281	244	3,07	2,35	6,75
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	2,353	7,00

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2.2.3 Legal status of the assets

Mortgage Loans, given their financial characteristics, are divided into two categories:

- a) Mortgage Loans that comply with the requirements established in Section Two of Law 2/1991, of 25 March, regulating the Mortgage Market (hereinafter referred to as the "**Mortgage Market Law**") and which are transferred to the Fund through the issuance of the Shares.
- b) Mortgage Loans that do not comply with the Section Two of the Mortgage Market Law and which are transferred to the Fund by means of the issue of Certificates, in conformity with Article 18 of Law 44/2002.

The Mortgage Loans are documented in a public deed and registered with the Property Register, and are enforceable in accordance with the provisions contained in Heading IV of Book III of Civil Procedure Law 1/2000, of 7 January.

2.2.4 Dates relating to the mortgage loans

Each of the Mortgage Loans has a maturity date, notwithstanding the possibility of early redemption in accordance with their particular terms. Section 2.2.2. of the present Additional Module includes a table with the breakdown of Mortgage Loans by residual maturity in months.

2.2.5 Amount of the assets

On the Date of Incorporation, the amount of the Shares and Certificates will be equal to or slightly less than nine hundred million (900,000,000) Euros. The Shares and Certificates to be assigned to the Fund shall be taken from the audited loan portfolio as of September 9, 2005, comprising 12,616 mortgage loans with an Outstanding Nominal Balance Pending Maturity amounting to 1,021,050,572.18 euros.

2.2.6 Ratio of the principal of the mortgage loans or level of security

AUDITED PORTFOLIO, TDA IBERCAJA 2 ISSUE (Grouped by Loan to Value)									
LOAN TO VALUE RATIO	NUM	TOTAL CURRENT BALANCE EUROS	CURRENT BALANCE %	WEIGHTED AVERAGE INITIAL TERM (months)	WEIGHTED AVERAGE REMAINING TERM (months)	WEIGHTED AVERAGE CURRENT INTEREST RATE	WEIGHTED AVERAGE LOAN TO VALUE RATIO	Min. CURRENT INTEREST RATE	Max. CURRENT INTEREST RATE
0,00 - 10,00	1	5.121,02	0,00	360	351	2,92	2,93	2,92	2,92
10,00 - 20,00	8	233.802,16	0,02	258	225	3,04	16,82	2,58	3,31
20,00 - 30,00	28	1.113.151,53	0,11	221	181	3,06	26,46	2,58	3,86
30,00 - 40,00	66	3.585.841,58	0,35	225	189	3,04	35,66	2,55	3,81
40,00 - 50,00	1.641	103.148.011,55	10,10	248	206	3,10	45,92	2,35	6,25
50,00 - 60,00	2.323	164.761.868,83	16,14	265	225	3,09	55,17	2,35	4,87
60,00 - 70,00	2.891	220.765.453,98	21,62	283	242	3,13	65,28	2,35	6,50
70,00 - 80,00	3.194	296.554.333,70	29,04	314	284	3,06	74,99	2,35	6,75
80,00 - 90,00	1.872	169.081.134,31	16,56	319	284	3,23	85,51	2,35	7,00
90,00 - 100,00	692	61.801.359,62	6,05	334	305	3,20	91,97	2,35	7,00
TOTAL	12.616	1.021.050.572,18	100,00	294	258	3,12	69,32	2,353	7,00

2.2.7 Method of creation of the assets

As indicated in section 2.2.2. of this Additional Module, the Mortgage Loans were granted by the Assignor to private individuals in order to finance the acquisition, construction or restoration of homes located on Spanish soil. These Mortgage Loans are guaranteed by a senior mortgage on the full ownership of each and every property, valued by an Appraisal Agency. Some of the aforementioned Mortgage Loans derive from subrogations of the private individual debtor of promoter loans. On the Incorporation Date, as declared by the Assignor, there are no lawsuits of any kind whatsoever relating to the Mortgage Loans that might impair their validity.

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The Mortgage Loans have been granted by the Assignor, Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja), in accordance with its standard procedures, which are described in the Fund's "Internal Memorandum on the Granting of Mortgage Loans", attached to the Deed of Incorporation, and summarised below:

a) Description of the process

At the customer's request, the office performs an initial study and assessment to authorise the mortgage loan operation.

b) Direct allocation (individual mortgages)

Information on the operation is normally obtained during the first interview: characteristics of the property, loan period, financing needs, details of offers from other entities, etc. The customer is also given information on the range of products offered by the entity for this class of financing operation.

Once the customer has considered the operation and provided all the documentation and information requested, the office starts to process and study the application. The application is automatically processed by the office, with the issuance of the appraisal, information from CIRBE and debtor files, as well as the legal report by the entity's Legal Counselling Department, providing descriptions of the properties, the legal position of the participants and a summary of how to formalise the application to ensure it is correct from a legal standpoint.

Once all the information has been obtained, an investment viability study is performed, including assessment using the scoring programme. The main criterion for authorising the operation is the analysis of the customer's repayment capacity with respect to the requested operation within the periods established accordingly, taking into consideration additional guarantees to support the operation, but under no circumstances are a criterion for decision-taking purposes.

Once all the data have been gathered, the office will decide whether or not to authorise the operation if it falls within the scope of capabilities, or to submit it for approval by a superior decision-taking body, accordingly.

Once the operation has been authorised by the competent division, the documentation required to formalise same is prepared, the deed is signed before a Notary and the legal procedures required to complete the formalisation of the operation are carried out.

Once the customer has submitted all the necessary documentation, the operation may be formalised within approximately eight to ten days.

c) Promoter (subrogated loans)

In the case of subrogated loans, the promoter must provide Ibercaja with a list of the buyers of properties, together with a copy of the private purchase contracts. The office contacts the customers to determine their relationship prior to the subrogation of the mortgage and to request the documentation it requires to study the operation.

2.2.8 Indication of representations and warranties given to the issuer in respect of the assets

The Assignor, as the holder of the Mortgage Loans, declares and guarantees the Fund and the *Sociedad Gestora*, with respect to itself, the Shares and Certificates it will issue and the Mortgage Loans corresponding to the Shares and Certificates on the Date of the Incorporation of the Fund, that:

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2.2.8.1. Representations of the assignor:

1. That it is a credit institution duly established in accordance with current legislation, is registered in the Commercial Registry and the Credit Institution Register at the Bank of Spain and is authorised to participate in the Mortgage Loan Market.
2. That it has not been declared insolvent, in temporary receivership or bankruptcy or and is not affected by any other situation that might give rise to any liability on its part or revoke its authorisation as credit institution, as at the date of the Prospectus or at any time since its incorporation.
3. That it has obtained all the required administrative and corporate authorisations for validly granting the Deed of Incorporation and the commitments undertaken in same and other agreements relating to the incorporation of the Fund.
4. That it has audited individual and consolidated financial statements for the years ending 31 December 2002, 31 December 2003 and 31 December 2004, and that a favourable opinion has been issued by the Auditors in at least the report issued for the year ending 31 December 2004. The aforementioned financial statements have been deposited at the CNMV and at the Commercial Registry.
5. That it complies with data protection legislation currently in force.

2.2.8.2. With respect to the shares, certificates and mortgage loans

1. That the Mortgage Loans exist, are valid and may be executed in accordance with current legislation, and that all of the applicable legal provisions have been respected in the granting thereof.
2. That the Assignor has the ownership title of all the Mortgage Loans, and there is no hindrance to the issue of the corresponding Shares and Certificates representing the Mortgage Loans.
3. That the data relating to the Mortgage Loans included as an Annex of the Deed of Incorporation and the data included in the multiple deeds representing the Shares and Certificates (hereinafter, the "**Multiple Deeds**"), reflect the current situation on these loans on the Incorporation Date, as included in the computer files of these Mortgage Loans, and that this data is correct, complete and does not contain any errors or misrepresentations. Any additional information on the characteristics of the Loan portfolio of the Assignor contained in the Prospectus is correct and does not contain any errors or misrepresentations.
4. It declares that all Mortgage Loans accrue variable interest without prejudice to the fact that, fixed interest rates may be agreed on during an initial period. No maximum or minimum interest rates have been established for the Mortgage Loans.
5. That the Mortgage Loans have been granted to private individuals in order to finance the acquisition, construction or restoration of homes located on Spanish soil, and that none of these properties is classified as local authority housing, and that they have not been granted subsidies for their acquisition, construction or restoration. Some of the loans are derived from debtor subrogations from promoter loans.
6. That a senior Mortgage on the full ownership of each and every property guarantees all the Loans in question and the mortgaged properties are not affected by any drawing prohibitions, termination conditions or any other ownership limitations.

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7. All the mortgages are duly constituted and registered in the corresponding Property Registries, and their full registration data correspond to those mentioned in the Deed of Incorporation of the Fund and in the appropriate Multiple Deeds. The registration of the mortgaged properties is in force and unchallenged and is not subject to any limitation with preference over the mortgage, in accordance with current legislation.
8. That the Mortgagees have full ownership of the entirety of the properties on which the Mortgages are constituted (properties which comply with the requirements stipulated in Article 27 of Royal Decree 685/1982, of 17 March, implementing the Mortgage Market Law (hereinafter referred to as "**Royal Decree 685/1982**"), and the Assignor is not aware of any lawsuit relating to the title of such properties.
9. That all mortgaged housing comprises finished properties and has been appraised beforehand by Appraising Companies duly registered by the Bank of Spain, and that the appraisals have been appropriately certified. The valuations comply with all the requirements established in mortgage legislation.
10. The Outstanding Nominal Balance of each Mortgage Loan backing the Shares does not exceed 80% of the appraisal value of the mortgaged properties in guarantee of each Mortgage Loan, on the date of the issue of the Mortgage Share Certificates.
11. The Outstanding Nominal Balance of each Mortgage Loan backing the Certificates does not exceed 100% of the appraisal value of the mortgaged properties in guarantee of each Mortgage Loan, on the date of the issue of the Mortgage Share Certificates.
12. That, in respect of the Mortgage Loans, the Assignor is not aware of any reduction of more than 20% of the appraisal value of any of the properties.
13. That all properties subject to mortgage have (i) insurance coverage against the risk of damage, the insured amount is not lower than the appraisal value of the mortgaged property, excluding items uninsurable by nature in the case of Shares and not lower than the outstanding balance as of September 9, 2005 in the case of Certificates, or (ii) that the Assignor has arranged a complementary and subsidiary global insurance policy to guarantee damage insurance in the event that no such policy has been arranged for the property.
14. That the information regarding the damage insurance and any other ancillary rights related to the Mortgage Loans is complete and accurate, and is a faithful representation of reality.
15. That the Assignor is aware that all the insurance policies referred to in paragraphs (13) and (14) are being paid in full.
16. That the properties mortgages by virtue of the Mortgage Loans are not considered as assets excluded from use as collateral in accordance with Article 31.1.d) of Royal Decree 685/1982, and the Mortgage Loans do not include any of the characteristics of restricted or excluded loans as per Article 32 of Royal Decree 685/1982 and can accordingly back the issue of Shares and Certificates.
17. That the Mortgage Loans have been granted in accordance with market criteria.
18. That it has complied with all the criteria contained in the Memorandum on the Granting of Mortgage Loans, attached to the Deed of Incorporation, and that these are the criteria normally used by the Assignor when granting Mortgage Loans, and that these criteria comply with applicable legislation.

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19. That the Mortgage Loans are formalised in public deeds.
20. That all the deeds referring to mortgages arranged on properties and to the Mortgage Loans are duly deposited with the Assignor and are available to the *Sociedad Gestora*. All the Mortgage Loans are clearly identified in electronic format and in their respective deeds, and they are analysed and monitored by the Assignor.
21. That all Mortgage Loans are, and have been, serviced by the Assignor in accordance with its standard procedures for servicing of Mortgage Loans.
22. That there are no lawsuits whatsoever related to the Mortgage Loans that might impair the validity thereof or that may force the application of Article 1,535 of the Civil Code, and that they are unaware of the existence of any circumstances that may result in the failure of the purchase contract of the mortgaged property guaranteeing the Mortgage Loans.
23. That none of the Mortgage Loans will have no overdue payments for a term of more than thirty (30) days.
24. That no Mortgage Debtors own any credit rights against the Assignor entitling them to present counterclaims against the latter that might have a negative effect on the rights attributed by the Shares and Certificates.
25. That it is not aware that any Mortgage Debtor can claim any exception or defence against the Assignor in connection with the payment of any amount related to the Mortgage Loans.
26. That notice has not been given to the Assignor in respect of prepayment of the Mortgage Loans.
27. That it is not aware of any circumstances that might jeopardise the execution of the Mortgage guarantees related to the Mortgage Loans.
28. That it is not aware that any person has a right preferential to that of the Fund, as holder of the Shares and Certificates, as regards the collection of the amounts deriving from the Mortgage Loans, except preferential legal rights.
29. That in respect of the Mortgage Loans, the maximum risk level granted to a single Mortgage Debtor (defined as the sum of the live balances of all the Mortgage Loans granted to a single Mortgage Debtor) does not exceed, on September 9, 2005, 337,831.61 Euros.
30. That the Mortgage Loans are not subject to any issue of mortgage bonds and that after the issue of the Shares and Certificates, the Mortgage Loans will not be subject to any other issue of mortgage warrants, mortgage bonds, mortgage shares or other mortgage transfer certificates.
31. That the Shares and Certificates are issued for the same term to maturity and for the same interest rate of each of the Mortgage Loans they correspond to.
32. That the final maturity date of the Mortgage Loans is prior to 29 de February de 2040.
33. That the information on the Shares, Certificates and Mortgage Loans contained in this Prospectus is exact and reflects their current situation.

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34. That all the Mortgage Loans are in Euros and will only be paid in Euros.
35. That none of the Mortgage Loans contain clauses allowing the delay of regular payments of either interest or principal.
36. That the payment obligations of all Mortgage Loans are processed by direct debit.
37. That, on the Date of Incorporation of the Fund, each Mortgage Loan has paid at least two quotas.
38. That interest and repayment instalments are paid monthly.
39. That the entire capital of the Mortgage Loan has been withdrawn.
40. That, without prejudice to the content of representation 5 above, none of the Mortgage Loans corresponds to financing granted to real estate promoters for the construction or restoration of dwellings intended for sale.
41. That, after the issue of the Shares and Certificates, the volume of certificates issued by the Assignor which are outstanding shall not exceed 90% of the total unredeemed capital of the mortgage loan portfolio suitable to cover the issue, in accordance with the provisions of articles 59 and 60 Royal Decree 685/1982.

2.2.9 Substitution of securitised assets

In the exceptional circumstance that, after the Date of Incorporation, and notwithstanding the representations issued by the Assignor and the steps taken by the latter to confirm the authenticity of the events in question, it is discovered that during the life of the Fund a particular Share and/or Certificate or any of the Mortgage Loans from which they are issued, does not comply, on the Date of Incorporation of the Fund, with the representations set out in section 2.2.8. of the Prospectus and in the Deed of Incorporation of the Fund, the Assignor undertakes:

- (A) To replace the corresponding Share and/or Certificate with another one with similar financial characteristics in terms of amount pending collection, term to maturity and interest rate, characteristics of the mortgaged property and the borrower, live balance/appraisal value ratio, that are acceptable to the *Sociedad Gestora*, notified to the Rating Agencies and that the rating of the Bonds designated by the aforementioned agencies is not affected.

The amounts accrued and not paid from the Share and/or Certificate to be replaced must be paid by the Assignor to the Fund, in its capacity as the administrator, at the time of the replacement of the Share and/or Certificate in question.

In any case, in the event of replacement of a Share and/or Certificate, the Assignor must demonstrate that the Share and/or Certificate complies with the declarations conditions contained in section 2.2.8. of this Additional Module.

As soon as the Assignor becomes aware that a Share and/or Certificate or related Mortgage Loan issued does not correspond to the aforementioned representations, it will inform the *Sociedad Gestora* and indicate the Mortgage Loans and/or transfer certificates that it intends to present to replace the faulty ones. In the event that any of the Shares and Certificates are substituted in accordance with these provisions, the Assignor will issue a new Multiple Deed, which will be substituted for the one provided in accordance with the agreement on the Date of Incorporation.

The Assignor undertakes to formalise the replacement of Shares and/or Certificates in a public deed and in the form and term established by the *Sociedad Gestora*, and to provide any information regarding

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these Shares and/or Certificates that the *Sociedad Gestora* deems appropriate. The replacement will be notified to the Rating Agencies and a copy of the deed will be sent to the CNMV.

(B) In addition to the obligations assumed in (A) above, and in the exceptional cases in which substitution is not possible because the available Mortgage Loans are not similar to the securitised portfolio in terms of amount pending collection, term to maturity, interest rate, characteristics of the borrower, characteristics of the mortgaged property, live balance/appraisal value ratio, the Assignor agrees to the early redemption of the affected Share and/or Certificate and agrees to reimburse, in cash, both the outstanding principal of the corresponding Share and/or Certificate and the interest accrued and unpaid to date, together with any amount related to the Shares and/or Certificates corresponding to the Fund, by means of payment to the Fund. The *Sociedad Gestora* will set aside the amounts received from the early redemption of the Shares and/or Certificates affected by the situation described above for the redemption of the Bonds on the following Payment Date, subject to the Priority Payment Order described in section 3.4.6.3 of the present Additional Module.

Specifically, if the Assignor modifies the terms and conditions of the Mortgage Loans during the term of same without respecting the limits established in special applicable legislation and the terms and conditions agreed between the Fund and the Assignor in the Deed of Incorporation and in this Prospectus, in section 3.7.1. of this Additional Module, this will be treated as a breach by the Assignor of its obligations and must not be accepted by the Fund. In the event of such non-compliance, the Fund may demand, through the *Sociedad Gestora*, (i) the corresponding indemnity for damages and (ii) demand the replacement or reimbursement of the Shares and/or Certificates affected, in conformity with the provisions contained in sections (A) and (B) above, and this shall not mean that the Assignor guarantees the successful resolution of the operation, but rather that it shall take the necessary action to remedy the consequences of its failure to comply with its obligations, in conformity with Article 1.124 of the Civil Code. Any expenses incurred to remedy the non-compliance by the Assignor must be paid by the latter; these expenses may not be charged to the Fund. The *Sociedad Gestora* will inform immediately to the CNMV relating to the replacements or amortizations of the loans due to the Assignors' non-compliance.

2.2.10 Insurance policies on the mortgage loans

In accordance with representation (13), all properties subject to mortgage have (i) insurance coverage against the risk of damage, the insured amount is not lower than the appraisal value of the mortgaged property, excluding items uninsurable by nature in the case of the Shares and not lower than the Outstanding Nominal Balance in the case of the Certificates or (ii) the Assignor has arranged a complementary and subsidiary global insurance policy to guarantee damage insurance in the event that no such policy has been arranged for the property.

Ibercaja shall execute in the same act the assignment linked to the issue of the Shares and Certificates of its rights as beneficiary of such damage insurance contracts subscribed by the Mortgage Debtors or any other insurance policy granting similar coverage. All amounts to which Ibercaja would have been entitled for this item shall correspond to the Fund, as titleholder of the Shares and the Certificates.

2.2.11 Information on debtors whenever the securitised assets include obligations of five or fewer debtors that are natural persons/individuals, or if a single debtor accounts for 20% or more of the assets, or if a single debtor accounts for a substantial part of the assets

Not applicable.

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2.2.12 Details of the relationship, it is material to the issue, between the issuer, guarantor and debtor

There is no evidence of any type of direct or indirect ownership or control between any of the Mortgage Debtors and, where appropriate, the guarantors and the Assignor.

2.2.13 If the assets include fixed-income assets, give a description of the principal terms and conditions

Not applicable.

2.2.14 If the assets include equity securities, give a description of the principal terms and conditions

Not applicable.

2.2.15 If more than 10% of the securitised assets are equity securities that are not traded on a regulated or equivalent market, give a description of the principal terms and conditions

Not applicable.

2.2.16 Property appraisal report with cash flows/revenues if a significant part of the assets are secured

It is expressly placed on record that no appraisal has been done of the mortgaged properties securing the Mortgage Loans in connection with this Issue, such that the appraisals of the properties are the same as at the date on which the Mortgage Loan was originally granted.

2.3. Actively managed pool of assets backing the issue

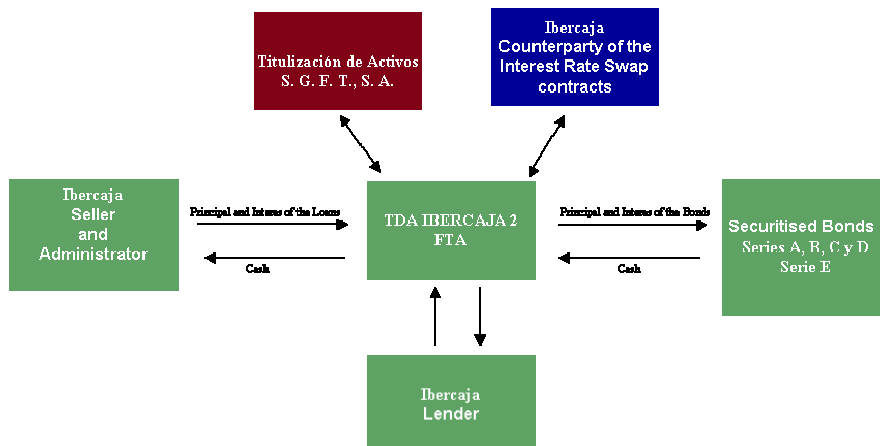
Not applicable.

2.4. A declaration whenever an issuer proposes to issue further securities backed by the same assets, and a description of how the holders of that class will be informed

Not applicable, since the Fund is balanced by its assets and liabilities.

3. STRUCTURE AND TREASURY

3.1. Description of the structure of the operation



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The initial balance sheet of the Fund shall be as follows:

BALANCE OF THE FUND (at its origin)			
EURO			
ASSETS		LIABILITIES	
Mortgage Loans	696.991.937,00	A Bonds	870.300.000,00
		B Bonds	19.300.000,00
Mortgage Transfer Certificates	203.008.062,08	C Bonds	6.300.000,00
		D Bonds	4.100.000,00
		E Bonds	4.500.000,00
Treasury Reserve Fund	4.500.000,00		
Initial Expenses Activated	1.250.000,00	Initial Expense Loan	1.250.000,00
Other resources	0,32		
TOTAL ASSETS	905.750.000,00	TOTAL PASIVO	905.750.000,00
Deferral Resources	2.000.000,00	Préstamo Desfase (disponible el 25/01/06)	2.000.000,00
Derivatives Contract		Derivatives Contract	

- The amount of the Shares and Certificates adjusted on the Issue Date.

3.2. Description of the entities participating in the issue and description of the functions they must perform

The entities participating in the issue, as well as the description of their functions, are contained in section 5.2. of the Registration Document.

The *Sociedad Gestora*, on behalf of the Fund, will grant the Deed of Incorporation and enter into the agreements mentioned in point 4 section 10 of the Registration Document:

(i)

3.3. Description of the method and sale date, transfer, substitution or assignment of the assets, or of any right and/or obligation in the assets to the fund

3.3.1 General terms for issuance and subscription of the mortgage loans and mortgage transfer certificates

The Mortgage Loans are transferred to the Fund through the issuance of Shares and Certificates by the Assignor and they will be subscribed by the *Sociedad Gestora* on behalf of the Fund by virtue of the Deed of Incorporation and this Prospectus. The Shares and Certificates will be issued for a total nominal value of approximately nine hundred million (900,000,000) euros or slightly lower, each Share and Certificate will be participated in 100% of the unredeemed principal of each Mortgage Loan, and will accrue interest at a rate equivalent to the nominal interest rate, at any time, on the corresponding Mortgage Loan.

The unconditional sale of the credit rights deriving from the Mortgage Loans to the Fund, with the exceptions envisaged in section 3.3.3. of this Additional Module, through the issue of Shares and Certificates, will take place on the Date of Incorporation for the remaining term of maturity of the loans without the existence of any repurchase pact by the Assignor. The Shares and Certificates will begin to

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accrue interest from the Date of Incorporation (included), i.e. 13 October 2005, and therefore the interest accrued by the Mortgage Loans from that date will correspond to the Fund, regardless of the accrual period used to calculate the corresponding interest.

The Assignor will not assume any liability whatsoever for the non-payment by the Mortgage Debtors of principal, interest or any other amount that may be due by virtue of the Mortgage Loans. The Assignor will not, under any circumstances, assume any responsibility in guaranteeing, either directly or indirectly, the success of the operation, nor will it give guarantees or warranties, nor enter into agreements for repurchasing Shares and Certificates, neither by virtue of the Deed of Incorporation of the Fund nor by virtue of any other pact or contract.

The Assignor will be responsible to the Fund for the existence and validity of the Mortgage Loans as indicated in Article 348 of the Commercial Code and Article 1,529 of the Civil Code.

3.3.2 Issue price of shares and certificates

The *Sociedad Gestora* shall subscribe 100% of the Shares and Certificates on behalf of the Fund on the Date of Incorporation of same.

The price of the Shares and Certificates will be the Outstanding Nominal Balance of Collection of same, and will be paid by the *Sociedad Gestora*, in the name and on the account of the Fund, to the Assignor on the Disbursement Date, i.e. 18 October 2005.

In the event of cancellation of the incorporation of the Fund and, consequently, of the issue and subscription of the Shares and Certificates, (i) payment obligations by the Fund from the Shares and Certificates will be cancelled, and (ii) the *Sociedad Gestora* will be obliged to return to the Assignor any right accrued in favour of the Fund by the Shares and Certificates.

3.3.3 Description of rights of the fund from the subscription of the shares and certificates:

As holder of the Shares and Certificates, the Fund will own the rights acknowledged by current applicable legislation and the rights inherent in the Shares and Certificates. Specifically, it will have the right to receive the payments made by the Mortgage Debtors from the Date of Incorporation onwards, with the exceptions envisaged in the following paragraph, together with any other payment arising from the Mortgage Loans, provided such payments correspond to the Shares and Certificates. The Shares and Certificates will begin to accrue interest from the Date of Incorporation.

In addition to the payments made by the Mortgage Debtors, any other payment received by the Assignor from the Mortgage Loans, including those arising from any ancillary rights to the Mortgage Loans such as compensation derived from insurance policies, payments made by possible guarantors, etc., must be made by the Fund, as the administrator of same, with the exception of commissions arising from delinquent interest, unpaid receipt claims, subrogation and prepayment fees, together with any other commission that may correspond to the Assignor of the Shares and Certificates.

Additionally, the Fund will have the right to receive the amounts, assets or payment rights of principal or interest of the Mortgage Loans, either for the sale price or for the amount established by judicial or notary resolution in the foreclosure of the mortgages, for the sale or exploitation of the properties foreclosed or as a consequence of said foreclosures, in administration and internal possession of the properties undergoing foreclosure. The Assignor will make necessary notifications so that the payments to the *Sociedad Gestora* are made.

The Assignor must make reasonable efforts to ensure the full validity of the insurance policies taken out in relation to the Mortgage Loans, and will be responsible for any damage incurred by the Fund in the event of failure to maintain the insurance policies.

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3.3.4 Representation and custody of the shares and certificates

The Shares and Certificates grouped in the Fund are represented in two Multiple Deeds, one representing the entire issue of Mortgage Share Certificates, and the other representing the entire issue of Mortgage Transfer Certificates.

Both if the *Sociedad Gestora* executes a Mortgage Loan for and on behalf of the Fund, as established in section 3.7.1.2.2. of this Additional Module, and if, in the event of Early Liquidation of the Fund in the circumstances and conditions envisaged in section 4.4. of the Registration Document, the Mortgage Transfer Certificates must be sold, as well as in any other event that so requires, the Assignor undertakes to fraction any multiple security representing the Shares and/or Certificates into as many individual or multiple securities as necessary or to substitute or exchange them in order to achieve the abovementioned objectives.

The Multiple Deeds representing the Shares and Certificates and, where appropriate, the individual securities into which these are fractioned, will be deposited with the Financial Agent, which shall act as the custodian of same.

3.4. Explanation of fund flows

3.4.1 How the flows from the assets will help the issuer to comply with its commitments to the bondholders

As shown in the diagram in section 3.1 of this Additional Module, the asset flows will help the Issuer to comply with its obligations, as follows:

- a) On the Disbursement Date, the Fund will pay the price of the Shares and Certificates issued from the amount of principal received from Series A, B, C and D Bonds.
- b) On the aforementioned Disbursement Date, the Fund will also receive the amount corresponding to the Initial Expenses Loan in order to pay same.
- c) Equally, on the abovementioned Disbursement Date the Reserve Fund will be provisioned with the amount of principal received from Series E Bonds.
- d) On each Collection Date, the *Sociedad Gestora*, in the name and representation of the Fund, will receive the amounts of principal and interest paid by the Mortgage Debtors. These amounts will be deposited in the Reinvestment Account, accruing interest at a rate in accordance with the rate envisaged in the Agreement to Open a Guaranteed Interest Account (Reinvestment Account), which will be used to cover Fund payments on each Payment Date.
- e) An Financial Interest Swap Agreement has also been signed that will increase or reduce the Available Resources for payment to the Bonds, depending on whether the net amount is whether the net amount is in favour of the Fund or the counteritem, respectively.
- f) The amounts received from the Mortgage Loans corresponding to each of the three Calculation Periods and the interest accrued on the Reinvestment Account, and, where appropriate, the amounts paid in by the Financial Interest Swap Agreement, on each Payment Date, will be applied in accordance with the Priority Order of Payments.
- g) Certain additional measures have been envisaged as protective measures in the event of adverse situations or changes in circumstances, such as the Reserve Fund, which the Fund may use to make payments to Bondholders.

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- h) Once all the obligations of the Fund described above have been satisfied, available surplus resources of the Fund will be reimbursed to Ibercaja on the Payment Date through the payment of remuneration by Financial Intermediation, as defined in section 3.4.6.6. of this Additional Module.

3.4.2 Information on all credit enhancements

A number of financial mechanisms have been incorporated to provide credit enhancement and liquidity support to the Bonds. Without prejudice to the detailed study included in the following sections of other instruments that may be treated as credit enhancement instruments, we will now analyse the Reserve Fund and the Financial Interest Swap Agreement.

A Reserve Fund will be established as a guarantee mechanism and in order to allow payments by the Fund to the Bondholders of the A, B, C and D Bonds in accordance with the Priority Order of Payments established in section 3.4.6.3. of this Additional Module, the features whereof are as provided in section 3.4.3.4. of this Additional Module.

3.4.2.1. The *sociedad gestora* will, on behalf of the fund, sign with ibercaja a financial interest swap agreement (hereinafter referred to as the "interest swap agreement"); the most relevant terms and conditions of this agreement are described in section 3.4.7.1. of the additional module:

The Interest Swap Agreement stems from the need to eliminate, on the one hand, the interest rate risk arising as a result of the Shares and Certificates being affected by variable interest rates with reference rates and revision periods, different to the liquidation of variable interest established for each Series of Bonds issued against the Fund; and, on the other, the risk, under legislation governing the modification and subrogation of mortgage loans, of the Shares and Certificates being renegotiated to reduce the agreed interest rate.

The Fund shall have, in accordance with the provisions of the Agreement to Open an Account at a Guaranteed Interest Rate, a bank account in the name of the Fund (hereinafter the "**Reinvestment Account**"), through which on each Collection Date, all payments receivable by the Fund from the Assignor shall be made, in accordance with the provisions of section 3.4.4.1 of the Additional Module.

Furthermore, subordination and priority for payment of interest and reimbursement of principal between the different Bond Series derived from their position in the Priority Payment Order constitutes a differentiated protection mechanism between the Series.

3.4.3 Details of any subordinated debt financing

The Assignor will award a Subordinated Loan and an Initial Expenses Loan to the Fund. The main terms and conditions of these loans are described below.

3.4.3.1. Loan for initial expenses

The Assignor will grant, in accordance with the Initial Expenses Loan Agreement, a Subordinated Loan to the Fund (hereinafter referred to as the "**Initial Expenses Loan**") for a maximum amount ~~000~~ to be determined two (2) days prior to the Disbursement Date, when the final underwriting fees shall be set. The total maximum amount of the Initial Expenses Loan to be granted to the Fund shall be one million two hundred and fifty thousand (1,250,000) Euros.

The amount will be used by the *Sociedad Gestora* to pay the initial expenses of the Fund corresponding to incorporation thereof and the issuance of the Bonds.

The Initial Expenses Loan will accrue a variable interest rate equal to the Reference Interest Rate of the Bonds current at any time plus a margin of 0.75%; the payment will be subject to the Priority Order of Payments described in section 3.4.6.3. of this Additional Module.

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The principal of the Initial Expenses Loan will be repaid in twenty (20) equal and consecutive instalments, the first of which will take place on the first Payment Date (26 January 2006) and the rest on the following Payment Dates, all in accordance with the Priority Order described in section 3.4.6.3. of this Additional Module.

All amounts that, pursuant to the above paragraphs, are not provided to the Assignor shall be paid on subsequent Payment Dates when Available Resources allow in accordance with the Priority Order of Payments and shall be payable with preference to any amounts payable in respect of the Initial Expenses Loan on such Payment Date. The amounts owed to the Assignor and not paid as provided in the aforementioned paragraphs, will not accrue penalty interest in its favour.

Remuneration of the Initial Expenses Loan shall take place based on an annual floating interest rate which, on a quarterly basis shall be equal to the Reference Interest Rate of the Bonds set for each Interest Accrual Period, plus a margin of 0.75%. Such interest shall be payable only if the Fund should have sufficient cash in accordance with the Priority Payment Order of the Fund. Interest shall be settled on each Payment Date, and shall be calculated on the basis of: (i) the effective number of days between each Interest Accrual Period, and (ii) a three hundred and sixty day (360) year. Payment of such interest shall be subject to the Priority Payment Order provided in section 3.4.6.3. of the Additional Module.

Absence of confirmation prior to the Subscription Period of the provisional ratings awarded to the Bonds by the Rating Agencies shall constitute an event of termination of the Initial Expenses Loan.

3.4.3.2. Subordinated loan

The Assignor will grant, in accordance with the Subordinated Loan Agreement, a Subordinated Loan to the Fund (hereinafter referred to as the "**Subordinated Loan**") for a total amount of two million (2,000,000) Euros.

The amount of the Subordinated Loan will be paid prior to the Business Day prior to the first Payment Date into the Fund's Account opened with the Financial Agent.

The amount of the Subordinated Loan will be used by the *Sociedad Gestora* to cover the deficit of the Fund, on the first Payment Date, between the interest accrued and interest paid of the Shares and Certificates.

The Subordinated Loan will accrue variable interest at an annual rate equal on a quarterly basis to the Reference Interest Rate of the Bonds set for each Interest Accrual Period, plus a margin of 0.75%. Interest shall be settled on each Payment Date, and shall be calculated on the basis of: (i) the effective number of days between each Interest Accrual Period, and (ii) a three hundred and sixty day (360) year. Payment of such interest will be subject to the Priority Order of Payments envisaged in section 3.4.6.3. of the Additional Module.

The Subordinated Loan will mature on the Fund liquidation date. However, the Subordinated Loan may be freely repaid on each Payment Date; the *Sociedad Gestora* will determine the amount that will be set aside for the aforementioned repayment according to the estimated resources required to cover deficits between accruals and collections from the Shares and Certificates for the Fund.

All amounts payable to the Assignor that accrue in connection with interest and principal repayment, in respect of the Subordinated Loan, will be subject to the Priority Order of Payments established in section 3.4.6.3. of this Additional Module, and consequently they will only be paid to the Assignor on a specific Payment Date if the Available Resources of the Fund on that Payment Date are sufficient to meet the Fund commitments listed in positions (i) to (xv) of the Priority Order of Payments and (i) to (xvii) in the case of the principal.

All amounts that, pursuant to the above paragraphs, are not delivered to the Assignor will be paid on subsequent Payment Dates when Available Resources allow, in accordance with the established Priority Order of Payments and shall be payable with preference to amounts payable in respect of the Subordinated Loan on such Payment Date.

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The amounts owed to the Assignor and not paid as provided in the aforementioned paragraphs, will not accrue penalty interest in its favour.

Absence of confirmation prior to the Subscription Period of the provisional ratings awarded to the Bonds by the Rating Agencies shall constitute an event of termination of the Subordinated Loan.

Subordination of the Bonds

The Series D Bonds are subordinated as to the payment of interest and reimbursement of principal to Series A, B and C Bonds. Series C Bonds are subordinated as to the payment of interest and reimbursement of principal to Series A and B Bonds. Series B Bonds are subordinated as to the payment of interest and reimbursement of principal to Series A Bonds. All of this is in accordance with the Priority Payment Order set forth in section 3.4.6.3 of the Additional Module.

Sections 4.6.1 and 4.6.2 of the Securities Document provide details of the positions in the priority payment order of the Fund of payment of interest and reimbursement of principal of each Bond Series.

Reserve Fund

A reserve fund shall be created as security mechanism and for the purpose of allowing payments by the Fund to the Bondholders of Series A, B, C, and D Bonds, in accordance with the Priority Payment Order described in section 3.4.6.3. of the present Additional Module, ("**Reserve Fund**").

The Reserve Fund shall be initially created on the Disbursement Date charged to the amount of the Series E Bond issue, for an amount of four million five hundred thousand (4,500,000) Euro, and the required amount shall remain at this level throughout the life of the Fund.

Amounts comprising the Reserve Fund shall be deposited in the Reinvestment Account, with the guarantees mentioned in section 3.4.4.1. of the present Additional Module.

3.4.4 Parameters for the investment of temporary cash surpluses and a description of the parties responsible for this investment

The main parameters of the Treasury Account and the Reinvestment Account that the Fund will subscribe with the Financial Agent and the Assignor, respectively, as described below.

3.4.4.1. Agreement to open an account at guaranteed interest rate

The Fund will have an account at the Assignor, called the Reinvestment Account into which all the amounts the Fund receives from the Assignor will be paid on each Collection Date, in accordance with the agreement between the parties (hereinafter, the "**Agreement to Open an Account at Guaranteed Interest Rate**"). These payments will be made on the 20th day of every month, provided that the short-term rating of the keeps up at A-1, according to the S&P rating scale, and P-1, according to Moody's rating scale.

The Assignor will render standard management and maintenance services for the aforesaid account, in accordance with standard banking practice. Expenses incurred in connection with the maintenance of said account will be assigned to the Assignor, except when the expenses arise as a result of negligence on the part of the *Sociedad Gestora*.

The Assignor will transfer to the Fund's Account, value date the Business Day prior to each Payment Date, all the amounts to cover the payment obligations envisaged in the Priority Order of Payments, contained in section 3.4.6.3. of this Additional Module and which are deposited at the Reinvestment Account, when the appropriate instructions are received from the *Sociedad Gestora*.

Positive balances of the Reinvestment Account will accrue annual variable interest in favour of the Fund, equal to the Reference Interest Rate applicable to the Bonds, all in accordance with the following, and all in the terms established in the Agreement to Open a Guaranteed Interest Account.

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The balances of the Reinvestment Account will be maintained in cash. Balances resulting from the Reinvestment Account, in favour of the Fund, will not be used, under any circumstances, by the Assignor to compensate any debt with the Fund or related third parties, except with prior written authorisation from the *Sociedad Gestora*.

If the Assignor's ratings by Moody's and S&P should be downgraded, to a short-term rating inferior to P1 or A-1, or such rating were withdrawn by Moody's or S&P, respectively, the Assignor must find, within the 30 days following this change, and in order to maintain the ratings for each Series of Moody's or S&P, (i) an institution with the ratings mentioned above, to undertake, under the same conditions, the functions of the Assignor in respect of the Reinvestment Account, or (ii) obtain a banking endorsement from an institution with the ratings mentioned above, to provide the Fund with a guarantee, upon request from the *Sociedad Gestora*, of due payment by the Assignor of its obligations of payment deriving from the amounts deposited in the Reinvestment Account.

Up to the Business Day prior to the Payment Date when it shall be transferred to the Treasury Account for its application, the *Sociedad Gestora* shall transfer the surplus balance of the Treasury Account above 20% of the Outstanding Nominal Balance of Collection of the Bonds to an account with a bank that has unsubordinated unsecured short-term debt rated A-1+ based on S&P's rating scale and the maximum return possible will be contracted for its balances. This may differ from the rate contracted with Ibercaja by virtue of the Agreement for Opening a Guaranteed Interest Rate (hereinafter, the account opened in accordance with this paragraph will be referred to as the "**Treasury Surplus Account**").

If the short-term credit rating of this bank where the Treasury Surplus Account is opened falls below A-1+ on the rating scale of S&P, the *Sociedad Gestora* shall have a period of 30 days to find a substitute bank of which the short-term unsubordinated unsecured debt is rated A-1+ on the rating scale of S&P, or a guarantee on first notice from a bank with a short-term credit rating of A-1+ on the rating scale of S&P.

3.4.4.2. Treasury account

The Fund will have a banking account in the name of the Fund (hereinafter referred to as the "**Treasury Account**") at the Financial Agent, and in accordance with the provisions established in the Financial Service Agreement.

The *Sociedad Gestora*, on behalf of the Fund, will order the transfer to the Treasury Account, on the Business Day prior to each Payment Date, of all the required amounts that are deposited in the Reinvestment Account, (and all the amounts deposited in the Surplus Account, if this is open. Net Amounts from the Financial Swap Agreement in favour of the Fund will also be transferred to the Treasury Account.

Following instructions by the *Sociedad Gestora*, all necessary payments to satisfy the obligations of the Fund will be made through the Treasury Account.

The Treasury Account will not have a negative balance. The balances of the Treasury Account will be maintained in cash.

Equally, on the Disbursement Date the Assignor will transfer the final amount of the Initial Expenses Loan and, on the Business Day prior to the first Payment Date, the amount of the Subordinated Loan.

Amounts deposited in the Treasury Account will not accrue interest in favour of the Fund.

If the Financial Agent's rating, assigned by the Rating Agencies for its short-term risk rating, is downgraded to a rating below P1 (Moody's) or A-1 (S&P) (the current rating is P1 (Moody's) and A-1 (S&P)), or is suspended for whatever reason by any of the Rating Agencies, the *Sociedad Gestora* must

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adopt one of the options described below within 30 days following the aforementioned downgrade, in order to maintain the ratings assigned to each Series of Bonds by the Rating Agencies, and notifying them beforehand accordingly, and to maintain an adequate level of guarantee in respect of commitments arising in respect of its responsibilities as custodian of the Shares and Certificates, Payment Agency and in connection with the maintenance of the Treasury Account:

- a) Obtain similar guarantees or commitments from one or more credit institutions with a rating above P1 (Moody's) or A-1 (S&P), to guarantee the commitments assumed by the Financial Agent.
- b) Replace the Financial Agent for another credit entity with a rating at least equal to P1 (Moody's) and A-1 (S&P), in order to assume, under the same conditions, the functions of the Financial Agent.

3.4.5 Receipt of mortgage loan payments

Payment schedule

As indicated previously, payments made by Mortgage Debtors will be paid into the Reinvestment Account on the 20th day of each month (hereinafter referred to as the "**Collection Dates**"). The frequency of these payments may decrease if the Rating Agencies reduce the rating of the Assignor, as the administrator of the Mortgage Loans.

In the event that the Assignor's short term rating by S&P is downgraded by S&P to a rating below A-2, or such rating is suspended by S&P, for whatever reason, the Assignor shall pay on a daily basis into the Reinvestment Account opened with the Assignor (if the guarantee mentioned in point (ii) section 3.4.4.1 is maintained) or in the account opened with another entity mentioned in point (i) section 3.4.4.1.

In the event that the Assignor's short term rating by Moody's is downgraded by Moody's to a rating below P-1, or such rating is suspended by Moody's, for whatever reason, the Assignor shall pay on a weekly basis into the Reinvestment Account opened with the Assignor (if the guarantee mentioned in point (ii) of the preceding paragraph is maintained) or in the account opened with another entity mentioned in point (i) of the preceding paragraph. In any event, frequency of payment into the Fund shall be the greater of the foregoing amounts in the event of a reduction of both ratings.

Additionally, "**Collection Notice Period**" will be the period between two Collection Dates .

Technical Advance

Taking into account that some of the delays in the payments made by the Mortgage Debtors are of an interim or technical nature, and in order to avoid such delays having a negative impact on the flow of payments to the Bondholders, and taking into account that there is also a lapse of 20 days between the end of the Calculation Period and the Calculation Date on behalf of the Fund, and that the amounts collected by the Assignor as Loan administrator are the property of the Fund, the *Sociedad Gestora*, on behalf of the Fund, will be entitled to receive on every Collection Date an advance backed by such amounts, which will be deposited in the Reinvestment Account (hereinafter, the "**Technical Advance**").

The amount of the Technical Advance cannot exceed the amount collected by the Assignor and not transferred from the Mortgage Loans it administers, for any payment that the Fund will be entitled to receive as holder of the Shares and Certificates, until the Calculation Date on which the Technical Advance is requested.

The *Sociedad Gestora* will calculate the Technical Advance as an amount equal to the sum of the amounts matured and not yet collected by the Assignor, during the previous Calculation Period, for principal and interest from the Shares and Certificates in arrears up to thirty (30) days at the end of the previous Calculation Date on which the Technical Advance is requested, taking into account the

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limitations described in the previous paragraph. The Technical Advance may not exceed, in respect of each individual Mortgage Loan, the interest and principal payable on the last instalment of same.

On every Calculation Date, the Technical Advance obtained on the preceding Calculation Date may be deducted from the amounts during the Calculation Period being settled, and a new Technical Advance corresponding to the subsequent payment may be requested.

3.4.6 Order of priority of payments made by the issuer

Source and application of funds on the Disbursement Date of the Bonds and up to the first Payment Date (excluded).

V. 1. Source:

On the Disbursement Date, the Fund will have funds available obtained from:

- a) Funds received from the issue and placement of the Bonds in the market.
- b) Funds received from the Initial Expenses Loan.

VI. 2. Application:

On the Disbursement Date, the Fund will apply the above-mentioned funds to make the following payments:

- a) Payments for the purchase of the Shares and Certificates grouped in the Fund.
- b) Payment of the Initial Expenses of the fund, as described in section 6 of the Securities Document.
- c) Creation of the Reserve Fund.

Source and application of the funds as from the first Payment Date to the last Payment Date or liquidation of the Fund (excluded).

VII. 1. Source

The available resources of the Fund on every Payment Date, deposited in the Fund's Account, intended for distribution to the Bondholders and for payment of the corresponding fees hereinafter, the "**Available Resources**"), shall be equal to the sum of:

- a) Income from the Shares and Certificates in the form of principal and ordinary interest., corresponding to the three Calculation Periods immediately preceding said date.
- b) Technical Advance requested from the Assignor and not yet reimbursed.
- c) Returns from the balances of the Reinvestment Account, and, as the case may be, returns of the balances of the Excess Account
- d) Reserve Fund.
- e) Where appropriate, other income from Mortgage Debtors in respect of concepts other than principal and ordinary interest from the Mortgage Loans corresponding to the three Calculation Periods immediately preceding said date.

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- f) Net amounts obtained by virtue of the Financial Interest Swap Agreement, as established in section 3.4.7.1. of the Additional Module or, in the event of non-compliance therewith, as a result of a settlement payment.
- g) On the first Payment Date, the amount of the Subordinated Loan.

In the event of liquidation of the Fund, the amount of the liquidation of the Fund assets shall be made available and amounts deposited with the Treasury Account, the Reinvestment Account and, if applicable, the Excess Account shall constitute Available Resources, including any returns thereof.

VIII. 2. Application:

In general, the Available Resources of the Fund will be applied on each Payment Date in accordance with the Priority Order of Payments established in section 3.4.6.3. of this Additional Module.

Priority Order of Payments

In general, the Available Amounts of the Fund, as defined in section ~~Valores~~ 3.4.6.2. of this Additional Module, will be applied on each Payment Date to the following concepts, with the following priority payment order (hereinafter, the "**Priority Payment Order**"):

- (i) Ordinary Expenses and Extraordinary Expenses (except the expenses that appear below in the Priority Order of Payment) and taxes to be paid by the Fund.
- (ii) Management fees to the *Sociedad Gestora*, as described in section 3.4.7.1. of this Additional Module.
- (iii) Payment of the Net Amount of the Swap Agreement mentioned in section 3.4.2.2. of this Additional Module, and, only in the event of the cancellation of the aforementioned Agreement as a result of a breach by the Fund, payment of the amount payable by the Fund corresponding to the cancellation fee, if applicable.
- (iv) Payment of interest on Series A Bonds.
- (v) Payment of interest on Series B Bonds.

The payment of interest on Series B Bonds will be postponed to position (ix) in this Priority Order of Payments when:

- (1) the Outstanding Nominal Balance of Collection of the Defaulted Shares and Certificates represents 6.3% or more of the Initial Balance of Collection of the Shares and Certificates; and
 - (2) the principal of the Series A Bonds has been fully repaid.
- (vi) Payment of interest on Series C Bonds.

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The payment of interest on Series C Bonds will be postponed to position (x) in this Priority Order of Payments when:

- (1) the Outstanding Nominal Balance of Collection of the Defaulted Shares and Certificates represents 4.3% or more of the Initial Balance of Collection of the Shares and Certificates; and
- (2) the principal of the Series A and Series B Bonds has not been fully repaid.

(vii) Payment of interest on Series D Bonds.

The payment of interest on Series D Bonds will be postponed to position (xi) in this Priority Order of Payments when:

- (1) the Outstanding Nominal Balance of Collection of the Defaulted Shares and Certificates represents 3.3% or more of the Initial Balance of Collection of the Shares and Certificates; and
- (2) the principal of the Series A, Series B and Series C Bonds has not been fully repaid.

(viii) Repayment of the principal of Series A to D in accordance with the rules established in section 4.9. of the Securities Document.

(ix) In event of (v) above, payment of Interest corresponding to Series B Bonds.

(x) In event of (v) above, payment of Interest corresponding to Series C Bonds.

(xi) In event of (v) above, payment of Interest corresponding to Series D Bonds.

(xii) Funding, of the Reserve Fund up to the Minimum Required Level.

(xiii) Where appropriate, payment of the amount payable by the Fund corresponding to the cancellation amount payable in the event of cancellation of the Financial Interest Swap Agreement due to breach by the counterparty.

(xiv) Payment of interest on Series E Bonds.

(xv) Repayment of the principal of Series E Bonds up to their total nominal amount.

(xvi) Payment of interest accrued on the Initial Expenses Loan.

(xvii) Payment of interest accrued on the Subordinated Loan.

(xviii) Repayment of the principal of the Initial Expenses Loan.

(xix) Repayment of the principal of the Subordinated Loan.

(xx) Payment of the Financial Intermediation Margin.

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If the Available Resources were insufficient to make any of the above payments, the following rules would apply:

- The Available Resources of the Fund would be applied to the different items mentioned above, in the priority order established and calculating, on a pro rata basis, the amounts due to those entitled to receive payment.
- Any unpaid amounts will be ranked in a priority order immediately before the item concerned on the next Payment Date.
- The amounts payable by the Fund and not paid on the respective Payment Dates will not bear any additional interest.

Priority Order of Liquidation Payments.

If the Fund is liquidated in accordance with the rules contained in section ~~Valores~~ 3.4.6.2. of this Additional Module, the Fund's Available Resources, as defined in section 4.9.6. of the Securities Document, will be applied to the following concepts (hereinafter referred to as the "**Liquidation Payments Priority Order**"):

- (i) Allocation of the Reserve for Extinction Expenses.
- (ii) Ordinary Expenses and Extraordinary Expenses (except the expenses that appear below in the Priority Order of Payment) and taxes payable by the Fund.
- (iii) Management fees payable to the *Sociedad Gestora*, as described in section 3.4.7.1. of this Additional Module.
- (iv) Payment of the Net Amount of the Swap Agreement mentioned in section 3.4.2.2. of this Additional Module, and, only in the event of the cancellation of the aforementioned Agreement as a result of a breach by the Fund, payment of the amount payable by the Fund corresponding to the cancellation fee, if applicable.
- (v) Payment of interest on Series A Bonds.
- (vi) Repayment of the principal of the Series A Bonds.
- (vii) Payment of interest on Series B Bonds.
- (viii) Repayment of the principal of Series B Bonds.
- (ix) Payment of interest on Series C Bonds.
- (x) Repayment of the principal of Series C Bonds.
- (xi) Payment of interest on Series D Bonds.
- (xii) Repayment of the principal of Series D Bonds.

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- (xiii) Where appropriate, payment of the amount payable by the Fund corresponding to the cancellation amount payable in the event of cancellation of the Financial Interest Swap Agreement due to breach by the counterparty.
- (xiv) Payment of interest on Series E Bonds.
- (xv) Repayment of the principal of the Series E Bonds.
- (xvi) Payment of interest accrued on the Initial Expenses Loan.
- (xvii) Repayment of the principal of the Initial Expenses Loan.
- (xviii) Payment of interest accrued on the Subordinated Loan.
- (xix) Repayment of the principal of the Subordinated Loan.
- (xx) Payment of the Financial Intermediation Margin.

If the Available Resources are insufficient to pay any of the amounts mentioned in the previous sections, the Available Resources of the Fund would be applied to the different items mentioned above, in the priority order established and calculating, on a pro rata basis, the amounts due to those entitled to receive payment.

Fund Expenses

In accordance with the provisions of the Priority Payment Order described in the preceding sections, the Sociedad Gestora shall charge to the Fund all expenses necessary for it to operate, both initial expenses and regular ordinary and extraordinary expenses incurred during the term of the Fund.

Value Added Tax (VAT) incurred by the Fund shall be deemed a deductible expense for the purposes of Corporate Income Tax.

Initial Expenses.

The estimate for initial expenses for the incorporation of the Fund and issue of the Bonds is shown in section 6 of the Securities Document. Payment of initial expenses shall be made using the funds from the Initial Expenses Loan without respecting the Priority Payment Order of the Fund.

Expenses incurred during the life of the Fund

The Sociedad Gestora shall charge to the Fund all the expenses needed for it to operate, both regular ordinary expenses and extraordinary expenses incurred during the life of the Fund, respecting the Priority Payment Order corresponding to each one. Without limitation, the Sociedad Gestora shall pay the following expenses:

If applicable, amount of initial expenses remaining for incorporation of the Fund and Bond issue exceeding the principal of the Initial Expenses Loan.

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Expenses which are derived from verifications, registrations and administrative authorisations that must be complied with.

If applicable, expenses derived from drafting and execution of amendments to the Deed of Incorporation and the Agreements, and the execution of additional agreements.

Fees paid to the Rating Agencies for the monitoring and maintenance of the Bond ratings.

Expenses derived from redemption of the Bonds.

expenses related to the bookkeeping entries of the Bonds in the form of book entries, admission for trading in organised secondary markets and the maintenance thereof.

Expenses derived from the sale of the Mortgage Shares and Mortgage Transfer Certificates and remaining assets of the Fund for liquidation thereof.

Necessary expenses for the enforcement of the Mortgage Loans and derived from any recovery actions.

Fund administration expenses.

Expenses derived from all announcements and notifications made regarding the Fund and/or the Bonds.

Audit and legal advice expenses.

Financial expenses of the Bond issue and Financial Agent's fee.

Generally, any other expenses borne by the Fund or the Sociedad Gestora on its behalf.

Financial Intermediation Margin

The Assignor shall be entitled to receive from the Fund a subordinated variable remuneration allocated to compensate it for the financial mediation actions conducted which have allowed the financial transformation defining the business of the Fund, and subscription thereby of the Shares and Certificates and the rating awarded to each of the Bond Series

Said remuneration shall be settled on a quarterly basis on each Payment Date, for an amount equal to the positive difference between the Available Resources of the Fund and application of items (i) to (xix) of the Priority Payment order (hereinafter, the "**Financial Intermediation Margin**").

This amount shall not be deemed a fee or consideration in exchange for delivery of a product or a service to the Fund, but shall constitute a compensation for the financial intermediation performed by Ibercaja by issuing the Shares and Certificates pooled in the Fund.

3.4.7 Other agreements affecting payment of interest and the principal of investors

Interest Swap Agreement

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The *Sociedad Gestora* will, on behalf of the Fund, sign a Financial Interest Swap Agreement (hereinafter referred to as the "**Financial Interest Swap Agreement**") with Ibercaja; the most relevant terms and conditions of this agreement are described below:

Party A: The *Sociedad Gestora*, on behalf of the Fund.

Party B: Ibercaja

1. Settlement Dates

The settlement dates of the ("**Settlement Dates**") Financial Interest Swap Agreement will coincide with the Fund Payment Dates.

2. Liquidation Periods

Liquidation Periods: The Liquidation Periods shall be the days effectively elapsed between two consecutive Settlement Dates, including the first and excluding the second. Exceptionally, the first Liquidation Period shall have a term equivalent to the days effectively elapsed from the Date of Incorporation (inclusive) and January 26, 2006 (exclusive).

3. Interest for Swap settlement Purposes

"**Interest for Swap settlement Purposes**" is the sum of all amounts of interest on the Shares and Certificates paid by the Mortgage Debtors during the three Calculation Periods immediately preceding the current Settlement Date, and which have been effectively transferred to the Fund.

They may correspond both to maturities occurred during such Calculation Periods and to recoveries of unpaid interest matured prior thereto.

For the first Settlement Date, instead of the three Calculation periods, the period from the Date of Incorporation to the last day of the month prior to the first Settlement Date shall be considered.

4. Amounts payable by Party A

On each settlement date of the Interest Swap Agreement, Party A will pay an amount equal to the Interest for Swap settlement Purposes (hereinafter referred to as the "**Amount payable by Party A**").

5. Amounts payable by Party B

On each settlement date of the Interest Swap Agreement, Party B will pay an amount equal to the result of recalculating the interest on the Shares and Certificates corresponding to the Interest for Swap settlement Purposes by replacing the effective rate applied to each Share or Certificate by the Party B Interest Rate (as defined below) (hereinafter, the "**Amount payable by Party B**").

The "**Party B Interest Rate**" shall be equal to the sum of (i) the Reference Interest Rate for the Bonds for the current Interest Accrual period, and (ii) a margin that will be applied to the Reference Interest Rate for these purposes (hereinafter referred to as the "Margin").

1. The Margin will be 0.75%.

6. Net Amount and termination of the Interest Swap Agreement

Payments (or collections) to be made pursuant to the Interest Swap Agreement will be carried out on each Payment Date in their net amounts, that is, the positive (or negative) difference between the amount payable by Party A and the amount payable by Party B (hereinafter referred to as the "**Net Amount**"). The payments to be made by Party A will be made in conformity with the Priority Order of Payments established in section 3.4.6.3. of this Additional Module.

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7. Events of Default of the Interest Swap Agreement

If on a Payment Date the Fund should fail to pay the amount payable to Ibercaja, the Interest Swap Agreement may be terminated by Ibercaja. In the event of an obligation to pay a settlement, the Fund would assume where applicable the obligation to make the settlement payment envisaged in the Interest Swap Agreement, in accordance with the Priority Payment Order.

If on a Payment Date Ibercaja fails to its obligations in part or in full, for the amount payable to the Fund, the Interest Swap Agreement may be terminated by Sociedad Gestora. In this case, (i) Ibercaja would assume the commitment to pay the settlement amount envisaged in the related Interest Swap Agreement or (ii) amounts payable by the Fund, as the case may be, to Ibercaja, in accordance with the provisions of the Interest Swap Agreement would be made in accordance with the Priority Order of Payments of the Fund.

The settlement amount will be calculated by the Sociedad Gestora, in its capacity as the Interest Swap Agreement's calculation agent, using the market value of the Interest Swap Agreement.

Without prejudice to the above, except in the event of a permanent change in the financial equilibrium of the Fund, the Sociedad Gestora will attempt to contract a new interest swap agreement on behalf of the Fund and at its expense,

8. Termination of the Interest Swap Agreement

In the event of early termination of the Interest Swap Agreement, as the case may be, this shall not in itself constitute an event of early termination of the Fund or early liquidation thereof, except where, jointly with other events or circumstances relating to the net asset situation of the Fund, there should be a material or permanent alteration of its financial balance.

Termination of the Interest Swap Agreement shall occur on the earliest of (i) the Legal Termination Date of the Fund and (ii) the date of occurrence of an event of termination of the Fund.

9. Events of a change in rating

If at any moment during the life of the Bonds the rating for unsubordinated unsecured short-term debt of Ibercaja falls below P1 for Moody's or below A1 for short-term risk for S&P, or if Ibercaja's unsubordinated unsecured long-term debt rating should fall, at any moment during the life of the Bonds, below A2 for Moody's long-term risk rating Ibercaja irrevocably undertakes to carry out, within a maximum of thirty (30) days following any of the aforementioned circumstances:

- (i) obtain from a credit institution with rating for unsubordinated unsecured short-term debt holds a minimum rating of A-1 and P-1 according to S&P and Moody's scales for short term risks, and unsecured long-term debt rating holds a minimum rating of A2 for Moody's for Moody's long-term risk rating, a joint and several first demand guarantee backing Ibercaja's obligations pursuant to this Agreement ;or
- (ii) constitute a cash or securities' deposit pledged in favour of the Fund and as security for Ibercaja's obligations, for an amount equal to, calculated in

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accordance with the market value of each particular transaction, allowing to maintain the ratings allocated to each Bond Series, in accordance with the requirements of the Rating Agencies in order to maintain the ratings, or

- (iii) obtain from a third party with rating for unsubordinated unsecured short-term debt holds a minimum rating of A-1 and P-1 according to S&P and Moody's scales for short term risks, and unsecured long-term debt rating holds a minimum rating of A2 for Moody's for Moody's long-term risk rating an undertaking to assume Ibercaja's position in the Interest Swap Agreement, either by its subrogation to the Agreement, or by executing a new agreement under substantially similar conditions to the former and the affected Transactions.

In the event that the rating for unsubordinated unsecured short-term debt of Ibercaja at any moment during the life of the Bonds falls below P-2, or if Ibercaja's unsubordinated unsecured long-term debt rating should fall, at any moment during the life of the Bonds, below A3 for Moody's long-term risk rating Ibercaja must (A) decide between options (i) and (iii) within thirty (30) business days from the occurrence of such circumstance and (B) constitute the deposit set forth in option (ii) within ten (10) business days from the occurrence of such circumstance, which shall be maintained until either of alternatives (i) and (iii) have been put into practice.

If Ibercaja's unsubordinated unsecured long-term debt rating should fall, at any moment during the life of the Bonds, below BBB- according to S&P's rating scale, only options (i) and (iii) above shall apply.

All costs, taxes and expenses incurred as a result of complying with the aforementioned obligations shall be borne by Ibercaja.

Financial Services Agreement of the Fund

The Sociedad Gestora, in the name and on behalf of the Fund, shall execute with ICO the Financial Services Agreement to perform the financial servicing of the Bonds issue with charge to the Fund, the main terms whereof are described in section 5.2.1 of the Securities Document.

3.5. Name, address and main corporate purpose of the creators of the securitised assets

The creator of the Mortgage Loans transferred to the Fund is Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja).

Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja) is a credit entity subject to supervision by the Bank of Spain.

Its registered office is in  Plaza Basilio Paraíso, 2 (Zaragoza).

Its C.I.F. (Spanish Tax Identification Number) is number G-50000652.

It is registered with the Commercial Registry of Zaragoza, in Volume 1.194, Sheet 23, Page number Z-4,862;

Set forth below are the consolidated financial statements (Balance Sheets, Statement of Income) of Ibercaja as at 30 June 2004, December 31, 2004 and 30 June 2005.

3.6. Return and/or redemption of securities with others that are not assets of the issuer

Not applicable.

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3.7. Administrator, calculation agent or equivalent

Ibercaja acts in the present transaction as Assignor and Administrator of the Mortgage Loans. Below is a summary of its obligations and responsibilities as such.

The Sociedad Gestora shall be in charge of calculations and performing the actions provided in the Deed of Incorporation and the present Prospectus, and in the different operational agreements of the Fund listed in this Prospectus.

3.7.1 Servicing and custody of mortgage loans and custody of shares and certificates

In accordance with Article 61 (3) of Royal Decree 685/1982, and in section 2.b) of Article 2 of Royal Decree 926/1998, the Assignor undertakes, in the Deed of Incorporation of the Fund, to maintain the custody and servicing of the Mortgage Loans that serve as coverage for the Shares and Certificates it has issued, and is required to undertake whatever actions are necessary for the effective collection and performance of the Mortgage Loans. In any case, the *Sociedad Gestora*, on behalf of the Fund, will undertake to exercise all powers that, in the event of default in payment by the Mortgage Debtor, are attributed to the holders of the mortgage shares in Article 66 of Royal Decree 685/1982.

The Assignor will be responsible for all direct or indirect taxes, charges or expenses accrued and incurred by the Assignor or those it is required to pay by virtue of the provision of administration services for the Mortgage Loans, without prejudice to its right to receive reimbursement from the Mortgage Debtors or from the Fund in the event of their recovery.

1. General commitments of the Assignor as the administrator of the Mortgage Loans

The Assignor, in relation to the Mortgage Loans it administers, undertakes, before the *Sociedad Gestora* and the Fund, to:

- (i) Take all necessary steps to ensure the performance of the Mortgage Loans, including judicial or extra-judicial proceedings, in accordance with the conditions set out in the following section.
- (ii) Take all necessary measures to maintain or execute the guarantees and other obligations arising from the Mortgage Loans.
- (iii) Take into account the interests of the Bondholders in their relationships with the Mortgage Debtors and when exercising any discretionary power resulting from the performance of the services established in the Deed of Incorporation and in this Prospectus.
- (iv) Comply with all reasonable instructions it receives from the *Sociedad Gestora*, in accordance with provisions contained in the Deed of Incorporation and this Prospectus.
- (v) Take all necessary steps to obtain, and maintain the validity of, licenses, approvals, authorisations and consents that may be required or appropriate in order to comply with the requirements established in the Deed of Incorporation and in this Prospectus.
- (vi) Have at its disposal sufficient equipment and staff to fulfil all of its duties.

The Assignor, as the administrator of the Mortgage Loans, will not be responsible for the debts of the *Sociedad Gestora* or the Fund, in relation to the Bonds, or the obligations of any Mortgage Debtor by virtue of any Mortgage Loan.

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Specifically, the Assignor, as administrator of the Mortgage Loans will not be responsible for any loss, responsibility, claim or expense suffered or incurred by the *Sociedad Gestora* or the Fund as a result of the provision of services by the Assignor as established in the Deed of Incorporation and in this Prospectus, except when such loss, responsibility, claim or expense is suffered or incurred as a result of negligence or omission on the part of the Assignor in respect of the Shares and Certificates it administers, or any non-compliance with its obligations as established in the Deed of Incorporation and in this Prospectus. In these events the Assignor will pay the Fund or the *Sociedad Gestora* for the losses and damages suffered (and justified by the *Sociedad Gestora*) as a consequence of such negligence or non-compliance.

In any event, the Fund, through the *Sociedad Gestora*, shall be entitled to take the corresponding legal action against the Assignor in the event of non-compliance by the latter with its obligations, as specified within the scope of the contracts subscribed with the *Sociedad Gestora*.

2. Administration Services of the Mortgage Loans

1. Custody and collection management

For the administration of the Mortgage Loans, the Assignor will dedicate the same time and attention, and will effect the same level of accuracy, care and diligence as that dedicated to the administration of other mortgage loans, and in any case, will exert a reasonable level of accuracy, care and diligence when undertaking its functions.

The Assignor, in respect of the Mortgage Loans it administers, will be subject to the criteria for their administration, as set out in the "Internal Memorandum on the Granting of Mortgage Loans" attached as an exhibit to the Deed of Incorporation, whenever the modifications do not negatively affect the administration of the Mortgage Loans and the *Sociedad Gestora* is notified accordingly. The rating assigned to the Bonds by the Rating Agencies must also not be negatively affected.

Specifically, the Assignor, with respect to the Mortgage Loans it administers, shall maintain all the deeds, documents and files relating to the aforementioned loans, and any other ancillary rights related to the Mortgage Loans, as well as any relevant document in relation to the aforementioned loans, under safe custody and shall not relinquish the possession, custody or control of these without prior written consent from the *Sociedad Gestora*, on behalf of the Fund, unless this (i) is assigned to a subcontractor or appointed delegate provided that this is permitted by legislation currently in force; or (ii) to enable the Assignor, as the administrator of the Mortgage Loans, to take legal action to execute a Mortgage Loan.

The Assignor, as the administrator of the Mortgage Loans, will continue to collect all the amounts due and payable by virtue of the Mortgage Loans or any other ancillary right corresponding to same, and shall do its utmost to ensure collection of all payments due from Mortgage Debtors or other persons by virtue of the Mortgage Loans or any other ancillary rights, pursuant to the terms and conditions of the aforementioned Mortgage Loans, and on the corresponding dates.

The Assignor shall communicate to the *Sociedad Gestora*, within the first five (5) Business Days every month, the amount which, according to its registries, is payable to the Fund for the immediately preceding Calculation Period.

In the event of a dispute between the Assignor and the *Sociedad Gestora* in respect of the amount corresponding to the Fund on each Calculation Date, in relation to the amount collected and the Technical Advance, both parties shall try to resolve the dispute in question, without prejudice to the fact that, if they fail to reach an agreement prior to the Collection Date, the Assignor shall pay the Fund the provisional amount established by the *Sociedad Gestora*, and sufficiently justified to the Assignor, without prejudice to any subsequent agreements relating to the adjustments of the aforementioned amount.

2. Recourse against the debtors

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In the event of delays in payments due by debtors by virtue of the Mortgage Loans sold, the Assignor, as loan administrator, will take the actions described in the "Internal Memorandum on the Granting of Mortgage Loans" attached as an exhibit to the Deed of Incorporation, adopting all the measures a creditor is reasonably expected to take in financing operations in Spain, provided that any actions taken do not affect the management of the Fund nor the rating awarded to the Bonds by the Rating Agencies.

In any event, and in the event of default in payment by the debtor of the Mortgage Loans underlying the issue of Shares and Certificates grouped in the Fund, the *Sociedad Gestora*, on behalf of the Fund, and as the holder of same, will be entitled to use all the powers it is conferred by virtue of Article 66 of Royal Decree 685/1982.

In the event of a competitive situation as established in section b) of Article 66 of Royal Decree 685/1982, the right of adjudication in payment will correspond to the Fund and the share of the final result will be effected as described in the Article.

In the event of any of the situations described in paragraphs c) and d) of Article 66 of Royal Decree 685/1982, and, as a consequence, the *Sociedad Gestora*, on behalf of the Fund, is subrogated to the Assignor in the procedure initiated by the Assignor, or a foreclosure process is initiated, the *Sociedad Gestora* will proceed to sell the properties in the shortest possible time allowed under the market conditions at the time. The Assignor will be entitled to repurchase the properties mortgaged to guarantee the Mortgage Loans it administers and that are sold to the Fund, within ten (10) Business Days following the date on which the *Sociedad Gestora* notifies it of its intention to sell the property. The repurchasing right will imply that the Assignor may purchase the properties in the same terms and conditions as they were offered to the *Sociedad Gestora*.

All the options described in this section, in relation to the Shares and Certificates, will be carried out in accordance with the terms envisaged in Title IV of Book III of Civil Procedure Law (*Ley de Enjuiciamiento Civil*) 1/2000 and Royal Decree 685/1982.

3. Recourse against the Assignor

The *Sociedad Gestora*, on behalf of the Fund, will take executive action against the Assignor to guarantee the maturity of the Loan both for Principal and Interest, when the non-payment of such amounts is not the result of the non-payment of these amounts by the Mortgage Debtors.

Furthermore, if the Assignor does not fulfil its obligations as established in the previous section, the Fund, through the *Sociedad Gestora*, will take action against the Assignor in accordance with the procedures established in the Civil Procedure Law .

Following the extinction of Shares and Certificates, the Fund, through the *Sociedad Gestora*, will maintain the right to take action against the Assignor until it has complied with its obligations.

4. Subcontracting

The Assignor, in respect of the Mortgage Loans it administers, is entitled to subcontract or delegate to third parties of recognised solvency and capacity, the performance of any of the services listed in section 3.7.1.1., provided: (i) this is legally possible; (ii) the CNMV is notified in advance and all due authorisations have been obtained; (iii) the *Sociedad Gestora*, on behalf of the Fund, provides prior written agreement; (iv) the sub-contractor or delegate has a rating which does not undermine the ratings assigned to the Bonds by the Rating Agencies; and whenever (v) the sub-contractor or delegate has waived all rights of recourse against the Fund, and to extinguish such subcontracts and/or delegations.

In any case, neither the *Sociedad Gestora* nor the Fund will assume any additional responsibility other than that described here in relation to costs or expenses deriving from sub-contracting or delegation, or the termination of a contract.

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However, any subcontracting or delegation would not exempt or free the Assignor through such subcontracting or delegation of any of the responsibilities assumed by virtue of the Deed of Incorporation and this Prospectus that are legally attributable to or required from it.

5. Replacement of the Assignor as the administrator of the Mortgage Loans

If the *Sociedad Gestora* detects a non-compliance on the part of the Assignor, as the administrator of the Mortgage Loans, with respect to the obligations set out in this section, or the occurrence of an event that, in the opinion of the *Sociedad Gestora*, seriously prejudices or jeopardises the financial structure of the Fund or the rights and interests of the Bondholders, the *Sociedad Gestora* will, in accordance with current legislation, (i) replace the Assignor as administrator of the Shares and Certificates, or (ii) request the Assignor to sub-contract or delegate the performance of the aforementioned obligations to a person or entity that, in the opinion of the *Sociedad Gestora*, has sufficient technical capacity to perform these functions. The *Sociedad Gestora* will take into account the proposals of the Assignor regarding the designation of the substitute. The Assignor must undertake such sub-contracting or delegation.

Furthermore, if a corporate, legal or judicial decision is taken on the liquidation, termination or intervention of the Assignor, or the Assignor asked to be declared in a legal situation of suspension of payments or bankruptcy, or a third party presents such a request, the *Sociedad Gestora* may replace the Assignor as administrator of the Mortgage Loans, if this is permitted by current legislation.

If permitted by current legislation, the new administrator of the Mortgage Loans will be designated by the *Sociedad Gestora*, once the corresponding administrative authorities have been consulted, and provided that the rating assigned to the Bonds is not negatively affected. The designation will be notified to the Rating Agencies and the CNMV. The *Sociedad Gestora* may reach an agreement with the new administrator on the amount of remuneration to be received, and charged to the Fund. This amount will be treated as an extraordinary expense and will be paid in accordance with the Priority Order of Payments described in section 3.4.6.3. of this Additional Module.

If permitted by current legislation, the Assignor may be asked to be replaced as the administrator of the Mortgage Loans, and all expenses arising in connection with its substitution will be paid by the Assignor. The *Sociedad Gestora* will authorise the substitution if the Assignor has found an entity to replace it and if the rating assigned to the Bonds by the Rating Agencies has not been negatively affected. The substitution will be notified to the Rating Agencies and the CNMV.

In the event of the substitution, the Assignor will provide the new administrator with all the documentation the latter requires to perform its functions.

6. Modifications to the Mortgage Loans

In accordance with Article 25 of Royal Decree 685/1982 of 17 March, the Assignor is not entitled (without the consent of the *Sociedad Gestora*) to voluntarily cancel, in respect of the Mortgage Loans it administers, the Mortgages underlying the Shares and Certificates for any other reason other than payment of the Mortgage Loans, to waive or compound them, to substitute the Mortgage Loans by means of novation, to remit or pardon them partially or fully, to extend them or, in general, to perform any act that might undermine or diminish the rank, legal enforceability or economic value of the mortgages or Mortgage Loans, except by means of the authorised modifications outlined in the following paragraphs.

The Assignor will be authorised, as the administrator of the Mortgage Loans, as from the Date of Incorporation of the Fund, and provided the rating assigned to the Bonds is not impaired and without negatively affecting the payments to the Fund, and provided the *Sociedad Gestora* has been notified and the latter has notified the Rating Agencies, to:

- (i) Permit subrogations of the Mortgage Loan contracts, provided that the characteristics of the new debtor are similar to those of the existing debtor and that these are consistent with the criteria contained in the "Internal Memorandum on the Granting of Mortgage Loans" of the Assignor.

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- (ii) Reach an agreements with the Mortgage Debtors on the new interest rates and final maturity of the Mortgage Loans, in the form established in points 6 and 7 below.

7. Modifications to interest rates:

In accordance with the Deed of Incorporation and this Prospectus, if the Assignor agrees to modify the interest rates of a Mortgage Loan and consequently its corresponding Share or Certificate, the aggregate interest accrued by the Mortgage Loan will still correspond to the Fund.

8. Modifications to the Final Maturity of the Mortgage Loans:

In accordance with the Deed of Incorporation and this Prospectus, the Assignor can modify the final date of maturity of the Mortgage Loans, provided that the following conditions are met:

- (a) That, in all cases, the frequency of the scheduled repayments of the principal of the Mortgage Loan is maintained or increased, using the same repayment system.
- (b) That the new final maturity date of the loan is no later than 29 February 2040.
- (c) That there have been no delays in the payment of instalments due during the six (6) months immediately preceding the date of the modification of the term of the Mortgage Loan to be modified, and that payments on the Mortgage Loan are up-to-date.
- (d) That the corresponding deed of modification of the Mortgage Loan is granted and registered with the Property Register, maintaining the category of first mortgage.
- (e) That the expenses deriving from the modification of the Mortgage Loans are borne by the Assignor or the Mortgage Loan debtor and under no circumstances by the Fund.
- (f) The sum of the initial balance of the Mortgage Share Certificates with an extended maturity term does not exceed 5% of the initial balance of the Mortgage Loans grouped in the Fund.
- (g) Under no circumstances may the Assignor, as Mortgage Loan administrator, decide to modify the final maturity date of the Mortgage Loan without prior request from the debtor. When acting in relation to said modification, the administrator must always take into account the interests of the Fund.

The *Sociedad Gestora*, on behalf of the Fund, will, at any time during the life of the Fund, cancel or suspend the Assignor's authority to modify the final maturity date.

In the aforementioned circumstances, the modification of the Mortgage Loan will not affect the declarations and guarantees included in section 2.2.8. of this Additional Module.

If the interest rate of any Mortgage Loan is renegotiated or its final maturity date is modified, the Assignor, as the Mortgage Loan administrator, will immediately inform the *Sociedad Gestora* of the new conditions resulting from such negotiations.

3. Custody of Shares and Certificates:

The Multiple Deeds representing the Shares and Certificates and, where appropriate, the individual securities into which they may be fractioned, shall be deposited with the Financial Agent. Relations between the Fund and the Financial Agent will be governed by the Financial Services Agreement executed between the Financial Agent and the *Sociedad Gestora* on behalf of the Fund. They shall be held in favour of the Fund such that the Financial Agent shall act as custodian of the securities representing the deposited Shares and Certificates, in accordance with the instructions of the *Sociedad Gestora*.

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3.7.2 Description of the functions and responsibilities assumed by the *Sociedad Gestora* in the management and legal representation of the fund and bondholders

3.7.2.1. Functions and responsibilities of the *Sociedad Gestora*

The Fund shall be arranged by "*Titulización de Activos, SGFT, S.A.*" as the *Sociedad Gestora* empowered for this purpose, and, therefore, to administer and legally represent the Fund within the scope of the provisions established in Royal Decree 926/1998.

The *Sociedad Gestora*, as the manager of third-party business, will represent and defend the interests of the Bondholders.

The Bondholders will have no legal recourse against the *Sociedad Gestora* except if the *Sociedad Gestora* is in breach of its obligations as set out in the Deed of Incorporation and in applicable legislation.

For information purposes, and without prejudice to other actions envisaged in the Deed of Incorporation and in this Prospectus, the *Sociedad Gestora* will have the following functions:

- (i) ensure that the amount of the payments actually received by the Fund corresponds to the amount contractually due to the Fund, in accordance with the relevant contracts from which such payments arise. If necessary, the *Sociedad Gestora* will take any judicial and extra-judicial action necessary or appropriate to enforce and protect the rights of the Fund and the Bondholders.
- (ii) apply any amount received by the Fund for the payment of the obligations arising thereof, in accordance with the provisions established in the Deed of Incorporation and in this Prospectus.
- (iii) extend or modify any contract entered into on behalf of the Fund and necessary for its operation, in accordance with the provisions established in the Deed of Incorporation and in this Prospectus, and in applicable law at any time.
- (iv) replace all parties rendering services to the Fund, in accordance with the Deed of Incorporation and this Prospectus, provided that this is permitted by applicable law, that prior authorisation from the relevant authorities is obtained if necessary, that notice is given to the Rating Agencies, and that the interests of the Bondholders are not impaired. In particular, if the Assignor breaches its duties as administrator of the Mortgage Loans, the *Sociedad Gestora* will take all the necessary measures to ensure the adequate servicing of the Mortgage Loans.
- (v) give all necessary instructions to the Financial Agent in relation to the Treasury Account and, if necessary, to the Assignor, in relation to the Reinvestment Account.
- (vi) give all necessary instructions to the Financial Agent in relation to the payments to be made to the Bondholders and, if necessary, to all other entities to which such payments should be made.
- (vii) Determine and make the payments relating to the principal and interest of the Initial Expenses Loan and Subordinated Loan.
- (viii) Determine and make the payments to the Fund deriving from the Financial Interest Swap Agreement.
- (ix) Appoint and, if necessary, replace the Auditor, with prior approval from the CNMW if such action is required.

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- (x) prepare and submit to the competent bodies all documentation and information that must be submitted to the CNMV and the Bondholders as established in existing legislation.
- (xi) take the appropriate decisions in relation to the liquidation of the Fund, including decisions relating to early liquidation, in accordance with the Deed of Incorporation and this Prospectus.
- (xii) determine the applicable interest rate of each Series of Bonds for each Interest Accrual Period.
- (xiii) The *Sociedad Gestora* will make available to the public all documentation and information necessary pursuant to the Deed of Incorporation and this Prospectus.

3.7.2.2. Resignation and substitution of the *Sociedad Gestora*

The waiver and replacement of the *Sociedad Gestora* will be regulated as established in Royal Decree 926/1998 or by the existing current legislation. The *Sociedad Gestora* will be replaced in accordance with the following procedure, provided this does not infringe the specific legal provisions established for this purpose:

1. The *Sociedad Gestora* may decide to terminate its role whenever it deems appropriate and voluntarily request its replacement through a written request to the CNMV. This request will include the document from the new *sociedad gestora* duly authorised and registered as such in the special registers of the CNMV, in which it declares itself ready to accept this responsibility and requests the corresponding authorisation. The replacement of the *Sociedad Gestora* and the appointment of a new *sociedad gestora* must be approved by the CNMV. Under no circumstances may the *Sociedad Gestora* terminate its role if it has not complied with all the requirements and formalities stipulated for the substitute to assume all its functions in respect of the Fund. Nor may the *Sociedad Gestora* terminate its participation when, due to said replacement, the ratings assigned to the Bonds issued by the Fund are reduced. All expenses incurred as a result of such substitutions will be borne by the *Sociedad Gestora* or, in its absence, by the new *sociedad gestora*.
2. In the event of any of the circumstances described in number 1 of Article 260 of the Corporations Law, the *Sociedad Gestora* will be replaced. If any of these circumstances occur, the *Sociedad Gestora* must notify the CNMV accordingly. In such circumstances, the *Sociedad Gestora* will be obliged to comply with the provisions contained section 1 above before it is replaced;
3. If the *Sociedad Gestora* is declared in suspension of payments or bankruptcy or its authorisation is revoked, it must select a *sociedad gestora* to replace it. The substitution must take place less than four (4) months after the date on which the event giving rise to the substitution took place. If the *Sociedad Gestora* does not find another *sociedad gestora* willing to take over the administration and representation of the Fund, or the CNMV does not consider the candidate to be appropriate, and the ratings are downgraded, the early liquidation of the Fund will take place and the Bonds will be redeemed in the four (4) months following the forced replacement.
4. The substitution of the *Sociedad Gestora* and the selection of the new *sociedad*, approved by the CNMV in accordance with the provisions contained in the previous paragraphs, shall be authorised by the Rating Agencies and published in the Daily Bulletin of the AIAF Market. The *Sociedad Gestora* undertakes to execute all the public and private documents necessary to carry out its replacement in accordance with the procedure established in the previous sections. The substitute *sociedad gestora* will become subject to the rights and

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obligations corresponding to the *Sociedad Gestora* as set out in this Prospectus and in the Deed of Incorporation. Furthermore, the *Sociedad Gestora* will provide the new *sociedad gestora* with all the documents and accounting and computer records relating to the Fund in its possession.

3.7.2.3. Remuneration of the *Sociedad Gestora* for the performance of its functions

In compensation for its management services, the *Sociedad Gestora* will receive, on each Payment Date, a management remuneration which will accrue quarterly and which will be equal to, except for the first Payment Date, to one quarter of 0.019% of the non-matured Outstanding Nominal Balance of the Shares and Certificates on the Payment Date immediately preceding the aforementioned date. This commission will correspond to a gross amount and therefore includes any direct or indirect taxes or withholdings that may be deducted from said amount. The commission on each Payment Date will not be less than one quarter of 30,000 Euros. This amount will be updated at the beginning of each calendar year (starting January 2006) in accordance with the General Consumer Price Index published by the National Institute of Statistics, or the entity replacing same.

The remuneration of the *Sociedad Gestora* will be calculated using the following formula, except on the first Payment Date:

On the first Payment Date, the remuneration of the *Sociedad Gestora* will be calculated according to the number of days elapsed since the Disbursement Date. In other words, it will be calculated using the following formula:

$$R_t = (0,019\% * N_j) * d_i / 365$$

where:

R_T is the fee in euros of the *Sociedad Gestora*.

N_j is the Outstanding Nominal Balance of the Shares and Certificates at the beginning of the period (Disbursement Date, on the first Payment Date).

D_i is the number of days from the Disbursement Date until the first Payment Date.

Y_n is the inflation in year n .

n is 1, 2, 3... t number of years of the life of the Fund.

3.8. Name, address and brief description of any counterparty for swap, credit, liquidity or account operations

La Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja) is the counterparty in the Financial Interest Swap Agreement and lender in the Subordinated Loan and Initial Expenses Loan Agreements. It is also the entity with which the Fund will open the Reinvestment Account referred to in section 3.4.4.1. of this Additional Module.

Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja (Ibercaja) is a credit entity subject to supervision by the Bank of Spain. Its registered office is in Zaragoza, Plaza Basilio Paraíso, 2 and it is registered with the Commercial Registry of Zaragoza, in Volume 1.194, Sheet 23 Page Number Z-4,862. Its C.I.F. (Spanish Tax Identification Number) number is G-50000652.

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The Official Credit Institute (*Instituto de Crédito Oficial*) is (i) the Financial Agent of the Fund, (ii) custodian of the Multiple Deeds, and (iii) the entity where the Fund will open the Treasury Account referred to in section 3.4.4.2. of this Additional Module.

The Official Credit Institute (*Instituto de Crédito Oficial*) is a public business entity, as defined in the provisions contained in Article 43.1.b) of Law 6/1997, of 14 April, governing the organisation and operation of the General State Administration, attached to the Ministry of Finance, through the Secretary of State for Economy, with legal capacity as a credit entity, and classified as a State Financial Agency, with legal form, own capital and cash assets, and independent management to comply with its purpose. Its registered office is in Madrid, at Paseo del Prado, 4.

4. POST-ISSUE INFORMATION

4.1. Indication of whether post-issue information is to be presented in relation to the securities to be admitted for trading and on the return from the underlying guarantee. If the issuer has indicated it proposes to provide such information, specific details of this information, where it can be obtained and the frequency with which it will be provided

Below is a description of the information to be provided subsequently to the issue.

4.1.1 Formulation, verification and approval of annual accounts and other accounting documents of the fund

Within the four (4) months after the end of each accounting period, the *Sociedad Gestora* will issue, together with the audited financial statements of the Fund, a report including:

- (i) An inventory of the portfolio of the Shares and Certificates grouped in the Fund, and
- (ii) A report including:
 - a) The Outstanding Nominal Balance to Maturity and the Outstanding Nominal Balance to Collection of the Shares and Certificates.
 - b) The percentage of the Shares and Certificates subject to prepayment.
 - c) Changes to the Early Redemption rate.
 - d) The amount of Shares and Certificates which have been declared Defaulted (those for which the corresponding Mortgage Loans are affected by defaults in payment of 18 months or more) and the percentage they represent of the total.
 - e) The average life of the portfolio of the Shares and Certificates.
 - f) The average rate of the portfolio of Shares and Certificates.
 - g) The Outstanding Nominal Balances to Maturity and to Collection of the Bonds.
 - h) The percentage of Bonds pending maturity.
 - i) If applicable, the amount of accrued and unpaid interest corresponding to the Bonds.
 - j) The balance of the Treasury Account and the Reinvestment Account.

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- k) The outstanding amount to be reimbursed of the Initial Expenses Loan and the Subordinated Loan.
- l) A detailed analysis of the results of the Fund and the factors that have affected these results.
- m) The amount of and variations in expenses and management fees during the accounting period.

4.1.2 Obligations and deadlines for publication and forwarding to the comisión nacional del mercado de valores regular information concerning the economic-financial condition of the fund

Every three months, in the seven (7) Business Days following each Payment Date, the *Sociedad Gestora* will forward to the CNMV and AIAF a report including:

3. In respect of Bonds in each Series and referred to each Payment Date:

- 1. Initial principal amount.
- 2. Amount of principal matured.
- 3. Outstanding Nominal Balance to Maturity remaining.
- 4. Outstanding Nominal Balance to Collection of the Bonds.
- 5. Matured amount of principal paid to the Bondholders.
- 6. Total interest accrued by the Bonds since the previous Payment Date.
- 7. Interest accrued since the Disbursement Date and due on previous Payment Dates, which have not been paid (as a consequence, this will not accrue additional interest).

(ii) In respect of the Shares and Certificates for each Payment Date:

- 1. The Outstanding Nominal Balances to Maturity and to Collection of Shares and Certificates.
- 2. The amount of Shares and Certificates redeemed normally and in advance.
- 3. Early redemption rates.
- 4. Outstanding Nominal Balance to Maturity of the Shares and Certificates declared Defaulted (those affected by defaults in payments of 18 months or more) and percentages of arrears with respect to the total amount of Shares and Certificates.

(iii) Regarding the economic-financial condition of the Fund, for each Payment Date:

4. In respect of the evolution of the Fund:

- 1. Balance of the Treasury Account and the Reinvestment Account and the returns obtained.

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2. Expenses and amount of the Reserve Fund

4.1.3 Other ordinary and extraordinary notice obligations, and notice of relevant events

Regular ordinary notifications

Quarterly, on the Determination Interest Date, it will notify the Bondholders of the Nominal Interest Rate for either of the Bond Series for the next Interest Accrual Period.

Every quarter, on each Notice Date, it will notify to the Bondholders the following information:

- The interest earned by the Bonds resulting from the for each of the Bond Series, together with the redemption of the Bonds.
- Likewise, if applicable, the amounts of interest and redemption accrued by the same and not paid, due to insufficient Available Resources, in accordance with the rules of the Fund Priority Payment Order.
- The Outstanding Nominal Balances to Collection of the Bonds of each Series, after the redemption to be settled on each Payment Date and the percentages that those balances represent of the initial nominal balance of each Bond.

The above notifications will be made in accordance with the provisions contained in section 4.1.3.3. below and will also be made known to the Payment Agent, the AIAF and Iberclear, on each Notice Date.

Extraordinary Notifications

IX. The following will be subject to extraordinary notice

1. The incorporation of the Fund and the Bond Issue, including any modification in the Deed of Incorporation, as well as the final spreads applicable for fixing the Nominal Interest Rate of each of the Series and the Nominal Interest Rate fixed for each of the Bond Series for the first Interest Accrual Period

2. Any relevant fact that could take place in relation to the Mortgage Loans, Bonds, Fund and the Sociedad Gestora itself, that might have a considerable effect on the negotiation of the Bonds, - and, in general, any relevant modification in the assets liabilities of the Fund or in the event of termination of the Fund incorporation or an eventual decision for Early Liquidation of the Fund and Early Redemption of the Bond Issue due to any of the causes foreseen in this Prospectus, in which case a notarised record of the expiry of the Fund will be notified to the CNMV and to the Credit Rating Agencies, and the liquidation procedure adopted, to which reference is made in section 4.4. of the Registration Document.

Procedure for making notifications to the Bondholders

Notifications made to the Bondholders which, in respect of the above, must be made by the Sociedad Gestora on the Fund, will be made in the following manner:

5. (i) Ordinary notifications

Ordinary notifications will be made by publication either in the Daily Bulletin of the AIAF Fixed Interest Market, or any other institution substituting it or with similar characteristics, or by publication in a daily newspaper with wide circulation in Spain, of either an economic-financial or general nature. In addition the Sociedad Gestora or Payment Agent may broadcast this information or any other information to the

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interest of the Bondholders through the channels and systems belonging to financial markets, such as Reuters, Bridge Telerate, Bloomberg or any other with similar characteristics.

6. (ii) Extraordinary Notifications

Extraordinary notifications will be made by publication either in the Daily Bulletin of AIAF Fixed Interest Market, or any other institution substituting it or with similar characteristics, or by publication in a daily newspaper with wide circulation in Spain, of either an economic-financial or general nature. Such notifications will be deemed made on the date of their publication, and may be published on any calendar day, either Business Days or Non-Business Days (as provided for in this Prospectus).

In exceptional circumstances, notice of the liquidation of the Fund will be done by publication in a daily newspaper with a wide circulation in Spain, of either an economic-financial or general nature. Such notifications will be deemed made on the date of their publication, and may be published on any calendar day, either Business Days or Non-Business Days (as provided for in this Prospectus).

7. (iii) Notifications and other information

The Sociedad Gestora may make available to the Bondholders, the notifications and other information to the interest of the Bondholders through its own website on the Internet or any other means of digital transmission with similar characteristics.

This Prospectus is endorsed on every page and signed in Madrid, on 11 October, 2005.
Signed on behalf of the Fund:

Mr. Ramón Pérez Hernández
General Manager

TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A.

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V. GLOSSARY OF TERMS

TERMS

"Rating Agencies", means Moody's and S&P.

"Financial Agent", means Instituto de Crédito Oficial.

"AIAF", means Asociación de Intermediarios de Activos Financieros.

"Technical Advance", means the amount determined by the Sociedad Gestora, in accordance with the provisions of section 3.4.5.2 of the Additional Module, payable by the Assignor, with respect to the Shares and Certificates that it manages, on a specific Calculation Date.

"Bonds", means, jointly, Series A, B, C, D, and E, Bonds, issued with charge to the Fund.

"Series A Bonds", means eight thousand seven hundred and three (8.703) A Bonds for a nominal amount of eight hundred and seventy million three hundred thousand (870.300.000) Euros, represented by eight thousand seven hundred and three (8.703) securities with a face value of one hundred thousand (100.000) E each.

"Series B Bonds", means one hundred and ninety-three (193) Series B Bonds for a total nominal amount of nineteen million three hundred thousand (19,300,000) euros, represented by one hundred and ninety-three (193) securities with a nominal par value of one hundred thousand (100,000) euros each.

"Series C Bonds", means sixty-three (63) Series C Bonds for a total nominal amount of six million three hundred thousand (6,300,000) euros, represented by sixty-three (63) securities with a nominal par value of one hundred thousand (100,000) euros each.

"Series D Bonds", means forty-one (41) Series D Bonds for a total nominal amount of four million one hundred thousand (4,100,000) euros, represented by forty-one (41) securities with a nominal par value of one hundred thousand (100,000) euros each.

"Series E Bonds", means forty-five (45) Series E Bonds for a total nominal amount of four million five hundred thousand (4,500,000) euros, represented by forty-five (45) securities with a nominal par value of one hundred thousand (100,000) euros each

"Amount Payable by Party A", means an amount equal to the Interest for Swap settlement Purposes.

"Amount Payable by Party B", means the result of recalculating the interest on the Shares and Certificates corresponding to the Interest for Swap settlement Purposes by replacing the effective rate applied to each Share or Certificate by the Party B Interest Rate.

"Net Amount", means the positive (or negative) difference between the Amount Payable by Party A and the Amount Payable by Party B.

"Assignor", means Ibercaja.

"Certificates", means mortgage transfer certificates issued by the Assignor on the Date of Incorporation pooled from time to time in the Fund.

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TERMS

"CNMV", means Comisión Nacional del Mercado de Valores.

"Agreement to open an Account at Guaranteed Interest Rate", means the agreement to open an account at guaranteed interest rate (Reinvestment Account) between the Sociedad Gestora, in the name and on behalf of the Fund, and Ibercaja, described in section 3.4.4.1. of the Additional Module.

"Bond Issue Management, Underwriting and Placement Agreement", means the agreement executed between the Sociedad Gestora and the Underwriting and Placement Entities, whereby the later undertake to subscribe or to procure subscribers for the Bonds, at their responsibility.

"Interest Swap Agreement", means the interest swap agreement executed between the Sociedad Gestora, in the name and on behalf of the Fund, and Ibercaja, described in section 3.4.7.1. of the Additional Module.

"Financial Services Agreement", means the agreement executed by the Sociedad Gestora, in the name of the Fund, and the Financial Agent, regulating the deposit of the Shares and Certificates, Treasury Account and the payment agent for the Fund.

"Excess Account", means the account opened to hold the excess of the balance of the Reinvestment Account over 20% of the Outstanding Nominal Balance to Payment of the Bonds.

"Reinvestment Account", means the account opened in the name of the Fund, through which all payments to be made to the Fund by the Assignor on each Collection Date.

"Treasury Account", means the financial account in Euro opened with the Financial Agent in the name of the Fund, in accordance with the provisions of the Financial Services Agreement, through which all payments of the Fund are made.

"Mortgage Debtors", means the debtors of the Mortgage Loans.

"Business Day", means all days which are not a holiday in Madrid or according to the TARGET (Trans European Automated Real-Time Gross Settlement Express Transfer System) calendar.

"Margin", means a margin applied to Reference Interest Rate for the purposes of calculating the Interest Rate for Party B, which shall be greater than or equal to 0.75%.

"Registration Document", means the document drafted in accordance with Annex VII Regulations 809/2004.

"Underwriting and Placement Entities", means, jointly, Deutsche Bank, AG London, J.P. Morgan Securities Ltd., Ibercaja, Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja) and EBN Banco de Negocios, S.A.

"Placement Directors", means Deutsche Bank, AG London and J.P. Morgan Securities Ltd.

"Deed of Incorporation", means deed of incorporation of the Fund, of the issue and subscription of the Mortgage Shares and Mortgage Transfer Certificates and the Bond issue.

"Risk Factors", means a description of principal risk factors linked to the issuer of the securities and the assets backing the issue

"Calculation Date", means the 20th of every calendar month.

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"Incorporation Date", means October 13, 2005, date of incorporation of the Fund.

"Disbursement Date", means October 18, 2005, i.e., three (3) Business Days after the Incorporation Date, on which date the Bonds shall be disbursed and the price for the Shares and Certificates shall be paid to the Assignor.

"Determination Date", means the second (2nd) Business Day prior to each Payment Date (or the Disbursement Date for the first Interest Accrual Period), on which the Reference Interest Rate applicable to the following Interest Accrual Period shall be determined. For the first Interest Accrual Period, the Reference Rate shall be determined on the second (2^o) Business Day prior to the Disbursement Date (i.e., October 14, 2005).

"Settlement Date", means the settlement dates of the Interest Swap Agreement, which will be the same as the Payment Dates of the Fund.

"Notice Date", means the date on which amounts payable as principal and interest to the Bondholders shall be notified, i.e., on the second (2nd) Business Day prior to each Payment Date.

"Payment Date", means 26 January, 26 April, 26 July and 26 October every year or, if such date is not a Business Day, the following Business Day. The first Payment Date shall be on January 26, 2006.

"Legal Termination Date", means the date of final redemption of the Bonds, i.e., October 26, 2042 or, if such date is not a Business Day, the following Business Day.

"Collection Dates", means the dates on which the Assignor shall transfer to the Fund, i.e., on the 20th day every month, which period may become shorter if the Assignor, as administrator of the Mortgage Loans, should suffer a reduction in its ratings awarded by the Rating Agencies.

"Prospectus" means an information prospectus registered with the CNMV on October 11, 2005.

"Fund", means TDA IBERCAJA 2, FONDO DE TITULIZACIÓN DE ACTIVOS.

"Reserve Fund", means the reserve fund created on the Disbursement Date charged to the Series E Bonds, in accordance with the provisions of section 3.4.3.4. of the Additional Module.

"Ibercaja", means Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja.

"IBERCLEAR", means the entity Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.

"ICO", means Instituto de Crédito Oficial.

"Interest for Swap settlement Purposes", means the sum of all interest amounts of the Shares and Certificates paid by the Mortgage Debtors during the three Calculation Periods immediately preceding the current Settlement Date, effectively transferred to the Fund.

"Law 19/1992", means Law 19/1992, of July 7, governing the Régimen de Sociedades y Fondos de Inversión Inmobiliaria (System of Property Investment Companies and Funds) and Fondos de Titulización Hipotecaria (Mortgage Backed Security Funds).

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"Law 2/1994", means Law 2/1994, of 30 March, regarding mortgage loan subrogation and modification.

"Law 24/1988", means Law 24/1988, of July 28, Securities Market Law, in its current wording.

"Law 3/1994", means Law 3/1994, of 14 April, which adapts Spanish legislation regarding credit entities to the Segunda Directiva de Coordinación Bancaria (Second Directive of Banking Coordination) and introduces other modifications relative to the financial system.

"Law 44/2002", means Law 44/2002, of 22 November, of Medidas de Reforma del sistema Financiero (Financial System Reform Measures)..

"Bankruptcy Law", means Law 22/2003, of July 9, on bankruptcy.

"VAT Law", means Law 37/1992, of December 28, on Value Added Tax

"Mortgage Market Law", means Law 2/1981, of March 25, regulating the Mortgage Market

"Financial Intermediation Margin", means the amount of the positive difference between Available Resources or the Fund and the amount applied to other items included in the Priority Payment Order.

"Additional Module", means the document drafted in accordance with Annex VIII Regulations 809/2004.

"Moody's", means Moody's Investors Service España, S.A.

"Securities Document", means the document drafted in accordance with Annex XIII Regulations 809/2004.

"Priority Payment Order", means the priority order for payment obligations or withholding of the Fund for the application of Available Resources on each Payment Date.

"Liquidation Priority Payment Order", means the priority order for payment obligations or withholding of the Fund for the application of Available Resources, in the event of liquidation of the Fund.

"Shares", means the Mortgage Shares issued by the Assignor on the Incorporation Date pooled from time to time in the Fund.

"Defaulted Shares and Certificates", means Shares and Certificates whose underlying loans are in arrears by at least or more than 18 months or have been declared defaulted by the Assignor.

"Non-Defaulted Shares and Certificates", means the Shares y Certificates which on a certain date are not deemed Defaulted Mortgage Loans.

"Calculation Periods", means each calendar month. As an exception, the first Calculation Period shall be between the Incorporation Date and the last day in October, while the final Calculation Period shall be between the first day of the month of liquidation of the Fund and the Payment Date on which such liquidation takes place.

"Collection Period", means the period between two Collection Dates.

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"Interest Accrual Period", means the effective days between each consecutive Payment Date, including the initial Payment Date, and excluding the final Payment Date. The first Interest Accrual Period will begin on the Disbursement Date, which is included, and will end on the first Payment Date, which is excluded.

"Settlement Periods", means days effectively elapsed between two consecutive Settlement Dates, including the first and excluding the last. Exceptionally, the first Settlement Period shall have a duration equivalent to days effectively elapsed between the Incorporation Date, included, and January 26, 2006, excluded.

"Bond Subscription Period", means the period to subscribe the Bonds, which shall begin on October 17 at 10:00 hours (C.E.T.), and end on October 18, at 10:00 hours (C.E.T.).

"Mortgage Loans", means the Mortgage Loans transferred by Ibercaja to the Fund by the issue of the Mortgage Shares and the Mortgage Transfer Certificates.

"Late Payment Mortgage Loans", means those Mortgage Loans that on a certain date are found to be in default by a period equal to or greater than three (3) months of delayed payment of matured debt, excluding those which are underlying Defaulted Shares or Certificates

"Initial Expenses Loan", means the loan granted by Ibercaja to the Fund to pay initial expenses of the Bonds.

"Subordinated Loan" means the loan granted by Ibercaja to the Fund to cover the time difference between the first Payment Date of the Fund between accrual and collection of the interest on the Shares and Certificates.

"Pricewaterhouse Coopers", means Pricewaterhouse Coopers Auditores, S.L.

"Royal Decree 116/1992", means Royal Decree 116/1992, of February 14, regarding the representation of securities through account registry and compensation and liquidation of stock exchange operations.

"Royal Decree 685/1982", means Royal Decree 685/1982, of March 17, which develops certain aspects of the Mortgage Market Law.

"Royal Decree 926/1998", means Royal Decree 926/1998, of May 14, which regulates the securitised funds of assets and the management companies of securitised funds.

"Available Resources", means the amount deposited in the Treasury Account on each Payment Date, which shall be the sum of (i) revenue from the Shares and Certificates as principal and current interest for the three immediately preceding Calculation Periods, (ii) the amount of the Technical Advance requested to the Assignor and not returned, (iii) returns of the balance of the Reinvestment Account and, where applicable, returns of the balances of the Excess Account, (iv) the Reserve Fund, (v) if applicable, other revenue from the Mortgage Debtors for items other than principal and current interest on the Mortgage Loans for the three immediately preceding Calculation Periods, (vi) Net Amounts received pursuant to the Interest Swap Agreement or, in the event of default, of the settlement payment thereon, and (vii) on the first Payment Date, amount of the Subordinated Loan.

"Reserve for Termination Expenses", means the reserve to be created by the Sociedad Gestora to cover expenses caused as a result of liquidation of the Fund.

"Regulations 809/2004", means Regulations (EC) no. 809/2004 of the Commission dated April 29, 2004.

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"Outstanding Nominal Balance to Collection", means the sum of outstanding principal pending maturity plus accrued and unpaid principal on a certain date.

"Outstanding Nominal Balance to Payment" means the sum of outstanding principal pending maturity plus matured principal of the Bonds unpaid on a certain date.

"Outstanding Nominal Balance to Maturity", means the sum of outstanding principal pending maturity.

"Sociedad Gestora", means TITULIZACIÓN DE ACTIVOS, S.G.F.T, S.A.

"S&P", means Standard & Poor's España, S.A.

"TAA", means constant effective annual rate of prepayment or early redemption.

TERMS

"Interest Rate for Party B", means the sum of (i) the Reference Interest Rate of the Bonds for the current Interest Accrual Period and (ii) the Margin.

"Reference Interest Rate", means the Reference Interest Rate of the Bonds, as provided in section 4.8. of the Securities Document.

"Multiple Deeds", means the multiple deeds representing the Shares and Certificates.