

# IM BCC CAPITAL 1

## FONDO DE TITULIZACIÓN

### PROSPECTUS

CLASS NOTES	AMOUNT	COUPON	Fitch	DBRS
A	€ 602,700,000	Fixed 0.312%	AAA (EXP)sf	AA (sf)
B	€ 226,400,000	Fixed 0.70%	BBB+ (EXP)sf	BBB (sf)
C	€ 64,300,000	Fixed 2.10%	BB+ (EXP)sf	BB (sf)
D	€ 59,600,000	Fixed 7.49%	CCC (EXP)sf	Non rated
E	€ 19,100,000	Fixed 12.00%	Non rated	Non rated

***Backed by credit rights deriving from Loans granted to small and medium sized businesses and self-employed individuals by***

CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CREDITO



***Lead Manager and Arranger***

BANCO SANTANDER, S.A.

***Paying Agent***

BANCO SANTANDER, S.A.

***Subscribers***

CAJAMAR

and

INSTITUTO DE CRÉDITO OFICIAL E.P.E.

**Fund sponsored and managed by:**



Prospectus recorded in the Registers of CNMV on the 13<sup>th</sup> of December 2018

## IMPORTANT NOTICE – PROSPECTUS

**IMPORTANT:** You must read the following before continuing. The following applies to the Prospectus following this page and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications thereto.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE NOTES DESCRIBED IN THE PROSPECTUS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED.

FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT 12 OF ARTICLE 4(1) OF DIRECTIVE 2004/39/EC (**MIFID**) OR (FROM THE DATE OF ITS IMPLEMENTATION INTO APPLICABLE LAW) POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (**MIFID II**); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (**INSURANCE MEDIATION DIRECTIVE**), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID OR (FROM THE DATE OF ITS IMPLEMENTATION INTO APPLICABLE LAW) POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE **PRIIPS REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States or other relevant jurisdiction. The Notes may not at any time be offered, sold or delivered within the United States or to, or for the account or benefit of, any person who is (a) a U.S. Person (as defined in Regulation S under the Securities Act ("**Regulation S**")) by any person referred to in Rule 903(b)(2)(iii) of Regulation S, (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of the securities as determined and certified by the Lead Manager, in either case except in accordance with Regulation S. In addition, the Notes may not at any time be offered, sold or delivered within the United States or to, or for the account or benefit of, any person who is a U.S. person (as defined in the credit risk retention regulations issued under Section 15G (the "**U.S. Risk Retention Rules**") of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus in the United States, see "U.S. Selling Restrictions" and "Risk Factors – U.S. Risk Retention"

IN ORDER TO BE ELIGIBLE TO READ THE PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE NOTES DESCRIBED THEREIN, YOU MUST NOT BE A "U.S. PERSON" AS DEFINED IN REGULATION S (A "**U.S. PERSON**") OR A U.S. PERSON AS DEFINED IN THE U.S. RISK RETENTION RULES (A "**RISK RETENTION U.S. PERSON**").

By accessing the Prospectus or acquiring any Notes or a beneficial interest therein, you shall be deemed to have confirmed and represented to the Issuer, the Originator, the Management

Company, the Arranger and the Lead Manager (each as defined below) and on which each of such persons will rely without any investigation, that (i) you have understood the agreed terms set out herein; (ii) you are not a U.S. Person, a Risk Retention U.S. Person or, in relation to the offer, sale or delivery of the Notes, acting for the account or benefit of any such U.S. Person or Risk Retention U.S. Person; (iii) you will not acquire Notes or a beneficial interest therein with a view to distribution; (iv) you will not acquire Notes or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein); and (v) you consent to delivery of the Prospectus by electronic transmission.

THIS PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON, RISK RETENTION U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The transaction will not involve the retention by a securitizer of at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on a safe harbour provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. No other steps have been taken by the Issuer, the Originator, the Management Company, the Arranger or the Lead Manager or any of their affiliates or any other party to otherwise comply with the U.S. Risk Retention Rules. See "Certain Regulatory And Industry Disclosures".

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

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

The Prospectus has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Management Company nor Banco Santander, S.A. (the "**Lead Manager**") nor any person who controls the Management Company nor the Lead Manager nor any director, officer, employee, agent or affiliate of any such person nor the Issuer nor the Originator accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format herewith and the hard copy version available to you on request from the Management Company and/or the Lead Manager.

None of the Lead Manager or the Arranger makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accordingly, none of the Lead Manager or the Arranger accepts any responsibility or liability therefore or any

responsibility or liability arising out of or in connection with any act or omission of the Issuer or any third party.

None of the Lead Manager or the Arranger undertakes to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Lead Manager or the Arranger.

None of the Lead Manager or the Arranger or the Management Company or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Lead Manager or the Arranger or the Management Company shall have any responsibility for determining the proper characterisation of potential investors in relation to any restriction under the U.S. Risk Retention Rules or for determining the availability of the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Lead Manager or Arranger or the Management Company or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Lead Manager or the Arranger or the Management Company accepts any liability or responsibility whatsoever for any such determination. Furthermore, none of the Lead Manager or Arranger or the Management Company or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Lead Manager or Arranger or the Management Company provides any assurance that the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules will be available.

Neither the Arranger, the Lead Manager, the Management Company nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or any offer of the securities described in the document. The Arranger, the Lead Manager, the Management Company and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Arranger, the Lead Manager or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

**IMPORTANT NOTICE: MIFID II PRODUCT GOVERNANCE****PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the positive target market for the Notes is eligible counterparties and professional clients only, each as defined in MIFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Therefore, the negative target market for the Notes are those investors which do not fall under the positive target market description. Any person subsequently offering, selling or recommending the Notes should take into consideration the manufacturers' target market assessment; however, a distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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This document is the information memorandum (the “**Prospectus**”) for IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN (the “**Fund**”) approved by and registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission, “**CNMV**”) on 13 December 2018, in accordance with the provisions of Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (“**Regulation 809/2004**”), which includes the following:

1. A description of the main risk factors relating to the issue, to the securities and to the assets backing the issue (the “**Risk Factors**”);
2. A registration document for the securities, prepared in accordance with Annex VII of Regulation 809/2004 (the “**Registration Document**”);
3. A securities note prepared in accordance with Annex XIII of Regulation 809/2004 (the “**Securities Note**”);
4. An additional module to the Securities Note prepared in accordance with the module provided for in Annex VIII of Regulation 809/2004 (the “**Additional Building Block**”); and
5. A glossary of definitions (the “**Definitions**”) used in this Prospectus.

# IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN

## RISK FACTORS

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY AND IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW.

PROSPECTIVE INVESTORS SHOULD (A) MAKE SUCH INQUIRIES AND INVESTIGATIONS AS THEY DEEM APPROPRIATE AND NECESSARY AND (B) REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISIONS WITHOUT RELYING ON THE ISSUER OR ANY OF THE ARRANGER OR ANY OF THE LEAD MANAGER OR ANY OTHER PARTY REFERRED TO HEREIN.

IT SHOULD BE REMEMBERED THAT THE PRICE OF SECURITIES AND THE INCOME DERIVING FROM THEM MAY INCREASE AS WELL AS DECREASE.

THIS PROSPECTUS IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT OR OTHER ADVICE TO ANY PROSPECTIVE PURCHASER OF THE NOTES.

THE FOLLOWING IS A SUMMARY OF CERTAIN FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER BEFORE DECIDING TO PURCHASE ANY NOTES. THE FOLLOWING STATEMENTS ARE NOT EXHAUSTIVE; PROSPECTIVE INVESTORS ARE REQUESTED TO CONSIDER ALL THE INFORMATION IN THIS PROSPECTUS, MAKE SUCH OTHER ENQUIRIES AND INVESTIGATIONS AS THEY CONSIDER APPROPRIATE AND REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISIONS. THESE FACTORS ARE CONTINGENCIES WHICH MAY OR MAY NOT OCCUR, AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCY OCCURRING.

### I. RISK FACTORS SPECIFIC TO THE SECURITIES

#### (i) Originator's Call Options

The Originator will have the option to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Redemption for the entire issue of the Notes in whole (but not in part) if a Clean-up Call event, Regulatory Change Event or Tax Change Event occurs subject to certain conditions as set forth in section 4.4.3.2 of the Registration Document.

Any repurchases by the Originator under the Call Options will cause the Issuer to make payments of principal on each Class of Notes earlier than expected and will shorten the maturity of such Class. If principal is repaid on any of Class of Notes earlier than expected, Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the relevant Class of Notes.

#### (ii) Yield and duration

The calculation of the average life, yield and duration of the Notes set forth in section 4.10 of the Securities Note is subject to, *inter alia*, estimates of Receivables prepayment rates that may not materialise, as well as future market interest rates, given the variable nature of nominal interest rates, defaults and recoveries. The loan prepayment rate is also influenced by a variety of economic and social factors such as market interest rates,

default rates, redemption rates, the economic situation and social factors of the Debtors and the overall level of economic activity, which makes forecasting impossible.

No guarantee can be given as to the level of prepayments (in part or in full) that the Receivables may experience.

Faster than expected prepayment rates on the Loans will cause the Issuer to make payments of principal on the Notes earlier than expected and will shorten the maturity of such Notes.

If principal of the Notes is repaid earlier than expected, Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the Notes. Similarly, if principal is repaid on the Notes later than expected due to lower rates of principal repayments and/or prepayments than expected on certain Receivables, Noteholders may lose reinvestment opportunities. Noteholders will bear all reinvestment risk resulting from receiving payments of principal on the Notes earlier or later than expected.

**(iii) Absence of or limited liquidity and market value of Notes**

Although application will be made for the Notes to be admitted to the AIAF Fixed-Income Market (*AIAF Mercado de Renta Fija, S.A.*) ("**AIAF**") and trading on its regulated market, liquidity of a secondary market for the Notes could be limited or absent and there is no guarantee that the Notes will be traded on the market with a minimum frequency or volume.

There is no commitment by any entity to engage in secondary trading to provide liquidity to the Notes.

Moreover, there can be no assurance that there will be bids and offers for the Notes and that a liquid secondary market for each and all Classes of the Notes or, if it develops, that it provides sufficient liquidity to absorb any bids, or that it will continue for the whole life of the Notes.

Limited liquidity in the secondary market for asset-backed securities such as the Notes has had a serious adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a serious adverse effect on the market value of asset-backed securities such as the Notes, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors.

In addition, prospective investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof); the market values of the Notes may fluctuate depending on changes in market conditions. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. Consequently, any sale of Notes by Noteholders in any secondary market transaction may be at a discount to the original purchase price of such Notes. Accordingly, investors should be prepared to remain invested in the Notes until the Legal Maturity Date of the Fund.

**(iv) Default interest**

Deferred payments of principal or interest will not accrue default interest in favor of the Noteholders nor imply capitalization of the debt.

**(v) Subordination of the Notes**

On any Payment Date before a Subordination Event occurs, the Class A Notes, the Class B Notes, the Class C Notes and Class D Notes will amortise pro-rata according to Priority of Payments established in section 3.4.6.3. of the Additional Building Block.

Upon occurrence of a Subordination Event:

- Class B Notes, Class C Notes, Class D Notes and Class E Notes will be subordinated to Class A Notes. Therefore, the reimbursement of principal for Class B Notes, Class C Notes, Class D Notes and Class E Notes will be subordinated to those for Class A Notes.
- Class C Notes, Class D Notes and Class E Notes will be subordinated to Class A Notes and Class B Notes. Therefore, the reimbursement of principal for Class C Notes, Class D Notes and Class E Notes will be subordinated to those for Class B Notes and Class A Notes.
- Class D Notes and Class E Notes will be subordinated to Class A Notes, Class B Notes and Class C Notes. Therefore, the reimbursement of principal for Class D Notes and Class E Notes will be subordinated to those for Class C Notes, Class B Notes and Class A Notes.
- Class E Notes will be subordinated to Class A Notes, Class B Notes, Class C Notes and Class D Notes. Therefore, the reimbursement of principal for Class E Notes will be subordinated to those for Class D Notes, Class C Notes, Class B Notes and Class A Notes.

Notwithstanding the above, it is expected that Class E Notes is amortised linearly in eight (8) equal principal instalments according to the Class E Redemption Amount.

Additionally, (i) the payment of interest of Class B Notes, Class C Notes, Class D Notes and Class E Notes is subordinated to the payment of interest of Class A Notes; (ii) the payment of interest of Class C Notes, Class D Notes and Class E Notes is subordinated to the payment of interests of Class A Notes and Class B Notes; (iii) the payment of interest of Class D Notes and Class E Notes is subordinated to the payment of interests of Class A Notes, Class B Notes and Class C Notes; (iv) the payment of interest of Class E Notes is subordinated to the payment of interests of Class A Notes, Class B Notes, Class C Notes and Class D Notes.

The subordination rules among the different Classes are established in the Priority of Payments and in the Liquidation Priority of Payments in accordance with section 3.4.6 of the Additional Building Block.

**(vi) Exercise of the Regulatory Change Call Option or the Tax Change Call Option**

Throughout the life of the Notes, the Originator with respect to a Regulatory Change Event may be at risk from a change of law or regulation which has a material adverse on the rate of return on capital of the Originator or materially reduces the benefit to the Originator of the transactions contemplated under this Prospectus.

Furthermore, the Issuer with respect to a Tax Change Event may be at risk from a change of law or regulation which materially increases the cost or impose withholding obligations on the Issuer.

In any of the three possible situations regulated in section 4.4.3.2 of the Registration Document (including a Regulatory Change Event or a Tax Change Event), the Originator may offer to repurchase all of the outstanding Receivables in accordance with the referred section of the Registration Document. If the conditions for the Originator to repurchase the Receivables are met, the Issuer shall, upon due exercise by the Originator of any relevant Call Option, redeem the Notes in full in accordance with section 4.4.3.2 of

the Registration Document, subject to there being sufficient proceeds from the Buyback Value together with the rest of Available Funds to redeem Class A Notes, Class B Notes, Class C Notes and Class D Notes in full and to pay all amounts ranking prior thereto in accordance with the Liquidation Priority of Payments.

**(vii) The Notes may not be a suitable investment for all investors**

The issue is addressed solely to qualified investors as defined in Article 39 of Royal Decree 1310/2005.

The Notes are complex securities and investors should possess, or seek the advice of advisers with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes unless it understands the principal repayment, credit, liquidity, market and other risks associated with the Notes.

In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are limited recourse instruments and there can be no assurance that the Noteholders will receive the full amounts payable at any time by the Fund under the Notes or that they will receive any return on their investment in the Notes. Additionally, it should be noted that the price of the Notes and the income deriving from them may increase as well as decrease.

Neither the Issuer nor the Management Company nor the Lead Manager or the Arranger is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes and investors may not rely on any such entity.

Neither the Arranger nor the Lead Manager have undertaken to review the financial condition or affairs of the Fund during the life of the arrangements contemplated by this Prospectus, or to advise any investor or potential investor in the Notes of any information that is not included in this Prospectus that comes to the attention of the Lead Manager or the Arranger.

**(viii) Rating of the Notes**

The credit risk of the Class A Notes, Class B Notes and Class C Notes has been assessed by the rating agencies Fitch and DBRS (the "**Rating Agencies**"). Fitch has also assessed the credit risk of Class D Notes.

The Rating Agencies may revise, suspend or withdraw the final ratings assigned to the Notes at any time, based on any information that may come to their attention.

Therefore, these ratings are not and cannot be construed in any way as an invitation, recommendation or encouragement to investors to proceed to engage in any transaction whatsoever in the Notes and, in particular, to acquire, keep, encumber or sell those Notes.

In general, European regulated investors are restricted from using credit ratings for regulatory purposes under Regulation 1060/2009, unless such ratings are issued by a credit rating agency established in the EU and registered under Regulation 1060/2009 (and such registration has not been withdrawn or suspended). Such general restriction also applies in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with Regulation 1060/2009 (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with Regulation 1060/2009 is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out in this Prospectus.

In addition to the foregoing, unsolicited ratings could be published in respect of the Notes. If such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes.

**(ix) Non confirmation of the provisional ratings of the Notes**

Should the provisional ratings of the Class A Notes and/or Class B Notes and/or Class C Notes and/or Class D Notes not be confirmed as final prior to or on the Disbursement Date the Notes will not be disbursed, and the Fund as well as the contracts executed by the Management Company on behalf of the Fund shall be terminated, on the terms set forth in Section 4.4.5 of the Registration Document.

**(x) Eurosystem eligibility**

The Class A Notes are intended to be held in a manner that will allow for their eligibility within the Eurosystem. This means that it is intended for the Class A Notes to be deposited with one of Iberclear, Euroclear or Clearstream upon the issuance thereof and does not necessarily mean that the Class A Notes will be recognised by the Eurosystem as eligible collateral for Eurosystem monetary policy and intra-day credit operations ("**Eurosystem Eligible Collateral**") either upon issue or at any or all times during its term. Such recognition will, *inter alia*, depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank (the "**ECB**") of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14) as amended and applicable at any particular time (the "**Guideline**"). In addition, for as long as the Class A Notes are intended to be held in a manner allowing for Eurosystem eligibility, the Loan Servicer will make loan-level data available in the manner required by the ECB to comply with the Eurosystem eligibility criteria, subject to applicable data protection rules.

On 15 December 2010 the Governing Council of the ECB decided to establish loan-by-loan information requirements for asset-backed securities in the Eurosystem collateral framework. On 28 November 2012, in the Guideline of the ECB of 26 November 2012 amending Guideline ECB/2011/14 on monetary policy instruments and procedures of the

Eurosystem (ECB/2012/25), the ECB laid down the reporting requirements related to the loan-level data for asset-backed securities. Such reporting requirements have applied since 3 January 2013 in the case of asset-backed securities where the cash flow generating assets comprise loans to small and medium sized enterprises (SME). For asset-backed securities to become or to remain eligible for Eurosystem monetary policy operations, the Eurosystem requires comprehensive and standardised loan-level data on the pool of cash flow generating assets underlying an asset-backed security to be submitted by the relevant parties to the asset-backed security, as set out in appendix 8 (loan-level data reporting requirements for asset-backed securities) of the Guideline. Failure to provide loan-level data will lead to suspension of or refusal to grant eligibility to the asset-backed security transaction in question.

If the Class A Notes do not satisfy the criteria specified by the ECB, or if the Management Company fails to submit the required loan-level data, the Class A Notes will not be eligible collateral for the Eurosystem. Each of the Issuer, the Management Company, the Lead Manager and the Arranger gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue or at any or at all times during its term, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in the Class A Notes should make its own conclusions and seek its own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

**(xi) Brexit**

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union ("**Brexit**") and on 29 March 2017 the United Kingdom gave formal notice under Article 50 of the Treaty on European Union of its intention to leave the European Union. The timing of the UK's exit from the EU remains subject to some uncertainty, but it is unlikely to be before March of 2019. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit may adversely affect European or worldwide economic or market conditions and may contribute to instability in global financial and foreign exchange markets. In addition, Brexit may lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. As such, no assurance can be given that Brexit will not adversely affect the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

**II. RISK FACTORS RELATING TO THE RECEIVABLES BACKING THE ISSUE**

**(i) Risk of non-payment of the Receivables**

The Noteholders will assume the risk of non-payment of the Receivables assigned to the Fund. Neither the Originator nor the Issuer guarantees or warrants the full and timely payment by the Debtors of any sums payable under the Loans. The ability of any Debtor to make timely payments of amounts due under the relevant Loan will mainly depend on its, his or her assets and liabilities as well as their ability to generate sufficient income to make the required payments. The Debtors' ability to generate income may be adversely affected by a large number of factors. However, credit enhancement measures have been implemented as described in section 3.4.2 of the Additional Building Block.

The Originator assumes no liability for non-payment of the Debtors, whether for principal, interest, or any other amount they may due under the Receivables. According to article 348 of the Spanish Commercial Code (*Código de Comercio*), the Originator will only be liable vis-à-vis the Fund for the existence and legitimacy of the Receivables at the time of

the assignment and under the terms and conditions stated in this Prospectus and in the Deed of Incorporation, as well as for the legal status pursuant to which the assignment is made.

Likewise, the Originator will not grant collateral or bank guarantees, whether pursuant to the Deed of Incorporation or this Prospectus or any other agreement to secure the payments by the Debtors under the Receivables.

The Originator declares and warrants to the Fund some conditions and characteristics of the Loans, as indicated in section 2.2.8 of the Additional Building Block. Likewise, the Originator assumes the commitments provided under sections 2.2.9, 3.3.5 and 3.7.2 of the Additional Building Block related to the substitution of the Receivables which do not conform to the conditions and characteristics contained in section 2.2.8 of the Additional Building Block at the Date of Incorporation, as well as to the responsibility of the assignment. Additionally, as counterparty to other agreements, it will assume the commitments related to the credit enhancement measures described in section 3.4.2 of the Additional Building Block and, and its obligations as Loan Servicer.

The details related to the delinquency in the Originator's credit portfolio are included in the following table and in section 3.5 of the Additional Building Block. The information related to the delinquency in repayment of the Receivables shall be taken into consideration when analysing the transaction.

DEFAULT AND INDIVIDUAL HEDGING	30/06/2018	31/12/2017	31/12/2016
Ratios			
default	8.71%	10.65%	13.47%
Provision for delinquent obligor insolvency	1,009,552	1,184,173	1,485,307
Simple default hedging*	0.3688	0.3524	0.3527
Hedging including real guarantees**	0.9730	1.07	1.08

\* Total hedging arranged (I) / Risk in default

\*\* Total hedging arranged (I) + Risk in default with real guarantee/ Risk in default

For avoidance of doubt, the reference to default on the table above does not have the same meaning of the definition of Default included in the glossary of definitions of this Prospectus. For this purposes default refers to Loans in arrears more than 90 days.

Figures in thousands of euros.

The information included in this table has been obtained from the audited Annual Accounts of Cajamar Caja Rural, Sociedad Cooperativa de Crédito ("Cajamar") corresponding to the financial years ending in 2017 and 2016.

**(ii) Risk of prepayment of the Receivables**

The Loans pooled into the Fund are subject to prepayment if the Debtors make an early repayment upon the terms set forth in each of the Loan from which the Receivables derive.

"Loans" means each of the loans included in the Preliminary Portfolio that Cajamar has granted to small and medium sized businesses located in Spain and to self-employed



individuals, in order to finance their business activities and from which the Receivables assigned or susceptible of being assigned to the Fund originate.

The prepaid amounts will be transferred quarterly, on each Payment Date, to the Noteholders through the amortisation of the Notes, in accordance with the rules established in section 4.9 of the Securities Note for the distribution of Available Funds. In this sense, the Notes will be fully redeemed on dates it is not possible to foresee as, among other factors, these depend on the prepayments of the Loans. Section 4.10 of the Securities Note includes different scenarios for the amortisation of the Notes, calculated on the basis of different prepayment rate hypotheses.

**(iii) Limited protection**

An investment in Notes may be affected by, *inter alia*, a deterioration in general economic conditions having an adverse effect on the payments under the Loans backing the issue of the Notes by the Fund. In the event that payment defaults should reach high level, they could reduce, or even eliminate, the protection against losses in the Loan Portfolio enjoyed by the Notes as a result of the credit enhancements described in section 3.4.2 of the Additional Building Block. Notwithstanding the foregoing, the risk of the Noteholders is mitigated by the Priority of Payments described in section 3.4.6.3 of the Additional Building Block.

**(iv) Fixed and floating interest rates**

Fixed interest rate Loans (including, for the avoidance of doubt, fixed revisable Loans) represent a total of 15,920 Loans which represent 31.55% of the Outstanding Balance of the Preliminary Portfolio, with an Outstanding Balance of the Receivables of 354,233,325.74 Euros. Floating interest rate Loans represent a total of 5,944 Loans which represent 30.8% of the Outstanding Balance of the Preliminary Portfolio, with an Outstanding Balance of the Receivables of 345,388,688.60 Euros and with reset periods ranging between 3 months and 1 year. Finally, 5,411 Loans with an Outstanding Balance of 423,003,407.35 Euros, representing 37.67% of the total Outstanding Balance of the Preliminary Portfolio, are fixed and floating Loans, that have an initial fixed interest rate period ranging between 1 and 5 years, after which their interest rate will reset in periods ranging between 3 months and 1 year (except one loan with an Outstanding Balance of 8,693.51 Euros where its reset period is 3 years).

Although the Fund will not enter into interest swap transactions, the potential risk described above will be mitigated by the credit enhancement measures described in section 3.4.2 of the Additional Building Block and, in particular, with the Reserve Fund.

**(v) Minimum interest rates (floors)**

As detailed in section 2.2.2 of the Additional Building Block, in relation to the interest rates applicable to the Loans, a total of 16,621 Loans with an Outstanding Balance of 502,387,407.52 Euros, representing 44.75% of the total Outstanding Balance of the Preliminary Portfolio, are Loans with a floor interest rate.

The average rate of Loans in the Preliminary Portfolio, in the event that all minimum interest rates are achieved, is 2.67%. Some recent judicial rulings (such as the ruling of the European Court of Justice of 21 December 2016, which considered abusive and invalid certain floor clauses used in financing agreements and declared the full retroactivity of such invalidity) could have set the basis for the non-application of the floor interest rates with effect from the date of execution of the relevant Loan. Taking into consideration the recent tendency of the Spanish courts in considering abusive certain clauses, some clauses of the Loans may be considered abusive in the future, this having a potential

impact (i) on the recovery of the amounts due in accordance with the relevant Loan or (ii) on the execution of the said Loan.

If, as a consequence of the above, an Early Liquidation of the Fund is triggered in accordance with section 4.4.3 of the Registration Document, the Liquidation Priority of Payments described in section 3.4.6.4 of the Additional Building Block will apply.

In this regard, the Deed of Incorporation will envisage certain provisions in order to mitigate the effects of a potential invalidation or cancellation of the floor clauses under the Loans. More specifically, the Deed of Incorporation will provide that any invalidation or cancellation of the floor interest rates under any of the Loans will only affect the Fund from the date on which such cancellation or invalidity is decreed by judgment, with the Originator assuming any compensation that might correspond to the Debtor of the relevant Loan.

**(vi) Discounts on interest rate**

In accordance with the information detailed in section 2.2.2 of the Additional Building Block, 87.45% of the Outstanding Balance of the Preliminary Portfolio includes the possibility of interest rate discounts being applied to the Loans, subject to the level of cross-selling activity of Cajamar with the Debtor. Such circumstance affects both fixed and floating interest rate Loans. Therefore, there is a risk that in the future interest rates applicable to Loans affected by those discounts may fall below their current levels. The information detailed in section 2.2.2 of the Additional Building Block, related to current rates and margins, has been included applying current discounts. Likewise, the information includes the weighted average maximum discount for each discount tranche as a measure of such risk. The average rate of floating interest rate Loans in the Preliminary Portfolio, in the event that all discounts are applied and guaranteed minimum rates are achieved, is 2.36%. The average rate of mixed rate Loans in the Preliminary Portfolio, in the event that all discounts are applied and guaranteed minimum rates are achieved, is 2.16%. The average interest rate of the fixed interest rate loans in the Preliminary Portfolio, in the event that all discounts are applied and guaranteed minimum rates are achieved, is 3.14%. The average rate of both (fixed, mixed and floating interest rate loans) in the Preliminary Portfolio, in the event that all discounts are applied and guaranteed minimum rates are achieved, is 2.53%.

**(vii) Guarantees securing the Loans**

As of 11 November 2018, 71.52% of the Outstanding Balance of the Preliminary Portfolio amounting 802,854,835.27 Euros corresponds to Loans secured by personal guarantees or in-rem security interests other than mortgages, of which this Prospectus does not include detailed information. Such additional guarantees, other than the personal guarantee of the relevant Debtor and the *in rem* right of mortgage (in case of Mortgage Loans), can be personal, guarantees granted by third parties, or *in rem* security, and may not be recordable in any public registry.

Likewise, 28.48% of the Outstanding Balance of Receivables amounting 319,770,585.42 Euros are related to Loans secured by a mortgage. This information is included in section 2.2.2 of the Additional Building Block.

**(viii) LTV Ratio**

As specified in section 2.2.2 of the Additional Building Block, in relation to the Mortgage Loans, the weighted average LTV Ratio of the Preliminary Portfolio is 53.66%.

In order to calculate the weighted average LTV of the Preliminary Portfolio only the properties appraised by appraisers authorised and approved by Bank of Spain have been

considered. In addition, Mortgage Loans with an LTV above 100% or an appraisal value lower or equal to the outstanding balance of previous encumbrances have been excluded from the calculation. Section 2.2.7 of the Additional Building Block details the granting policies of the Loans, including securities considerations.

The appraisal values used to calculate the LTV Ratio are the most updated ones available, in accordance with section 2.2.16 of the Additional Building Block.

**(ix) Sector concentration**

The most relevant sectors of activity of the Debtors included in the Preliminary Portfolio on 11 November 2018, are the "Agriculture crop and animal production, hunting and related service activities" sector, representing a 47.75% of the Outstanding Balance of the Preliminary Portfolio (9,050 Loans with an Outstanding Balance of 536,092,044.39) and the "Wholesale trade, except of motor vehicles and motorcycles" sector, with 7.69% of the Outstanding Balance of the Preliminary Portfolio (1,665 Loans with an Outstanding Balance of 86.367.470,04), according to the information included in section 2.2.2 of the Additional Building Block. These two sectors jointly represent a 55.45% of the Preliminary Portfolio.

Given these levels of sectorial concentration, also described in section 2.2.2 of the Additional Building Block, any negative event affecting these sectors could negatively impact the payments of the Receivables backing the issued Notes.

**(x) Year of origination concentration**

On 11 November 2018, 16.26% of the Outstanding Balance of the Preliminary Portfolio amounting €182,520,648.40 correspond to Loans granted in 2015, 22.10% of the Outstanding Balance of the Receivables amounting €248,048,132.75 correspond to Loans granted in 2016 and 35.98% of the Outstanding Balance of the Preliminary Portfolio amounting €403,923,509.63 correspond to Loans granted in 2017. Jointly, these three years represent 74.33% of the Outstanding Balance of the Preliminary Portfolio.

This information is provided in section 2.2.2 of the Additional Building Block.

**(xi) Geographical concentration of the Debtors**

As specified in section 2.2.2 of the Additional Building Block, the geographical regions that show a greater concentration of the Outstanding Balance of the Preliminary Portfolio are the following: Andalusia: 38.82%, Valencian Community: 18.56% and Murcia: 17.42%, representing a total of 74.81%.

In relation to the Mortgage Loans, the relevant autonomous regulation shall be considered, including the following:

**Murcia**

Regional Law 6/2015, of 24 March, on Housing in the Region of Murcia (*Ley 6/2015, de 24 de marzo, de la Vivienda de la Región de Murcia*) (the "**Regional Law 6/2015**"), amended by regional Law 10/2016, establishes in its Articles 59 and ss. a set of measures to prevent evictions that may result in homelessness. More specifically, prior to the acquisition of the property by means of compensation agreements (*acuerdos de compensación*), *in lieu* of payment agreements (*acuerdos de dación en pago*) of loans or credits secured by a mortgage over a primary residence, or, prior to the execution of the sale and purchase agreement of a property mortgaged, the lender is obliged to offer the borrowers a subsidized lease agreement over a house with a duration of at least three years, when such borrowers do not have an alternative residence and are at risk of homelessness. Once the offer has been made, only in the event of rejection of such proposal the lender

may foreclose the mortgage. In this sense, the obligation to propose a subsidized lease and its acceptance by the debtor could delay the Fund's collections resulting from the sale of the foreclosed properties, and it could even reduce the final amounts received under this concept.

### **Valencian Community**

Regional Law 2/2017, of 3 February, for the social function of the housing of the Valencian Community (*"Ley 2/2017, de 3 de febrero, por la función social de la vivienda de la Comunitat Valenciana"*) (the "**Regional Law 2/2017**") enacts the creation of a new obligation for any acquirer of a residential property from the foreclosure of a mortgage after the resolution of a loan agreement granted to finance the purchase of that property, due to a breach by the borrower, when the property is his primary and only residence, and that obligor is considered to be in special social emergency circumstances (in accordance with the criteria established by such Regional Law 2/2017, among which is that the loan was issued to effect the obligor's right to a residential home). Such new obligation binds the acquirer to enter with the obligor, if the latter decides to do so, in a subsidized renting agreement with a purchase option according to conditions set out in Regional Law 2/2017, with the objective to avoid eviction.

Given the levels of concentration, any negative event affecting these geographical regions could negatively impact the Loans from which the Receivables derive.

#### **(xii) Impact of Law 1/2013**

The current text of Law 1/2013, of 14 May, on measures to strengthen the protections for mortgage debtors, debt restructuring and social rent ("**Law 1/2013**"), as amended by Law 25/2015, of 28 July, on the second-chance mechanism, reduction of financial burden and other social measures ("**Law 25/2015**") as amended by Royal Decree 5/2017 of 17 March, consists of four Sections that introduce a set of measures that could affect the Mortgage Loans.

As a result of the foregoing, the Fund, as the holder of Receivables derived from the Mortgage Loans, may be affected by, among other things, (i) a delay in delivery of possession of the common property awarded due to the interruption, for up to seven (7) years, of the relocation of the occupants thereof in situations of special vulnerability, (ii) a delay in collection of the Receivables transferred, with a possible prolonged period for the foreclosure proceedings, whether in court or out-of-court, and (iii) obtaining amounts resulting from such foreclosure processes lower than could have been obtained until now due to, among other things, the limit on the applicable maximum default interest rate, that shall not be greater than three times the legal interest rate and shall only be accrued over the outstanding balance of the loan.

In connection with Section IV of Law 1/2013, it should be noted that Cajamar has adhered to the amendments to the Code of Good Practice endorsed by the aforementioned Law 1/2013 on 21 October 2014. The Code of Good Practice contains a set of measures that may affect the recovery of the unpaid Mortgage Loans and, therefore, may affect the Fund, in particular:

- The restructuring of the debt foreseen in the Code of Good Practice could delay the repayment of the debt if a grace period in the repayment of the principal is granted and there is a deferral on the repayment calendar. Likewise, if the interest rate is reduced during the grace period this would reduce the due amounts claimable by the Fund.

- The write-off in the outstanding balance, in accordance with the Code of Good Practice, would reduce the due amounts claimable by the Fund.
- The payment in kind as an alternative measure of the foreclosure proceedings, in accordance with the Code of Good Practice, would entail a total cancellation of the mortgaged debt and the related personal liability of the debtor and third parties.
- The right of the debtor under the mortgage to request the creditor the rental of the housing for a period of one year including the option to extend the rental up to five (5) years with a maximum annual rent of 3% of the value of the house at the time of the approval of the adjudication of the asset.

As a result, to the extent that the Management Company acknowledges and agrees that Cajamar has adhered to the amendments to the Code of Good Practice, the Fund may be affected by the measures set out therein (which are applicable to the entire portfolio of loans, including the Mortgage Loans), and which may entail an extension of the period for foreclosure proceedings and cause a loss in the value of the Mortgage Loans.

In addition, it should be noted that there is a draft law on real estate credit contracts (*Anteproyecto de Ley de Contratos de Crédito Inmobiliario*) which would amend the Spanish Mortgage Law (the “**Draft Real Estate Credit Contract Law**”) which is expected to be enacted in a near date. The Draft Real Estate Credit Contract Law is expected to, amongst others, regulate the default interest to be charged on loans secured with real estate mortgages granted to individuals (whether acting as consumer or not). According to the current drafting of this Draft Real Estate Credit Contract Law, default interest shall be equal to three (3) times the legal interest applicable.

Note that this would apply to any mortgage loan secured with mortgages over residential real estate properties, no matter if it qualifies as main residence of the Debtor.

### III. RISK FACTORS RELATING TO THE FUND

#### (i) **Absence of legal status of the Fund. Limitation of legal actions against the Management Company**

The Fund constitutes a separate estate of assets and liabilities, lacking legal status, which is managed by the Management Company in accordance with Law 5/2015. The Fund’s liability for its obligations vis-à-vis its creditors will be limited in recourse to the extent of its assets.

The Noteholders and the Other Creditors of the Fund may only bring an action against the Fund’s Management Company in the case of a breach of its duties or failure to observe the provisions of the Deed of Incorporation or this Prospectus.

The Noteholders and the Other Creditors of the Fund will not have any rights of action either against the Fund or against the Management Company in the event of a payment default of the amounts due from the Fund arising out of (i) the existence of delinquency in repayment or payment default under the Loans, (ii) the failure to comply with their duties by the Originator, the Servicer or by any other counterparty to the transactions entered into with the Fund, or (iii) the insufficiency of the credit enhancement derived from the structure implemented according to this Prospectus.

#### (ii) **Mandatory replacement of the Management Company**

If the Management Company is declared insolvent or its authorisation to operate as a management company of securitisation funds is revoked, without prejudice to the effects of such insolvency as described below, the Management Company shall find a substitute management company. If four (4) months have elapsed from the occurrence of the event

requiring the substitution and a new management company that is prepared to take over the management of the Fund has not been found, an Early Liquidation of the Fund will be triggered and the Liquidation Priority of Payments will apply.

**(iii) Applicability of the Insolvency Act**

*Originator:*

Pursuant to the provisions of the Second Additional Provision of Law 22/2003 of 9 July (the “**Insolvency Act**”), the insolvency provisions of Law 5/2015 will apply.

Therefore, the assignment of the Receivables to the Fund may be subject to rescission pursuant to the provisions of the Insolvency Act and special regulations applicable to securitisation funds.

By virtue of Article 16 of Law 5/2015 (by reference to the 4<sup>th</sup> additional provision of Law 5/2015 and Articles 10 and 15 of Law 2/1981), the assignment of the Receivables transferred to the Fund may only be rescinded or challenged under Article 71 of the Insolvency Act by the insolvency administration and in so challenging, the insolvency administration will have to prove the existence of fraud in the assignment.

In addition, in the event of the insolvency of the Originator, all Fund assets held by the Originator, except for cash due to the fungible nature thereof, will become the property of the Fund and must be made available under the terms of Articles 80 and 81 of the Insolvency Act.

Notwithstanding the above, this Prospectus and the Deed of Incorporation envisage certain mechanisms aimed at mitigating the aforementioned effects in relation to cash due to its fungible nature.

According to the interpretation of a majority of legal scholars regarding Articles 80 and 81 of the Insolvency Act, if the Originator is declared insolvent, monies received and held thereby on behalf of the Fund in its capacity as counterparty to certain agreements entered into before the date of declaration of insolvency may be affected by the results of the insolvency.

*Management Company:*

In the event of insolvency of the Management Company, it must be replaced by another management company in accordance with the provisions of Article 33 of Law 5/2015.

In the event of the insolvency of the Management Company, as applicable, any assets of the Fund that are in the possession of the Management Company, and with respect to which the latter has no right of use, surety or retention (except for cash due to its fungible nature) and that form part of the latter’s assets will be construed as belonging to the Fund, and the insolvency administrators must deliver them to the Fund. In practice, due to the cash flow arrangements in this transaction, and except in the event of a breach by the Management Company of the terms of the relevant agreements, no cash amounts will become part of the assets of the Management Company given that, as provided in the terms set forth in the Deed of Incorporation and in this Prospectus, amounts which constitute income of the Fund must be deposited into accounts opened on behalf of the Fund by the Management Company (which is involved in opening and operating such accounts not only as the agent of the Fund, but as its legal representative). Therefore, the Fund would be entitled to absolute separation of those assets from the Management Company in this respect, upon the terms set forth in Articles 80 and 81 of the Insolvency Act.

Notwithstanding the foregoing, the insolvency of any of the Parties (whether the Originator or any other counterparty of the Fund) could affect their contractual relationships with the Fund.

**(iv) Breach of agreements by third parties**

The Fund has entered into agreements with certain third parties for the provision of certain services in relation to the operation of the Fund and in relation to the Notes.

The Noteholders may be adversely affected if any of the parties thereto breach the obligations assumed under any of the aforesaid agreements. Nevertheless, certain mechanisms are contemplated in the relevant agreements to mitigate such possible breaches, such as the options to be pursued in the event of a decrease in ratings of certain counterparties. These mechanisms are described in this Prospectus.

**(v) Economic conditions in the Eurozone**

Existing concerns relating to credit risks (including those relating to sovereign securities and entities exposed to sovereign securities) may still intensify over the coming months. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Eurozone. If such concerns persist and/or such conditions further deteriorate (including, inter alia, by actions of a relevant credit rating agency, any default or restructuring of indebtedness by one or more governments or institutions, any changes to the Eurozone, including any disruptions thereto), such matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the transaction documents (including the Originator and/or the Loan Servicer).

Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

**(vi) Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes**

There is increased political and regulatory scrutiny of the asset-backed securities industry in Europe, the United States and elsewhere. This has resulted in draft and regulatory measures for increased regulation that are currently at various stages of implementation. Among those regulatory measures, are two European regulations on the prudential treatment of securitisations recently approved by the European Parliament and the Council of the European Union which apply from 1 January 2019, namely (i) Regulation (EU) 2017/2402 (“**STS Regulation**”) of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012; and (ii) Regulation (EU) 2017/2401 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms. These regulations may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Management Company, the Arranger, the Lead Manager or the

Originator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Date of Incorporation or at any time in the future.

In particular, investors should be aware of the EU risk retention and due diligence requirements which currently apply (Regulation 575/2013 of the European Parliament and of the Council, of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012), or are expected to apply in the future (including but not limited to the STS Regulation), in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator, and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Originator to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party, please see the statements set out in the section 2.2.8 of the Additional Building Block. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Arranger or the Lead Manager makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

**(vii) Implementation of, and/or changes to, the prudential regulatory framework applicable to certain financial institutions may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors**

The Basel Committee on Banking Supervision (the “**Basel Committee**”) approved significant changes to the international prudential regulatory framework for banks (such changes being commonly referred to as “**Basel III**”). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio “backstop”. There is



provision for phased implementation of the capital standards, meaning that these requirements will not apply in full until January 2019, with some minor transitional provisions allowing phase-in until 2024.

The EU has implemented Basel III by means of the CRR (Regulation (EU) No. 575/2013 of the European Parliament and of the Council) which became directly applicable in all EU Member States from 1 January 2014, and the Capital Requirements Directive (Directive 2013/36/EU of the European Parliament and of the Council), which required implementation into national law by Member States (together with CRR, “**CRD IV**”). CRD IV, which applies to banks and certain investment firms, was published in the Official Journal on 27 June 2013 and came into effect on 1 January 2014, with particular requirements to be effective by 2019. CRD IV, which applies to banks and certain investment firms, substantially reflects the Basel III capital and liquidity standards and facilitates the applicable implementation timeframes.

Basel III also provides for certain minimum liquidity standards, referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio. Under a Delegated Regulation made under the CRR, the Liquidity Coverage Ratio is being phased in over four years, since 1 October 2015.

In December 2017, the Basel Committee on Banking Supervision approved a reform of the Basel III standards, labeled in the market as “**Basel IV**”. Such reform is focused on the calculation of risk-weighted assets (RWA), i.e., the credit institutions’ assets and off-balance-sheet exposures weighted according to their risk profile which are used for determining the credit institutions’ capital requirements. Under these new standards, credit institutions may be forced to adjust their balance sheets to comply with the new requirements. The Basel IV standards will apply from 1 January 2022 and will be phased until 2027. They will also have to be implemented in the relevant EU and local regulations.

Since 1 January 2016, a new prudential regulatory regime has applied to insurers and reinsurers in the EU, as a result of the implementation of the **Solvency II Directive** (Directive 2009/138/EC of the European Parliament and of the Council). Under the new regime, such firms will be required to meet new capital requirements, consisting of a minimum capital requirement (MCR) and a solvency capital requirement (SCR). The calculation of the SCR requires the application of various adjustments to take account of a firm’s risk profile, including stress testing of the firm’s assets to determine the level of capital charge applicable to particular asset types. As a result, certain asset types will attract a higher capital charge than others.

Implementation of the Basel III/IV and/or Solvency II framework (to the extent not already implemented in the relevant jurisdictions) and/or any further changes put forward by the Basel Committee, European or national regulators in relation to such framework may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow such framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel III/IV and/or Solvency II framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

**(viii) No Representation as to compliance with liquidity coverage ratio or Solvency II requirements**

Investors should conduct their own due diligence and analysis to determine:

- (a) whether or not the Notes may qualify as high quality liquid assets for the purposes of the liquidity coverage ratio introduced by the CRR, as implemented by the LCR Delegated Act and national implementation measures and, if so, whether they may qualify as Level 2A or Level 2B assets as described in the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014, as amended to supplement CRR (the “**LCR Delegated Regulation**”); and
- (b) whether or not the Notes may qualify as an investment in a Type 1 or Type 2 securitisation as described in Article 254(2) of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, as amended, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the “**Solvency II Delegated Act**”).

None of the Issuer, the Management Company, the Arranger, the Lead Manager or the Originator makes any representation to any prospective investor or purchaser of the Notes as to these matters on the Disbursement Date or at any time in the future.

**(ix) Disclosure requirements CRA Regulation (*Regulation on Credit Rating Agencies*)**

The Regulation (EU) No 462/2013 of the European Parliament and of the Council of 31 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies (“**CRA3**”) became effective on 20 June 2013. CRA3 provides for certain additional disclosure requirements which are applicable in relation to structured finance transactions. Such disclosures will need to be made via a website to be set up by ESMA. The information to be published pursuant to the CRA3 disclosure requirements, its update frequency and the standardised disclosure template are subject to regulatory technical standards to be prepared by ESMA.

The precise scope and manner of such disclosure will be subject to regulatory technical standards (for the purposes of this section, “**CRA3 RTS**”) prepared by ESMA. On 30 September 2014, the European Commission adopted three CRA3 RTS to implement provisions of the CRA3. The CRA3 RTS specify (i) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must jointly disclose on the ESMA website, (ii) the frequency with which this information is to be updated and (iii) the presentation of this information by means of standardised disclosure templates.

On 27 April 2016, ESMA published a press release in which it acknowledged that it would not be in a position to set up the abovementioned website or receive the information related to the structured finance instruments. In its press release, ESMA stated that it expected that the proposed new securitisation legislation will provide clarity on the future obligation regarding reporting on structured finance instruments. Investors should consult their legal advisors as to the applicability of the CRA3 RTS and any consequences of non-compliance in respect of their investments in the Notes.

On the Date of Incorporation, there remains uncertainty as to what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer with the CRA Regulation upon application of the reporting obligations.

Additionally, CRA3 has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies and should consider appointing at least one rating agency having not more than a 10 per cent total market share (as measured in accordance with Article 8d(3) of the CRA (as amended by

CRA3 RTS)) (“a **small CRA**”), provided that a small CRA is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10% market share, this must be documented. In order to give effect to those provisions of Article 8d of CRA3, ESMA is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue.

**(x) Risks resulting from Data Protection Rules**

On 24 May 2016 the Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**") entered into force. It is believed that the transaction as structured will comply with General Data Protection Regulation. However, absent any relevant official guidance its ultimate impact on the transaction is difficult to predict.

**(xi) Volcker Rule**

Under section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**"), U.S. banks, non-U.S. banks with U.S. branches or agencies, companies that control U.S. banks, and their affiliates (collectively, the "Relevant Banking Entities" as defined under the Volcker Rule) are prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in the Volcker Rule as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts Relevant Banking Entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule has been required since 21 July 2015.

Key terms are broadly defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities. A "covered fund" is defined to include an issuer that would be an investment company under the Investment Company Act 1940 but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exclusions found in the Volcker Rule's implementing regulations. An "ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund, as well as through any right of the holder to participate in the selection or removal of an investment advisor, manager, or general partner, trustee, or member of the board of directors of the covered fund.

The Issuer is not required to register, and will not be registered as a result of the offer and sale of the Notes, as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), under the Investment Company Act. Additionally, the Issuer is not now, and will not be immediately following the issuance of the Notes, a "covered fund" for purposes of Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or the final regulations issued on 10 December 2013 by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Commodity Futures Trading Commission and the Securities and Exchange Commission (commonly referred to as the Volcker Rule). This conclusion is based primarily on the Issuer's status as a non-U.S. entity that will be owned by non-U.S. persons and the loan securitization exclusion under the Volcker Rule.

If the Issuer is considered a "covered fund", the liquidity of the market for the Notes may be materially and adversely affected, since Relevant Banking Entities could be prohibited from, or face restrictions in, investing in the Notes. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "Relevant Banking Entity" and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a Relevant Banking Entity. Neither the Issuer nor the Arranger or the Management Company or any of the Lead Manager makes any representation regarding the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

**(xii) U.S. Foreign Account Tax Compliance withholding may affect payments on the Notes. Common Standard on Reporting and Due Diligence for Financial Account Information (CRS) no withholding obligation:**

On 18 March 2010 the United States enacted provisions commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), which introduce reporting requirements for foreign financial institutions (FFIs) with respect to certain accounts.

Sections 1471 to 1474 of FATCA impose new reporting rules and, potentially, a 30 percent withholding tax on (i) certain payments from sources within the United States, (ii) "foreign pass-through payments" made to certain non-U.S. financial institutions (any such non-U.S. financial institution, an "FFI") that do not comply with the new reporting rules, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating FFI (collectively, "Withholdable Payments"). For so long as the Notes are held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems in any but the most remote circumstances. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary is generally unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the Clearing Systems, and the Issuer therefore has no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries.

The United States and the Government of the Kingdom of Spain have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the "IGA"). An FFI (such as the Issuer) that complies with the terms of the IGA as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of

the IGA will not be required to withhold under FATCA on payments it makes to accountholders of such FFI (unless it has agreed to do so under the U.S. “qualified intermediary,” “withholding foreign partnership,” or “withholding foreign trust” regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its account holders to its home government, whereupon such information will be provided to the U.S. Internal Revenue Service. The Issuer will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

An FFI that fails to comply with the terms of the IGA may become subject to the FATCA withholding described above. Additionally, a failure to comply with future local implementing legislation may result in negative consequences to an FFI. The imposition of FATCA withholding on payments made to the Issuer would reduce profitability, and thus the cash available to make payments on the Notes. Prospective investors should consult their advisors about the potential application of FATCA.

The FATCA Status of the Issuer within the scope of IGA is, as of the date of registration of this Prospectus, a Sponsored Foreign Financial Institution (FFI) with Global Intermediary Identification Number (GIIN), registered on the U.S. Internal Revenue Service portal.

#### **Common Standard on Reporting and Due Diligence for Financial Account Information (CRS)**

Based on the application of FATCA, the <http://www.oecd.org/ctp/exchange-of-tax-information/standard-for-automatic-exchange-of-financial-account-information-for-tax-matters-9789264216525-en.htm>, approved by the OECD Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. Unlike FATCA, it is based upon tax residence as opposed to citizenship and there is no withholding obligation under CRS.

Spain has transposed the EU legislative amendments into its legal system by modifying its General Tax Act, modifying the General Regulations on Tax Inspection and Management Procedures, and incorporating Royal Decree 1021/2015 of 13 November. Penalty for non-compliance is regulated under Spanish law.

The CRS Status of the Issuer is, as of the date of registration of this Prospectus, a Financial Institution (FI) but there is no requirement to register and receive a unique identifier of compliance under CRS.

#### **(xiii) The proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating

Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Under the Commission's Proposal, the FTT should be payable to the tax administration by each financial institution and, where the FTT had not been duly paid, each party to the transaction, including persons other than financial institutions, should be jointly and severally liable for the payment of the FTT. Therefore, the FTT might increase the cost of the transactions for holders and beneficial owners of the Notes.

On October 28, 2016, the Council of the European Union published document No. 13608/16 concerning the status of the FTT at that time, according to which a certain degree of progress in the FTT negotiations have been observed. However, further work at the Council and its preparatory bodies will be required before a final agreement can be reached among the participating Member States that respects the competences, rights and obligations of the Member States not participating in the FTT.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

**(xiv) No assurance is given that the transaction will be designated as a simple, transparent securitisation**

The STS Regulation aims to create common foundation criteria for identifying "STS securitisations". There are material differences between the regulations adopted and the current requirements (including with respect to application of retention requirements and the originator entities eligible to retain the required interest). It is not clear yet whether, and in what form, any corresponding technical standards will be adopted. In addition, the compliance position under the adopted revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to adoption is uncertain. No assurance can be given that the transaction will be designated as an "STS securitisation" under the STS Regulation at any point in the future.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules). The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

## CERTAIN REGULATORY AND INDUSTRY DISCLOSURES

### 1. COMPLIANCE WITH EU RISK RETENTION REQUIREMENTS

The Originator, as an originator for the purposes of the CRR, the Regulation (EU) No. 231/2013 of the EU Directive 2011/61/EU on Alternative Investment Fund Managers (the **AIFMR**) and the Solvency II Regulation, will retain, on an ongoing basis, a material net economic interest of not less than five per cent in the securitisation contemplated by the Transaction Documents in accordance with article 405 of the CRR (**Article 405**), article 51 of the AIFMR (**Article 51**) and article 254 of the Solvency II Regulation (**Article 254**) (which, in each case, is interpreted and applied on the Disbursement Date and does not take into account any corresponding national measures) (the **Retention**).

The Retention will comprise the Originator holding randomly selected exposures, equivalent to no less than 5% of the nominal value of the securitised exposures, where such exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is no less than 100 at origination, as required by the text of each of paragraph (c) of Article 405(1) of the CRR, paragraph (c) of Article 51(1) of the AIFMR and paragraph (c) of Article 254(2) of the Solvency II Regulation. Any change to the manner in which such interest is held will be notified to Noteholders.

This Retention option and the methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances, in which case such change will be appropriately disclosed to Noteholders and published on the following website: ([www.imtitulizacion.com](http://www.imtitulizacion.com)). In compliance with article 409 of CRR, the Originator must ensure that all investors can easily access all necessary data regarding credit quality and the evolution of underlying positions and treasury flows backing the securitisation exposures, together with any information necessary to carry out detailed and documented stress tests of the cash flows backing the underlying exposures.

As to the information made available to prospective investors by the Fund, reference is made to the information set out herein and forming part of this Prospectus and to any other information provided separately (which information shall not form part of this Prospectus) to the Investor Reports provided to the Noteholders and published on the following website: ([www.imtitulizacion.com](http://www.imtitulizacion.com)).

The Originator will undertake to (i) the Arranger and the Lead Manager or underwriters and (ii) the Fund, in each case, for so long as any Notes remain outstanding, that it will:

- (a) on the first Disbursement Date hold, and thereafter it will retain, on an ongoing basis, a material net economic interest of not less than five per cent in the securitisation contemplated by the Transaction Documents in accordance with Article 405(1)(c) of the CRR, Article 51(1)(c) of the AIFMR taking into account Article 56 of the AIFMR and Article 254(2)(c) of Solvency II Regulation which, in each case, is interpreted and applied on the Disbursement Date and does not take into account any corresponding national measures; this retention option and the methodology used to calculate the net economic interest will not change, unless such change is required due to exceptional circumstances and only to the extent permitted and in compliance with the requirements set out in CRR, the AIFMR and the Solvency II Regulation;
- (b) comply with the disclosure obligations imposed on originator credit institutions under the CRR, the AIFMR and the Solvency II Regulation, including, but not limited to, by disclosing when any breach of the Retention commitment occurs or when the performance of the securitisation or underlying exposures materially change or following a breach of the agreements and documentation related to the Fund subject always to any requirement of

law provided that the Originator will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond the Originator's control; and

- (c) not sell, hedge or otherwise mitigate its credit risk under its material net economic interest in the securitisation as provided, except to the extent permitted by the CRR, the AIFMR and the Solvency II Regulation.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with each of Part Five of the CRR (including Article 405), Section Five of Chapter III of the AIFMR (including Article 51) and Chapter VIII of Title I of the Solvency II Regulation (including Article 254) and any corresponding national measures which may be relevant and none of the Fund, the Management Company, the Originator, any global coordinator, lead manager (including the Lead Manager), bookrunner or underwriter, the Arranger, or any other party to the transaction makes any representation that the information described above or in the Prospectus is sufficient in all circumstances for such purposes. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

In relation to the retention covenant to be given by the Originator to the Fund in the Deed of Incorporation in accordance with the CRR, the AIFMR and the Solvency II Regulation regarding the material net economic interest to be retained, on an ongoing basis, by the Originator in the securitisation and (in respect of CRR only) certain requirements as to providing investor information in connection therewith, the Management Company, the Arranger, any global coordinator, lead manager (including the Lead Manager), bookrunner or underwriter will not be under any obligation to monitor the compliance by the Originator with such covenant and will not be under any obligation to take any action in relation to non-compliance with such covenant.

## **2. U.S. RISK RETENTION**

The Credit Risk Retention regulations implemented by the SEC pursuant to the U.S. Risk Retention Rules came into effect with respect to certain securities on 24 December 2015 and generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

For purposes of this transaction, the "securitizer" shall be the Originator, the "securitized assets" shall be the Receivables and the sponsor shall also be the Originator.

The transaction will not involve the retention by a securitizer of at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on a safe harbour provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including all of the following ones, that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "Risk Retention U.S. Persons"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of



the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" ("Risk Retention U.S. Person, as defined in this Prospectus) means any of the following:

- (i) Any natural person resident in the United States;
- (ii) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;<sup>1</sup>
- (iii) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (iv) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (v) Any agency or branch of a foreign entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership, corporation, limited liability company, or other organisation or entity if:
  - a) Organised or incorporated under the laws of any foreign jurisdiction; and
  - b) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;<sup>2</sup>

The material difference between such definitions is that (1) a "U.S. person" under Regulation S includes any partnership or corporation that is organised or incorporated under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are otherwise offered within the United States pursuant to an applicable exemption under the Securities Act unless it is organised or incorporated and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while (2) any organisation or entity described in (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organised and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Although the offer and sale of Notes to, or for the account or benefit of, Risk Retention U.S. Persons is prohibited, there can be no assurance that the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether failure of the transaction to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction

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<sup>1</sup> The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States."

<sup>2</sup> The comparable provision from Regulation S "(viii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR §230.501(a)) who are not natural persons, estates or trusts."

to comply with the U.S. Risk Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes.

None of the Issuer, the Originator, the Management Company, the Arranger, the Lead Manager, or any person who controls any of them or any of their respective directors, officers, employees, agents or affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" or a "sale" of securities may arise when amendments to securities are so material as to require holders to make an "investment decision" with respect to such amendment. Furthermore, any additional issuance of Notes by the Issuer would be considered a new transaction for purposes of the U.S. Risk Retention Rules. No assurances can be given as to the identity of the Noteholders, the applicability of the U.S. Risk Retention Rules or the availability of any safe harbour at the time of any such potential amendment or additional issuance. In the event the U.S. Risk Retention Rules apply and no safe harbour is available, the Issuer or its affiliates may be unable or unwilling to acquire Notes to satisfy the U.S. Risk Retention Rules, and consequently, may not proceed with such amendment or issuance. As a result, the U.S. Risk Retention Rules could have a material adverse effect on the Issuer and the liquidity and market value of the Notes.

None of the Management Company, Arranger or Lead Manager or any person who controls any of them or any of their respective directors, officers, employees, agents or affiliates shall have any responsibility for determining the characterisation of potential investors as a non Risk Retention U.S. Person in relation to any restriction under the U.S. Risk Retention Rules (the Issuer and the Lead Manager will rely on the deemed representation from the investors that they are not a Risk Retention U.S. Person) or for determining the availability of the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules, and none of the Management Company, Arranger or Lead Manager or any person who controls any of them or any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever for any such determination. Furthermore, none of the Management Company, Arranger or Lead Manager or any person who controls any of them or any of their respective directors, officers, employees, agents or affiliates provides any assurance that the safe harbour provided for in Section 20 of the U.S. Risk Retention Rules will be available.

## U. S. SELLING RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or the securities laws or “blue sky” laws of any state of the United States or other relevant jurisdiction and therefore may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any person who is a U.S. Person (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Issuer and the Lead Manager each represents that it will not at any time offer, sell or deliver Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) days after the completion of the distribution, as determined and certified by the Lead Manager, of all Notes within the United States or to, or for the account or benefit of, U.S. persons. The Lead Manager further agreed that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). Terms used in this paragraph and not otherwise defined have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering and the date of issuance of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

# IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN

## REGISTRATION DOCUMENT FOR SECURITIES

### (ANNEX VII OF THE CE 809/2004 REGULATION)

#### 1. PERSONS RESPONSIBLE

##### 1.1. Persons responsible for the information appearing in the Registration Document.

Mr. José Antonio Trujillo del Valle, acting in the name and on behalf of the Management Company, INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., with its registered offices at Calle Príncipe de Vergara 131, Madrid, assumes responsibility for the information contained in this Registration Document.

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. will incorporate IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN and will be in charge of its legal administration and representation.

Mr. José Antonio Trujillo del Valle acts in his capacity of Chairman of INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., and pursuant to his appointment by the Board of Directors meeting held on 16 October 2003, and the powers that were conferred to him by the Board of Directors at its meeting held on the 27 September 2018.

##### 1.2. Declaration by those responsible for the Registration Document.

Mr. José Antonio Trujillo del Valle, having taken all reasonable care to ensure that such is the case, declares that the information given in this Registration Document is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its import.

#### 2. STATUTORY AUDITORS OF THE FUND

##### 2.1. Name and address of the Fund's auditors (together with their membership in any relevant professional body).

In accordance with the provisions of section 4.4 of this Registration Document, the Fund is newly incorporated and therefore lacks historical financial information.

Throughout the duration of the Fund, the annual accounts will be subject to audit by the auditors on an annual basis. Such audit reports will be filed with the CNMV.

The Board of Directors of the Management Company, at its meeting held on 27 September 2018, appointed *PricewaterhouseCoopers Auditores S.L.*, with a registered address in Paseo de la Castellana 259 B, 28046, Madrid, with Tax Identification Number B79031290, registered with the Official Registry of Auditors (*Registro oficial de auditores de cuentas, ROAC*) with number S0242 and registered with the Commercial Register of Madrid, in Volume 9.267, Section 8,054, Sheet 75, Page M-87,250, Entry 1, as auditors of the Fund.

##### 2.2. Financial years, accounting principles and statutory filing of annual accounts.

The Fund's income and expenses will be reported in accordance with the accounting principles in force pursuant to CNMV Circular 2/2016 of 20 April, on accounting standards, annual accounts, public accounts and confidential statistical information statements of securitisation funds, as amended ("**Circular 2/2016**") or with the regulations applicable at any given time.

The financial year of the Fund will coincide with a calendar year. However, as an exception, the first financial year will start on the Date of Incorporation of the Fund, and the last financial year will end on the date on which the Fund is scheduled to expire.

The Fund's annual accounts and corresponding auditors' report will not be filed with the Commercial Registry (*Registro Mercantil*).

In accordance with article 35 of Law 5/2015, the Management Company will submit the annual accounts of the Fund to the CNMV, together with the auditor's report on these accounts, within four (4) months of the close of the Fund's financial year (i.e., before 30 April each year) in order to file it with the corresponding registry. In addition, quarterly reports will be filed with the CNMV within two (2) months from the end of each quarter.

### **3. RISK FACTORS**

The specific risk factors of the Fund are those described in section I of the document included at the beginning of this Prospectus, called "RISK FACTORS".

### **4. INFORMATION ABOUT THE ISSUER**

#### **4.1. Statement that the Issuer has been created as a securitisation fund.**

The Issuer is a securitisation fund established in accordance with Law 5/2015 for the purpose of (i) acquiring the Receivables assigned to the Fund by Cajamar and (ii) issuing the Notes.

#### **4.2. Legal and commercial name of the Fund.**

The Fund will be incorporated with the name "IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN". The Fund will also be referred to as "IM BCC CAPITAL 1" or "IM BCC CAPITAL 1, FT".

#### **4.3. Registration of Issuer.**

The incorporation of the Fund and the issuance of the Notes must be registered with the official registers of the CNMV in Spain.

This Prospectus was registered with the CNMV on 13 December 2018.

The incorporation of the Fund will not be filed with the Commercial Registry, pursuant to Article 22.5 of Law 5/2015. This is without prejudice to the registration of the Prospectus with the CNMV.

#### **4.4. Date of Incorporation and period of activity of the Fund.**

##### **4.4.1 Date of Incorporation.**

It is expected that the execution of the Deed of Incorporation, and thus the Fund's Date of Incorporation, will be 14 December 2018. The Deed of Incorporation will be drafted in Spanish.

The Deed of Incorporation may be amended on the terms set out in Article 24 of Law 5/2015, i.e. if the Management Company has the consent of (i) all Noteholders and the Other Creditors (excluding non-financial creditors), or (ii) the Meeting of Creditors. The foregoing requirements will not be necessary if the CNMV is of the opinion that the amendment is of minor relevance, which the Management Company will be responsible for documenting.

Once CNMV verifies the compliance of the legal requirements for the amendment of the Deed of Incorporation, the Management Company will execute the relevant deed of amendment and file an authorised copy with CNMV for incorporation into the public register. The amendment of the Deed of Incorporation will be communicated by the

Management Company to the Rating Agencies and published by the Management Company by means of the public periodic information of the Fund and on its website in accordance with the provisions set forth in section 4.1.3 of the Additional Building Block.

The Deed of Incorporation may also be amended at the request of the CNMV.

The Management Company warrants that the text of the Deed of Incorporation will not contradict that of the Prospectus and that the Deed of Incorporation will coincide with the draft deed that has been submitted to the CNMV as a result of the registration of this Prospectus.

In case of any discrepancy or inconsistency between this Prospectus and the Deed of Incorporation, the Prospectus shall prevail.

#### **4.4.2 Period of activity of the Fund.**

It is expected that the Fund will do business from the Date of Incorporation until the Legal Maturity Date, i.e., until 22 April 2037 or, if such date is not a Business Day, the following Business Day, unless the Fund is early liquidated or cancelled in accordance with the provisions of sections 4.4.3 and 4.4.4 below.

#### **4.4.3 Early liquidation of the Fund.**

##### **4.4.3.1. Mandatory liquidation of the Fund**

The Management Company shall carry out an Early Liquidation of the Fund and thereupon an Early Redemption for the whole (but not part) of the Notes upon the terms set forth below, in any of the following instances:

1. If as stated in Article 33 of Law 5/2015, four (4) months have elapsed since the occurrence of an event giving rise to the mandatory replacement of the Management Company due to a declaration of insolvency thereof, or in the event of revocation of the authorisation thereof, in either case without a new management company having been found that is prepared to take over management of the Fund and that is appointed pursuant to section 3.7.1 of the Additional Building Block; or
2. If the Meeting of Creditors approves the Early Liquidation with the relevant majority.
3. When it is or will become unlawful for the Fund to perform or comply with any of its obligations under or in respect of the Notes.
4. When the replacement process of the Loan Servicer takes longer than nine (9) months to conclude, in accordance with section 3.7.2.2 of the Additional Building Block.
5. In the event of default in the payment of interest due and payable under the Class A Notes, and such default has not been remedied within 5 Business Days from the relevant Payment Date.

For the avoidance of doubt, under no circumstances, will the Originator have an obligation to repurchase any of the Receivables in any of the above events.

In order for the Management Company to carry out any Early Liquidation of the Fund and therefore the Early Redemption of the Notes in those cases described in paragraphs (1) and (2) above, the Management Company shall sell the Receivables. For such purpose, the Management Company shall request legally binding bids from at least five (5) entities at its sole discretion among those active in the purchase and sale of similar assets.

The Originator shall have a pre-emptive right to acquire such Receivables at the time of the liquidation, such that it will have priority over third parties in acquiring the

Receivables. In order to exercise the pre-emptive right, the Originator will have the term of five (5) Business Days from the date on which the Management Company gives notice thereto of the relevant terms (price, form of payment, etc.) on which the disposal of the Receivables will occur. The offer of the Originator must at least equal the best of the bids made by third parties and be completed within fifteen (15) days of acceptance by the Management Company.

If the Originator does not exercise its pre-emptive right, the Management Company shall accept the best bid received for the Receivables. The Management Company may obtain any appraisal report it deems necessary from third-party entities in order to assess the market value.

The Management Company shall be entitled to sell the Receivables even if the Noteholders suffer a loss.

Under no circumstances will the Originator's pre-emptive rights entail an undertaking or impose an obligation to repurchase the Receivables on the part of the Originator.

Notice of the liquidation of the Fund will be provided to the CNMV by publishing the appropriate material event (*hecho relevante*) and thereafter to the Noteholders in the manner established in section 4 of the Additional Building Block, at least thirty (30) Business Days in advance of the date on which the Early Redemption is to take place.

#### **4.4.3.2. Liquidation of the Fund at the Originator's initiative**

Furthermore, the Originator will have the option (but not the obligation) to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) in any of the following instances:

1. At any time, if the aggregate Outstanding Balance of the Receivables less Non-principal collections applied to reduce outstanding principal balance, falls below 10% of the aggregate Outstanding Balance of the Receivables on the Date of Incorporation (the **"Clean-up Call Option"**);

**"Non-principal collections applied to reduce principal balance"** means any collections arising from the Loans other than principal repayments of the Loans, i.e., collections from interest and any return on the Treasury Account, used to cover any negative deficiency on each Payment Date between (i) principal collections and (ii) the amount of the Notes to be redeemed on such Payment Date.

2. If a Regulatory Change Event occurs (the **"Regulatory Change Call Option"**); and
3. If a Tax Change Event occurs (the **"Tax Change Call Option"**);

In order for the Originator to exercise any of the options mentioned in paragraphs (1) to (3) above (jointly, the **"Call Options"** and each of them, a **"Call Option"**):

- i. The Originator shall calculate the Buyback Value, which will constitute the strike price of the relevant Call Option;
- ii. Provided that the Buyback Value together with the rest of Available Funds are sufficient to repay Class A Notes, Class B Notes, Class C Notes and Class D Notes at par, together with all accrued and unpaid interest thereon taking into account the Liquidation Priority of Payments contemplated in section 3.4.6.4 of the Additional Building Block, the Originator shall provide written notice to the Management Company acting on behalf of the Issuer (the

- “**Originator’s Notice**”) expressly declaring the occurrence of the relevant Call Option event and its intention to exercise the relevant Call Option at least forty (40) Business Days prior to the date designated by the Originator to exercise the relevant Call Option (the “**Early Redemption Date**”); and
- iii. The Management Company shall then inform the Noteholders by publishing the appropriate material event (*hecho relevante*) with CNMV (the “**Early Redemption Notice**”) at least thirty (30) Business Days in advance of the Early Redemption Date, specifying the Buyback Value.
  - iv. The Management Company, on behalf of the Fund, and the Originator shall execute a repurchase agreement by virtue of which the Management Company will sell the Receivables and their Ancillary Rights to the Originator, which in turn will pay the Buyback Value to the Fund.

If the Buyback Value together with the rest of Available Funds taking into account the Liquidation Priority of Payments contemplated in section 3.4.6.4 of the Additional Building Block are not sufficient to redeem at least Class A Notes, Class B Notes, Class C Notes and Class D Notes at par together with accrued and unpaid interest, the Originator shall not be able to exercise any of the Call Options.

For the purposes of this section:

“**Buyback Value**”, means at any time (i) for any Receivables that are Performing Receivables, par value, and (ii) for any Non-Performing Receivables, par value less the value of the specific provisions of these Loans on the balance sheet of the Originator at that time (as confirmed by the Originator to the Management Company).

“**Regulatory Change Event**” means (a) any enactment or implementation, addendum or amendment, or change in a law, regulation, regulatory technical standard, rule, policy or guideline of any competent national, European or international body (including the European Central Bank, the Bank of Spain, or any other competent national, European or international supervisory or regulatory body), or the application or official interpretation of, or the point of view expressed by the competent body in relation to said law, regulation, rule, policy or guideline, with effects from or after the Date of Incorporation, or (b) a notification or communication of any other type from the competent regulatory or supervisor authority to the Originator in relation to the transactions described in the Transaction Documents, on or after the Date of Incorporation, in relation to such law, regulation, regulatory technical standard, rule, policy or guideline in force on the Date of Incorporation or that will come into force on or after such date, that, in any of the above cases, and in the reasonable opinion of the Originator, may have a material adverse effect on the rate of return on the Originator’s capital, or materially increases the cost or materially decreases the profits of the Originator in the transactions described in the Transaction Documents.

For explanatory purposes, the declaration of a Regulatory Change Event shall not be excluded due to the fact that prior to the Date of Incorporation: (a) the Regulatory Change Event is: (i) announced or contained in any proposal (both draft and final version) for a change in laws, regulations, regulatory technical standard, policies, applicable regulations or guidelines (including, without limitation, any agreement, procedure, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the Kingdom of Spain or the European Union; (ii) included in any law or regulation adopted and/or published but whose effectiveness or application is postponed, in whole or in part, beyond the Date of Incorporation; or (iii) expressed in any statement of a competent authority in experts’ meetings or other



discussions in relation to such Regulatory Change Event; or (b) the competent authority has issued any notice, any decision, or expressed any opinion in relation to any individual transaction, other than this transaction. In this sense, such proposals, statements, notifications or opinions shall not be taken into consideration in evaluating the rate of return on the capital of the Originator or increase in cost or reduction in profits for the Originator of the transaction referred to in the Transaction Documents immediately after the Date of Incorporation.

“**Tax Change Event**” means any event whereby the Fund, at any time, is required by law to make withholdings or deductions on payments to be carried out under the Notes; as well as any present or future taxes, withholdings or charges, whatever their nature, that are determined by any applicable legal system or any country with competent jurisdiction or by or on behalf a subdivision political or government agency with authority to establish taxes.

#### **4.4.4 Cancellation of the Fund.**

Cancellation of the Fund shall take place:

- (i) upon full repayment of the Receivables pooled therein;
- (ii) upon full repayment of all the obligations of the Fund towards its creditors;
- (iii) as a consequence of the completion of the Early Liquidation process established in section 4.4.3 above;
- (iv) upon reaching the Legal Maturity Date;
- (v) If ICO does not subscribe TWO HUNDRED EIGHTY THREE MILLION FOUR HUNDRED THOUSAND EUROS (€283,400,000) of the Class A Notes, and/or if Cajamar does not subscribe (i) THREE HUNDRED NINETEEN MILLION THREE HUNDRED THOUSAND EUROS (€319,300,000) of Class A Notes; (ii) the total amount of Class B Notes and Class C Notes and (iii) the Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager in accordance with the Management, Placement and Subscription Agreement.
- (vi) In the event that (i) the provisional ratings of the Class A Notes, Class B Notes, Class C Notes and Class D Notes are not confirmed as final prior to or on the Disbursement Date (for clarification purposes, the Notes will not be disbursed until the confirmation of the provisional ratings of the Class A Notes, Class B Notes, Class C Notes and Class D Notes); or (ii) if the Management, Placement and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.b) of the Securities Note. In this event, the Management Company shall cancel the incorporation of the Fund, the assignment to the Fund of the Receivables and the issuance of the Notes.

Upon the occurrence of any of the situations described above, the Management Company shall inform the CNMV as established in section 4 of the Additional Building Block, and shall commence the relevant steps for cancellation of the Fund.

#### **4.4.5 Actions for the liquidation and cancellation of the Fund.**

In addition, in those scenarios described in sections 4.4.3 and 4.4.4 (i) to (iv) above, the Management Company shall take any or all of the following actions:

- Cancel those contracts that are not necessary for liquidation of the Fund.
- Apply all amounts obtained from the disposal of the Receivables and any other assets of the Fund towards payment of the various obligations, in the form, amount and order of priority established in the Liquidation Priority of Payments described in section 3.4.6.4 of the Additional Building Block.

The Early Redemption of all the Notes pursuant to section 4.4.3 above shall be carried out for all outstanding amounts of the Notes on the date in question, plus accrued and unpaid interest from the last Payment Date to the date of Early Redemption, less any tax withholdings and free of expenses for the holder of the Notes. All such amounts will, for all legal purposes, be deemed liquid, due and payable on the Early Redemption date.

- In any case, the Management Company, acting on behalf of the Fund, shall not cancel the Fund until it has liquidated the Receivables and any other remaining Fund's assets and distributed the Fund's liquid assets, following the Liquidation Priority of Payments provided for in section 3.4.6.4 of the Additional Building Block.
- Within the calendar year in which the Receivables and any other remaining assets of the Fund are liquidated and the Available Funds are distributed, or if considered appropriate by the Management Company in the first three months of the following calendar year, and in any case no later than the Legal Maturity Date, the Management Company will grant a deed (*acta*) before a notary public declaring: (a) cancellation of the Fund as well as the grounds contemplated in this Registration Document giving rise to such cancellation, (b) the means for notifying the Noteholders and the CNMV, and (c) the terms of distribution of the Available Funds from the Fund following the Liquidation Priority of Payments provided for in section 3.4.6.4 of the Additional Building Block. In addition, the Fund will comply with any such further administrative steps as may be applicable at that time. The Management Company will send such deed (*acta*) to the CNMV.

Upon the occurrence of the early cancellation event set forth in section 4.4.4(vi) above prior to the Disbursement Date (i.e., if (i) the provisional ratings for the Class A Notes and/or Class B Notes and/or Class C Notes and/or Class D Notes have not been confirmed as final prior to or on the Disbursement Date; or if (ii) the Management, Placement and Subscription Agreement is fully terminated in accordance with the provisions of section 4.1.b) of the Securities Note), the Fund as well as the issuance of the Notes and the contracts executed by the Management Company on behalf of the Fund shall be terminated, and the Originator shall bear the incorporation and issue expenses incurred by the Fund. In the event of cancellation of the incorporation of the Fund, and thus the assignment of the Receivables, (i) the obligation of the Fund to pay the price for the acquisition of the Receivables will be extinguished, (ii) the Management Company will be obliged to reimburse Cajamar as regards any rights that may have accrued to the Fund due to the assignment of the Receivables, and (iii) Cajamar will cancel the relevant mortgage transfer certificates ("**MTCs**"). Such cancellation shall be immediately reported to the CNMV, and upon the expiry of one (1) month from the occurrence of the early cancellation event, the Management Company will execute before a notary public a deed (*acta*) which it

will send to the CNMV, Iberclear, AIAF and the Rating Agencies, declaring the cancellation of the Fund and the grounds therefor.

**4.5. Domicile and legal form of the Issuer: law applicable thereto.**

**a) Domicile of the Fund.**

The Fund has no registered address as it has no legal status. The address of the Fund for all purposes will be considered to be that of the Management Company, which is the following:

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.

Calle Príncipe de Vergara 131

28002 Madrid

The LEI Code of the Fund is 959800RU8P09ZU638C94

**b) Legal status of the Fund.**

According to Article 20 of Law 5/2015, the Fund will constitute a separate set of assets and liabilities, lacking legal status, with closed-end assets and liabilities, and the Management Company will be responsible for the incorporation, management and legal representation of the Fund, and in its capacity as manager of a third party's transactions, it will represent and defend the interests of the Noteholders and the financiers of the Fund.

**c) Applicable law and country of incorporation.**

The Fund will be incorporated and the Notes issued in accordance with the laws of Spain, and specifically in accordance with the legal rules set forth in (i) Law 5/2015 and implementing provisions; (ii) Royal Decree-Law 4/2015 of 23 October approving the consolidated text of the Securities Market Act (the "**Securities Market Act**"); (iii) Royal Decree 878/2015 of 2 October on the registration, clearing and settlement of negotiable securities represented by book entries representations, on the legal regime of the securities central depositories and the central counterparties and the transparency requirements for security issuers admitted to trading on an official secondary market (as amended by Royal Decree 827/2017); (iv) Royal Decree 1310/2005; (v) Order of the Ministry of Economy and Finance 3537/2005; and (vi) other legal and regulatory provisions in force and applicable from time to time.

This Prospectus has been prepared following the forms established in Regulation 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in the prospectuses, as well as the format, incorporation by reference, and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EC) No 486/2012 of 30 March 2012 and Commission Delegated Regulation (EC) No 862/2012 of 4 June 2012.

**d) Tax rules applicable to the Fund.**

The tax rules applicable to the Securitization Funds is the general system contained in (i) Law 27/2014 of November 27 on Corporate Income Tax Law and its implementing regulations, subject to the specific peculiarities of Law 5/2015; (ii) Consolidated Text of the Law on Transfer Tax and Stamp Duty approved by Royal Legislative Decree 1/1993 of September 24<sup>th</sup>; (iii) Law 37/1992 of December 28, on Value-Added Tax; (iv) Law 3/1994 as per the wording given by Final Provision One of Law 41/2007. In sum, these legal provisions define the following fundamental principles:

- (i) The Fund is exempt from the concept of “Corporate Transactions” (“Operaciones Societarias”) under Transfer Tax and Stamp Duty (article 45.I.B.20.4 of the Revised Text of the Law on Transfer Tax and Stamp Duty).
- (ii) In accordance with article 7.1.h) of Law 27/2014 on Corporate Income Tax, the Fund is subject to corporate income tax. The amount subject to this tax is calculated in accordance with the provisions of Section IV of said law at the rate in force at each moment, which at present is twenty-five per cent (25%).

In this regard, Rule 13 of Circular 2/2016 of the CNMV, sets forth the standards pursuant to which securitisation funds must adjust valuations due to impairment of the value of the financial assets. Article 13.1 of Law 27/2014, applicable to tax periods beginning from 1 January 2015 onwards, states that the Corporate Income Tax Regulation will apply to those circumstances determining the deductibility of value adjustments made on account of losses in the value of debt securities valued at amortised cost and included in mortgage-backed securities funds and asset-backed securities funds (Chapter Three of Title One of the Royal Decree 634/2015).

Notwithstanding, upon the amendment introduced by Royal Decree 683/2017 June 30, in article 9 of the Corporate Income Tax Regulation, the 7th Transitory Provision has been incorporated. According to this Transitory Provision, to the extent the wording of the Circular 2/2016 of the CNMV is not amended in respect of the impairment of the value of debt securities valued at amortised cost included in the securitization funds referred to in Law 5/2015, the tax deductibility of said impairment provisions will be determined according to the wording of article 9 of the Corporate Income Tax Regulation as drafted in December 31, 2015.

Furthermore, in accordance with Article 16.6 of Law 27/2014, the limitation on deductibility of financial costs for the tax will not apply to the Fund.

- (iii) The investment yield of the Fund is subject to the general system of corporate income tax withholdings. Pursuant to article 61.K) of the Corporate Income Tax Regulations, as enacted by Royal Decree 634/2015, of July 10, the returns on Mortgage Transfer Certificates (*Certificados de Transmisión de Hipoteca*) (MTCs) or other credit rights that constitute income of the Fund will not be subject to any withholding tax.
- (iv) The management services rendered by the Lead Manager to the Fund shall be exempt from Value-Added Tax (article 20.One.18 n) of the Law on Value-Added Tax).
- (v) The posting and assignment of security is subject to the general corporate income tax system, with no exceptions made for Securitization Funds.
- (vi) The issuance, subscription, transfer, redemption and repayment of the Notes, depending on whether the investor is a corporation for the purposes of Value-Added tax, will be “not subject” or “exempt”, according to each case, from Value-Added Tax (article 20.One.18 of the Law 37/1992 of Value Added Tax) and Transfer Tax/Stamp Duty (article 45.I.B.15 of the revised text of the Law on Transfer Tax and Stamp Duty).
- (vii) The transfer to the Fund of the MTCs, of the credit rights derived from the Non-Mortgage Loans is subject to and exempt from Value-Added Tax (article 20.One.18 of the Law 37/1992 of Value Added Tax).

The transfer to the Fund of MTCs, of the credit rights arising from Non-Mortgage Loans will not be subject to “*Property Transfer Tax*” under the Law on Transfer Tax and Stamp Duty in accordance with that set forth in article 7.5 of the revised text of the Law on Transfer Tax and Stamp Duty.

The transfer to the Fund of MTCs will be exempt from “*Stamp Duty*” on notary documents under the Transfer Tax/Stamp Duty pursuant to the terms of Law 2/1981 of March 25 and associated regulations and the revised text of the Law on Transfer Tax and Stamp Duty and associated regulations.

The transfer to the Fund of the credit rights arising from the Non-Mortgage Loans will not be subject to “*Stamp Duty*”, with regard to notary documents under Transfer Tax and Stamp Duty, insofar as the requirements set forth in article 31.2 of the revised text of the Law on Transfer Tax and Stamp Duty were not met.

- (viii) The Fund will comply with general reporting obligations, as well as those foreseen in the Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions and those stipulated in Articles 42, 43 and 44 of Royal Decree 1065/2007 of 27 July approving the General Regulations on tax management and inspection procedures, and on the development of common rules for taxation procedures.

#### **4.6. Description of the amount of the Fund’s authorised and issued capital.**

Not applicable.

### **5. BUSINESS OVERVIEW**

#### **5.1. Description of the Issuer’s principal activities.**

The Issuer is a securitisation fund and, as such, its main activity consists of acquiring from Cajamar the Receivables derived from the Loans and the issuance of Notes.

The proceeds from interest (ordinary and default) and principal repayments under the Loans received by the Fund are allocated quarterly, on each Payment Date, to the payment of interest and repayment of principal of the Notes in accordance with the Priority of Payments set forth in section 3.4.6 of the Additional Building Block.

In addition, the Fund, represented by the Management Company, will agree to a number of financial transactions and the provision of services in order to strengthen the financial structure of the Fund, to increase the security and regularity of the payment of the Notes, to cover the temporary mismatches in the schedule for flows of principal and interest on the Receivables and on the Notes or, in general, enable the financial transformation which takes place in the Fund between the financial characteristics of the Loans and the financial characteristics of the Notes.

#### **5.2. Global overview of the parties to the securitisation program.**

- a) **INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.** participates as Management Company of the Fund, as coordinating entity of the Rating Agencies and of the relationship with the supervisory authorities and market operators, as legal and financial advisor in respect of the structure of the transaction.

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. is a Securitisation Funds management company with a registered office at Calle Príncipe de Vergara 131, 28002 Madrid (Spain) and Tax Identification Code no. A83774885 a brief description of this company and of its duties is provided in section 6 of the Registration Document and section 3.7 of the Additional Building Block.

It is registered in the Commercial Register of Madrid, at Volume 19277, book 0, sheet 127, section 8, Page M-337707, Entry 1, on 21 October 2003. It is also registered at the Special Registry of the CNMV with number 10.

The LEI code of the Management Company is 959800WRDNTXKQPU1358.

- b) CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO (“Cajamar”)** participates as the Originator of the Loans, issuer of the MTCs, subscriber of (i) THREE HUNDRED NINETEEN MILLION THREE HUNDRED THOUSAND EUROS (€319,300,000) of Class A Notes; (ii) the total amount of Class B Notes and Class C Notes and (iii) the Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager; Loan Servicer, and counterparty of the Fund in the Subordinated Loan Agreement for Initial Expenses, the Subordinated Loan for the Commingling Reserve, the Loan Servicing Agreement and the Back-Up Servicing Agreement. Additionally, in the event that Cajamar (or eventually Banco de Crédito Social Cooperativo, S.A. (“**BCC**”)) Cajamar meets the Fitch and DBRS criteria described in section 3.4.4.1 of the Additional Building Block (or eventually BCC), could also act as Treasury Account provider (the “**Treasury Account**”) replacing Banco Santander, S.A. in such condition.

CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO is a Spanish financial institution with an address in Plaza de Barcelona 5, Almería (Spain), and there is a brief description of this institution in section 3.5 of the Additional Building Block.

CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO is registered in the Commercial Register of Almería at Volume 1526, Sheet 1, Section 8 number AL-40338 and registered in National Registry for Cooperatives of the Ministry of Economy and its code at the Bank of Spain is 3058.

The LEI code of Cajamar is 635400CE9HHFB55PEY43.

The unsubordinated and unsecured short and long-term debt ratings assigned by the ESMA-registered Rating Agencies are:

RATINGS	
	Fitch Ratings España (S.A.U)
Long Term	BB-
Short Term	B
Outlook	Stable
Rating Watch	-
Date Last Revision	27/03/2018

- c) Banco de Crédito Social Cooperativo, S.A. (BCC)**, in case Fitch and DBRS criteria are met, might act as Treasury Account provider for the Fund, pursuant to section 3.4.4.1 of the Additional Building Block. BCC is a financial entity incorporated in Spain and registered in the Madrid Commercial Registry in Volume 31884, Folio 131, Sheet M-573805, Inscription 1, and its code at the Bank of Spain is 0240. It was incorporated in January 2014 by Cajamar and another 13 rural savings banks. Grupo Cooperativo Cajamar is a consolidated group of credit entities that currently includes 20 entities (BCC and 19 rural savings banks) authorised and qualifying as an institutional protection scheme (SIP in the Spanish original) by the Bank of Spain. BCC is the head of the group. On the date of this Prospectus, Cajamar is BCC’s main shareholder.

Registered address: Paseo de la Castellana 87, Madrid (Spain).

The unsubordinated and unsecured short and long-term debt ratings assigned by the ESMA-registered Credit Rating Agencies are:

RATINGS	
	Fitch Ratings España (S.A.U)
Long Term	BB-
Short Term	B
Outlook	Stable
Rating Watch	-
Date Last Revision	27/03/2018

- d) **BANCO SANTANDER, S.A. (“Santander”)** participates as Arranger, as Lead Manager, as Paying Agent and as provider of the Treasury Account, as counterparty of the Fund under the Agency and Financial Services Agreement and as a depositary of the Multiple Title.

In its capacity as Arranger, and upon the terms set forth in Article 35.1 of Royal Decree 1310/2005 it receives the mandate of the Management Company in order to direct operations concerning the design of the temporary and commercial financial conditions of the issue, as well as the coordination with subscribers.

In its capacity as Lead Manager, Santander has agreed on a best efforts basis and upon the satisfaction of certain conditions precedent to procure subscription for and/or placement of the Class D Notes and Class E Notes during the Subscription Period.

BANCO SANTANDER, S.A. is a Spanish credit institution with a registered office in Santander, at Paseo de Pereda 9-12, 39004 and whose operating headquarters are in Ciudad Grupo Santander, at Avenida de Cantabria sin número, 28660 Boadilla del Monte (Madrid), Tax Identification Code A-39000013 and National Economic Activity Code (C.N.A.E.) number 651.

The LEI code of Santander is 5493006QMFDDMYWIAM13.

The unsubordinated and unsecured short and long-term debt ratings assigned by the ESMA-registered Rating Agencies are:

RATINGS				
	Moody's	S&P	Fitch	DBRS
Long Term	A2	A	A-	A (high)
Short Term	P-1	A-1	F-2	R-1 (middle)
Outlook	Stable	Stable	Stable	Stable
Rating Watch	-	-	-	-
Date Last Revision	15/10/2018	06/04/2018	26/07/2018	12/04/2018

- e) **FINSOLUTIA SPAIN, S.L.U. (“Finsolutia”)**, participates as Back-Up Servicer of the Loans and as counterparty of the Fund under the Back-Up Servicing Agreement.

Finsolutia is a Spanish loan and real estate management company, rated “Above Average” by S&P, with a registered office in C/ Antonio Gonzalez Echarte 1, planta 1, 28029 Madrid, Tax Identification Code ESB87103883 and National Economic Activity Code (C.N.A.E.) number 6612.

- f) **INSTITUTO DE CRÉDITO OFICIAL (“ICO”)** E.P.E., participates as Subscriber for TWO HUNDRED EIGHTY THREE MILLION FOUR HUNDRED THOUSAND EUROS (€283,400,000) of the Class A Notes.

ICO is a corporate State-owned entity with registered office in Paseo del Prado 4, 28014 Madrid and Tax Identification Number Q-2876002-C.

The LEI code of ICO is PJQDPSI1D8J2Q1IM3G17.

- g) **FITCH RATINGS ESPAÑA, S.A.U. (“FITCH”)** participates as a credit rating agency rating the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

FITCH is a credit rating agency with a registered office at Paseo de Gracia 85, 08008 Barcelona (Spain).

- h) **DBRS RATINGS LIMITED (“DBRS”)** participates as a credit rating agency rating the Class A Notes, the Class B Notes and the Class C Notes.

DBRS is a credit rating agency with a registered office at 20 Fenchurch Street 31st Floor, London EC3M 3BY, United Kingdom.

The above rating agencies were registered and authorised by the European Securities & Markets Authority (“ESMA”) on 31 October 2011 as credit rating agencies in the European Union pursuant to the terms of the Regulation (EC) no 1060/2009 of the European Parliament and of the Council of 16 September 2009, on Credit Rating Agencies.

- i) **CUATRECASAS GONÇALVES PEREIRA, S.L.P. (“Cuatrecasas”)** participates as the legal advisor of the Lead Manager and Arranger and on the structure of the operation and has reviewed the legal and tax matters applicable to the Fund as set forth in section 4.5.d) of the Registration Document.

CUATRECASAS is a limited liability company organised in Spain, with Tax Identification Code Number B-59942110, registered office at Paseo de Gracia, 111, 08008 Barcelona, registered with the Commercial Registry of Barcelona, at Volume 37673, Folio 30, Section 8, Page 23850.

- j) **ALLEN & OVERY** participates as legal advisor of Cajamar and has reviewed the Prospectus and the structure of the transaction for the benefit of Cajamar.

ALLEN & OVERY has its registered office at Calle Serrano, 73, 28006, Madrid and Spanish Tax Identification Number N-0067503-C.

- k) **PRICEWATERHOUSECOOPERS AUDITORES, S.L. (“PWC”)** participates as auditor of the Fund and as independent company for the verification of a series of attributes of the assignable portfolio of Loans of the Fund for the purposes of complying with the provisions of Law 5/2015.

PWC is an audit firm with a registered office in Torre PWC, Paseo de la Castellana 259 B floor 41 28046 Madrid (Spain), holder of Tax Identification Code Number B-79031290 and registered with the Official Registry of Certified Public Accountants (*Registro Oficial de Auditores de Cuentas: R.O.A.C.*) under number S0242.

## 6. ADMINISTRATIVE; MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGEMENT COMPANY

### 6.1. Corporate bodies of the Management Company.

Pursuant to the provisions of Law 5/2015, securitisation funds are not separate legal entities, and securitisation fund management companies are entrusted with the incorporation, management and legal representation of these funds, as well the representation and defence of the interests of



the holders of the securities issued on the basis of the funds they administer and of the financiers thereof.

By virtue of the foregoing, this section presents information regarding INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. in its capacity as Management Company creating, administering and representing IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN.

**a) Name and registered office.**

- Registered name: INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.
- Registered office: Calle Príncipe de Vergara 131, 28002 Madrid.
- Tax Identification Code: A-83774885
- National Economic Activity Code (C.N.A.E.): No. 8199
- LEI number: 959800WRDNTXKQPU1358

**b) Incorporation and registration with the Commercial Register, as well as information relating to the administrative authorisations and registration with the CNMV.**

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., was organised by means of a public instrument authorised on 16 October 2003, before the Notary of Madrid, Mr. Antonio Huerta Trólez, and recorded in his notarial book of records under number 2,572, with the prior authorisation of the Ministry of Economy and Treasury provided on 6 October 2003. It is registered in the Commercial Registry of Madrid, in Volume 19,277, Book 0, Sheet 127, Section 8, Page M-337707, Entry 1 on 21 October 2003. It is also registered in the Special Registry of the CNMV, under number 10.

The duration of the Management Company is indefinite, in the absence of grounds for the dissolution thereof under law or the by-laws.

**c) Brief description of the Management Company’s principal activities.**

As required by law, Article 2 of the Management Company’s Bylaws states that: “the Company shall have as its exclusive purpose the organisation, management and legal representation of Asset Securitisation Funds, Mortgage Securitisation Funds and Banking Assets Funds (FAB)”. As a manager of third party businesses, it is responsible for the representation and defense of the interests of the holders of the securities issued based on the funds it administers and the other unsecured creditor.

On the date of registration of this Prospectus, INTERMONEY TITULIZACIÓN has incorporated the following securitisation funds:

FONDO DE TITULIZACIÓN	Incorporation	Initial Note Issue (euros)
<b>Hipotecaria (FTH)</b>		<b>2.000.000.000,00</b>
IM Pastor 3, FTH	09/06/2005	1.000.000.000,00
IM Pastor 2, FTH	23/06/2004	1.000.000.000,00
<b>Activos (FTA y FT)</b>		<b>109.270.033.206,87</b>
WIZINK MASTER CREDIT CARDS, FT_4ª emisión	01/07/2018	250.000.000,00
IM WANNA I, FT_3ª Emisión Bonos	01/06/2018	1.300.000,00
IM BCC CAJAMAR PYME 2, FT	25/04/2018	1.000.000.000,00
IM Sabadell PYME 11, FT	12/12/2017	2.000.000.000,00

Wizink Master Credit Cards, FT_3ª Emisión	20/11/2017	248.000.000,00
IM EVO Finance 1, FT	08/11/2017	336.600.000,00
Wizink Master Credit Cards, FT_2ª Emisión	19/10/2017	187.900.000,00
Wizink Master Credit Cards, FT_Folleto Base + 1ª Emisión	19/07/2017	518.800.000,00
IM WANNA I, FT_2ª Emisión Bonos	01/07/2017	500.000,00
IM Wanna I, FT	21/06/2017	1.800.000,00
IM GBP Leasing 3, FT	17/05/2017	1.100.000.000,00
IM Summa 1, FT	19/04/2017	300.000,00
Columbus Master Credit Cards, FT	07/04/2017	580.000.000,00
IM Marlan 2, FT	06/04/2017	6.700.000,00
IM GBP Consumo I, FT	29/03/2017	510.000.000,00
IM GBP Empresas VII, FT	01/12/2016	2.500.000.000,00
IM Sabadell PYME 10, FT	29/07/2016	1.750.000.000,00
IM BCC Cajamar PYME 1, FT	22/07/2016	1.000.000.000,00
IM Marlan 1, FT	13/04/2016	47.900.000,00
IM BCC Cajamar 1, FT	14/01/2016	750.000.000,00
IM GBP MBS 3, FT	04/12/2015	900.000.000,00
IM FORTIA 1, FT	24/07/2015	400.000.000,00
IM EVO RMBS 1, FT	17/07/2015	500.000.000,00
IM Lico División, FTA	29/05/2015	58.800.000,00
IM GBP Empresas VI, FTA	25/03/2015	3.000.000.000,00
IM GEDESCO TRADE FINANCE, FTA	04/02/2015	50.000.000,00
IM AURIGA PYMES EUR 1, FTA	26/09/2014	2.000.000,00
ALPHA 3-IM, FTA	10/01/2014	7.155.754,37
ALPHA 2-IM, FTA	10/01/2014	40.122.044,75
ALPHA 1-IM, FTA	10/01/2014	76.742.810,52
FAB 2013 TEIDE, FAB	20/12/2013	86.000.000,00
IM Cajamar Empresas 6, FTA	19/12/2013	95.400.000,00
FAB 2013 BULL, FAB	13/12/2013	50.363.516,00
IM BCG RMBS 2, FTA	22/11/2013	1.183.000.000,00
IM Cajamar Empresas 5, FTA	27/03/2013	675.000.000,00
IM Grupo Banco Popular Empresas V, FTA	27/02/2013	2.650.000.000,00
Tiber Spain, FTA	16/02/2013	428.114.081,23
IM CFS RMBS 1, FTA	14/12/2012	283.500.000,00
IM Citi Tarjetas 1, FTA	23/11/2012	1.000.000.000,00
IM Cajamar Empresas 4, FTA	21/02/2012	1.144.500.000,00
IM BES Empresas 1, FTA	16/11/2011	485.000.000,00
IM Banco Popular FTPYME 3, FTA	28/10/2011	1.300.000.000,00
IM FTPYME Sabadell 9, FTA	27/10/2011	1.500.000.000,00
IM UNNIM RMBS 1, FTA	29/07/2011	820.000.000,00
IM Grupo Banco Popular Leasing 2, FTA	17/06/2011	1.500.000.000,00
IM Caja Laboral Empresas 1, FTA	18/05/2011	294.500.000,00
Cédulas Grupo Banco Popular 5, FTA	27/04/2011	2.350.000.000,00
IM Grupo Banco Popular Empresas 4, FTA	31/03/2011	2.500.000.000,00
IM Cédulas 15, FTA	17/12/2010	1.600.000.000,00
IM Cajastur MBS 1, FTA	22/11/2010	615.000.000,00

IM Cédulas 14, FTA	24/03/2010	1.200.000.000,00
IM Banco Popular MBS 2, FTA	10/03/2010	685.000.000,00
IM BCG RMBS 1, FTA	30/10/2009	400.000.000,00
IM Sabadell Empresas 5, FTA	17/07/2009	900.000.000,00
IM Grupo Banco Popular Empresas 3, FTA	30/06/2009	2.250.000.000,00
IM Bankoa MBS 1, FTA	25/06/2009	530.000.000,00
IM Empresas Pastor 7, FTA	24/04/2009	520.000.000,00
IM Cajamar Empresas 3, FTA	28/01/2009	870.000.000,00
IM Sabadell Empresas 3, FTA	19/12/2008	1.740.000.000,00
IM Sabadell RMBS 3, FTA	05/12/2008	1.440.000.000,00
IM FTGENCAT Sabadell 4, FTA	14/11/2008	500.000.000,00
IM Banco Popular MBS 1, FTA	12/11/2008	6.000.000.000,00
IM Cajamar Empresas 2 FTPYME, FTA	08/10/2008	400.000.000,00
IM Banco Popular FTPYME 2, FTA	26/09/2008	1.000.000.000,00
IM FTPYME Sabadell 7, FTA	22/09/2008	1.000.000.000,00
Cédulas Grupo Banco Popular 4, FTA	20/06/2008	1.000.000.000,00
IM Sabadell RMBS 2, FTA	18/06/2008	1.400.000.000,00
IM Grupo Banco Popular Financiaciones 1, FTA	03/06/2008	1.100.000.000,00
IM Caja Laboral 2, FTA	23/05/2008	600.000.000,00
IM Caixa Girona Empresas 1, FTA	23/04/2008	350.000.000,00
IM Terrassa RMBS 1, FTA	22/04/2008	500.000.000,00
IM Grupo Banco Popular Leasing 1, FTA	15/02/2008	1.680.000.000,00
IM Cajamar 6, FTA	06/02/2008	2.000.000.000,00
IM Grupo Banco Popular Empresas 2, FTA	29/11/2007	2.500.000.000,00
IM FTGENCAT Sabadell 3, FTA	28/11/2007	350.000.000,00
IM Cédulas 12, FTA	16/11/2007	1.050.000.000,00
IM Cajamar Empresas 1, FTA	14/11/2007	1.080.000.000,00
IM Sabadell Empresas 1, FTA	24/10/2007	1.000.000.000,00
IM Goya Hipotecario I, FTA	17/10/2007	1.900.000.000,00
IM Cajamar 5, FTA	12/09/2007	1.015.000.000,00
IM Préstamos Fondos Cédulas, FTA	25/07/2007	351.900.000,00
IM Grupo Banco Popular FTPYME II, FTA	02/07/2007	2.039.000.000,00
White Tower Europe 2007-1, FTA	22/05/2007	107.835.000,00
Cédulas Grupo Banco Popular 3, FTA	23/04/2007	2.000.000.000,00
IM Cédulas 10, FTA	16/02/2007	1.300.000.000,00
IM Caja Laboral 1, FTA	04/12/2006	910.800.000,00
IM Grupo Banco Popular FTPYME I, FTA	29/11/2006	2.030.000.000,00
IM Grupo Banco Popular Empresas 1, FTA	18/09/2006	1.832.400.000,00
IM Cajamar 4, FTA	13/09/2006	1.012.000.000,00
IM Terrassa MBS 1, FTA	19/06/2006	525.000.000,00
IM FTGENCAT Sabadell 2, FTA	29/06/2006	500.000.000,00
IM Cédulas 9, FTA	06/06/2006	1.275.000.000,00
IM Pastor 4, FTA	05/06/2006	920.000.000,00
Cédulas Grupo Banco Popular 2, FTA	07/04/2006	3.000.000.000,00
IM Cédulas 7, FTA	28/03/2006	1.250.000.000,00
IM Cajamar 3, FTA	08/03/2006	1.215.600.000,00

INTERMONEY MASTER CÉDULAS, FTA / IM Cédulas M1	29/11/2005	1.655.000.000,00
IM Terrassa 1 FTGENCAT, FTA	28/11/2005	320.000.000,00
IM Ceres 2 Cajamar, FTA	25/11/2005	400.000.000,00
IM Cédulas 5, FTA	10/06/2005	1.250.000.000,00
IM Cédulas 4, FTA	08/03/2005	2.075.000.000,00
IM Banco Popular FTPYME 1, FTA	22/12/2004	2.000.000.000,00
IM FTPYME Sabadell 3, FTA	18/11/2004	600.000.000,00
IM Cédulas 3, FTA	16/11/2004	1.060.000.000,00
IM Cajamar 1, FTA	23/07/2004	370.000.000,00
IM Cédulas 2, FTA	07/06/2004	1.475.000.000,00
IM Ceres 1 Cajamar, FTA	04/06/2004	450.500.000,00
IM Cédulas 1 Grupo Banco Popular, FTA	05/02/2004	2.000.000.000,00
<b>TOTAL</b>		<b>111.270.033.206,87</b>

#### d) Share Capital.

The share capital of the Management Company at the time of registering this Prospectus is € 1,705,000, fully subscribed and paid up.

All the shares issued by the Management Company until the date of registration of this Prospectus (100,000 shares with a nominal value of EUR 17.05 each one) are ordinary shares and offer identical voting, financial and non-financial rights. All the shares are nominative, of the same class and series.

The Management Company's equity, as at 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017 extracted from its audited financial statements is the following:

EQUITY	31/12/2017	31/12/2016	31/12/2015
Share Capital	1,705	1,705	1,000
Other resources	1,591	1,666	0
Legal Reserve	279	200	200
Voluntary Reserve	1,445	1,443	1,274
Undistributed results Retained Earnings	924	81	169
TOTAL (in thousands of Euros)	5,944	5,095	2,643

The 31 December 2017 information has been audited without exceptions on the date of registration of this Prospectus.

#### e) Shareholding in other companies

There are no shareholdings of the Management Company in any other companies.

#### f) Administrative, management and supervisory bodies.

The Management Company is an entity registered with and supervised by CNMV.

The governance and management of the Management Company are entrusted by the Bylaws to the shareholders acting at a General Shareholders' Meeting and to the Board of Directors.

The powers of such bodies are those corresponding thereto under the provisions of the Capital Companies Act (*Ley de Sociedades de Capital*) and Law 5/2015, as regards the corporate purpose.

**(i) Board of Directors**

The Board of Directors is made up of the following persons:

Chairman:	Mr. José Antonio Trujillo del Valle
Directors:	Mr. Rafael Bunzl Csonka
	Mrs. Carmen Barrenechea Fernández
	Mr. Iñigo Trincado Boville
	Mr. Manuel González Escudero
Non-Director Secretary:	Mrs. Miriam Blanco Caso

The professional address of all the members of the Board of Directors is Príncipe de Vergara 131, 3rd Floor, Madrid.

**(ii) CEO and Managing Director**

The CEO and Managing Director of the Management Company is Mr. José Antonio Trujillo del Valle.

**(iii) Main activities of the persons referred to in paragraph (i) above which are performed outside of the Management Company if such activities are significant in relation to the Fund**

Name	Positions in other companies
Mr. Iñigo Trincado Boville	President of Corretaje e Información Monetaria y de Divisas, S.A.
Mr. Rafael Bunzl Csonka	Chief Executive Officer of Corretaje e Información Monetaria y de Divisas, S.A.

**g) Entities from which the Management Company has borrowed more than 10%.**

The Management Company has not received any loan or credit facility from any person or entity.

**h) Significant litigation or disputes.**

On the date of verification of this Prospectus, the Management Company is not involved in any situation of insolvency and there is no significant litigation or dispute that may affect its financial-economic situation or hereafter affect its ability to carry out the duties of management and administration of the Fund.

**i) Annual Reports.**

The annual accounts of INTERMONEY TITULIZACIÓN for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 have been audited by PriceWaterhouse Coopers S.L., with address in Madrid, inscribed in the ROAC (Official Register of Auditors) with the number S0242.

The annual reports for the years 2015, 2016 and 2017 do not present qualifications.

## 7. PRINCIPAL SHAREHOLDERS OF THE MANAGEMENT COMPANY

- a) The ownership of the shares of the Management Company is distributed among the companies listed below, with a statement of the percentage interest in the share capital of the Management Company belonging to each of them:

SHAREHOLDERS	% SHARE CAPITAL	No. SHARES
<i>Corretaje e Información Monetaria y de Divisas, S.A.</i>	69.998%	69,998
<i>InterMoney S.A.</i>	0.001%	1
Manager and employees of the Company	30.001%	30,001

- b) **Description of the nature of such control and measures in place to ensure that such control is not abused.**

For the purposes of Article 5 of the Restated Text of the Securities Market Act, approved by Royal Decree-Law 4/2015, INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. is part of the group “Corretaje e Información Monetaria y de Divisas, S.A.”.

*Corretaje e Información Monetaria y de Divisas, S.A.*, in order to comply with the rules of conduct of the securities market and in order to contribute to the transparency and efficient operation of the markets, has developed an Internal Code of Conduct that affects all the companies of the group and that was presented to the CNMV on 2 February 2006 and updated in May 2010.

## 8. FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS & LOSSES

The Management Company declares that on the date of verification of this Registration Document, the Fund was not yet incorporated and, therefore, had not commenced operations, nor had any accounts been prepared regarding such operations.

### 8.1. Historical financial information.

Not applicable.

### 8.2.bis This paragraph may be used only for issues of asset-backed securities having a denomination per unit of at least €100,000.

Not applicable.

### 8.2. Legal and arbitration proceedings.

Not applicable.

### 8.3. Material adverse change in the Issuer’s financial position.

Not applicable.

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

### 9.1. Statement or report attributed to a person as an expert.

Not applicable.

### 9.2. Information sourced from a third party.

Not applicable.

## 10. DOCUMENTS ON DISPLAY

The following documents (or copies thereof) will be available to the public during the effective period of this Registration Document:

- i. **The current Bylaws and deed of incorporation of the Management Company.**
- ii. **This Prospectus.**
- iii. **The Deed of Incorporation of the Fund.**
- iv. **The agreements to be executed by the Management Company in the name and on behalf of the Fund.**
- v. **Special Securitisation Report on the Loan Portfolio** from which the Receivables transferred to the Fund will be taken, as issued by PWC upon the terms set forth in articles 22.1.(c) and 35 of Law 5/2015.
- vi. **Certificate of the resolution of the Board of Directors of the Management Company**, at its meeting held on 27 September 2018, whereat it was resolved, among other things, to incorporate the Fund, to subscribe the MTCs and assets assigned by Cajamar and to issue the Notes.
- vii. **Certificate of the resolution of the Executive Commission of Cajamar's Governing Council** (*Consejo Rector de Cajamar*), at its meeting held on 15 October 2018, whereat it was resolved the assignment to the Fund of the Loans owned by the Originator.
- viii. **Letters disclosing provisional ratings and letters disclosing final ratings** by Fitch and DBRS.
- ix. **Annual Accounts and auditors' report of the Management Company.**

A copy of all of the above documents may be inspected at the registered office of the Management Company.

In addition, a copy of all documents mentioned above other than those set forth in i), iv) and viii) may be inspected at the CNMV at Calle Edison 4, Madrid, and at Paseo de Gracia 19, 4<sup>a</sup> planta, Barcelona.

A copy of the Prospectus will be available to the public on the websites of the CNMV ([www.cnmv.es](http://www.cnmv.es)) and AIAF ([www.aiaf.es](http://www.aiaf.es)). Additionally, the annual and quarterly information required under Article 35 of Law 5/2015 will be available on the website of the CNMV.

The Deed of Incorporation will be available to the public within Iberclear.

Furthermore, this Prospectus, the Deed of Incorporation and the annual and quarterly reports referred to above may be viewed on the website of the Management Company (<http://www.imtutilizacion.com>).

## SECURITIES NOTE (ANNEX XIII OF REGULATION CE 809/2004)

### 1. PERSONS RESPONSIBLE

#### 1.1. Persons responsible for the information appearing in the Securities Note and in the Additional Building Block.

Mr. José Antonio Trujillo del Valle, acting in the name and on behalf of the Management Company, INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., with registered office at Calle Príncipe de Vergara 131, Madrid, assumes responsibility for the information contained in this Securities Note and in the Additional Building Block.

INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. will incorporate IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN and will be in charge of its legal administration and representation.

Mr. José Antonio Trujillo del Valle acts in his capacity of Chairman of INTERMONEY TITULIZACIÓN, SGFT, S.A., and pursuant to his appointment by the Board of Directors meeting held on 16 October 2003, and the powers that were conferred to him by the Board of Directors at its meeting held on the 27 September 2018.

#### 1.2. Declaration by those responsible for the Securities Note and the Additional Building Block.

Mr. José Antonio Trujillo del Valle, having taken all reasonable care to ensure that such is the case, declares that the information contained in the Securities Note and the Additional Building Block is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

### 2. RISK FACTORS

The specific risk factors regarding the Notes and the Receivables backing the issue are those described respectively in sections I and II, of the document incorporated at the beginning of this Prospectus under the heading "RISK FACTORS".

### 3. KEY INFORMATION

#### 3.1. Interest of natural and legal persons involved in the issue

The identity of the legal persons participating in the offer and the direct or indirect participation held by them are described in section 5.2 of the Registration Document. The interest of such persons as participants in the offer of the issue of Notes is as follows:

- a) **INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.** participates as the Management Company of the Fund, as coordinator of the Rating Agencies and of the relationship with the supervisory authorities and market operators, as legal and financial advisor on the structure of the transaction.
- b) **CAJAMAR CAJA RURAL, SOCIEDAD COOPERATIVA DE CRÉDITO** participates as the Originator of the Loans, issuer of the MTCs, subscriber of (i) THREE HUNDRED NINETEEN MILLION THREE HUNDRED THOUSAND EUROS (€319,300,000) of Class A Notes; (ii) the total amount of Class B Notes and Class C Notes and (iii) the Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager, Loan Servicer pursuant to Article 26.3 of Royal Decree 716/2009, and counterparty of the Fund in the Subordinated Loan Agreement for Initial Expenses, the Subordinated Loan Agreement for the Commingling Reserve, the Loan Servicing Agreement, the Back-Up Servicing Agreement and it may also act as Treasury Account provider as provided in accordance in this Prospectus.



- c) **BANCO SANTANDER, S.A.** participates as Arranger, as Lead Manager, as Paying Agent and as provider of the Treasury Account, as counterparty of the Fund under the Agency and Financial Services Agreement and as a depositary of the Multiple Title.
- d) **Finsolutia Spain, S.L.U** (“Finsolutia”), participates as Back-Up Servicer of the Loans and as counterparty of the Fund under the Back-Up Servicing Agreement.
- e) **INSTITUTO DE CRÉDITO OFICIAL E.P.E.**, participates as Subscriber for TWO HUNDRED EIGHTY THREE MILLION FOUR HUNDRED THOUSAND EUROS (€283,400,000) of the Class A Notes.
- f) **FITCH RATINGS ESPAÑA, S.A.U.** participates as a credit rating agency rating the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.
- g) **DBRS RATINGS LIMITED** participates as a credit rating agency rating the Class A Notes, the Class B Notes, the Class C Notes.
- h) **CUATRECASAS** participates as the legal advisor of the Lead Manager and Arranger and on the structure of the transaction and has reviewed the legal and tax matters applicable to the Fund as described in section 4.5.d) of the Registration Document.
- i) **ALLEN & OVERY** participates as legal advisor of Cajamar and has reviewed the Prospectus and the structure of the transaction for the benefit of Cajamar.
- j) **PRICEWATERHOUSECOOPERS AUDITORES, S.L.** participates as auditor of the Fund and as independent company for the verification of a series of attributes of the assignable portfolio of Loans of the Fund for the purposes of complying with the provisions of Law 5/2015

### 3.2. Description of any interest, including conflicts that may be important to the issue and details of the individuals involved and nature of such interest.

The Management Company is not aware of any relationship or economic interests between the experts who have taken part in the Note Issue except, as described, the strictly professional one detailed in section 3.1 above and section 5.2 of the Registration Document.

## 4. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

### 4.1. Total amount of the securities.

#### a) Total issue amount

The total of the Notes issued amounts to NINE HUNDRED SEVENTY TWO MILLION ONE HUNDRED THOUSAND EUROS (€972,100,000), represented by NINE THOUSAND SEVEN HUNDRED AND TWENTYONE (9,721) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000), distributed in five (5) classes of Notes (Class A; Class B; Class C; Class D and Class E), each of them with the following nominal amount:

- Class A: in the total nominal amount of SIX HUNDRED TWO MILLION SEVEN HUNDRED THOUSAND EUROS (€602,700,000), represented by SIX THOUSAND TWENTY SEVEN (6,027) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000) and ISIN code ES0305386007.
- Class B: in the total nominal amount of TWO HUNDRED TWENTY SIX MILLION FOUR HUNDRED THOUSAND EUROS (€226,400,000), represented by TWO THOUSAND TWO HUNDRED AND SIXTY FOUR (2,264) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000) and ISIN code ES0305386015.
- Class C: in the total nominal amount of SIXTY FOUR MILLIONS THREE HUNDRED THOUSAND EUROS (€64,300,000), represented by SIX HUNDRED FORTY THREE (643) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000) and ISIN code ES0305386023.

- Class D: in the total nominal amount of FIFTY NINE MILLION SIX HUNDRED THOUSAND EUROS (€59,600,000), represented by FIVE HUNDRED NINETY SIX (596) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000) and ISIN code ES0305386031.
- Class E: in the total nominal amount of NINETEEN MILLION ONE HUNDRED THOUSAND EUROS (€19,100,000), represented by ONE HUNDRED NINETY ONE (191) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000) and ISIN code ES0305386049.

**b) Placement and subscription**

The Lead Manager has agreed on a best efforts basis and upon the satisfaction of certain conditions precedent to procure subscription for and/or place the Class D Notes and Class E Notes during the Subscription Period with qualified investors for the purposes of Article 39 of Royal Decree 1310/2005, in accordance with the terms of the Management, Placement and Subscription Agreement, by way of description and not limitation, legal entities that are authorised or regulated to operate in the financial markets, including, credit institutions, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, other authorised or regulated financial institutions.

Moreover, in accordance with the terms of the Management, Placement and Subscription Agreement ICO and Cajamar (the “**Subscribers**” and each of them, indistinctively, the “**Subscriber**”) will subscribe, in the terms set out below, Class A Notes, Class B Notes and Class C Notes.

ICO shall subscribe TWO HUNDRED EIGHTY THREE MILLION FOUR HUNDRED THOUSAND EUROS (€283,400,000) of Class A Notes and pay the total price of the face value of such Class A Notes on the Disbursement Date to the Paying Agent, prior to or about 12:30 Madrid time.

Cajamar shall subscribe (i) the remaining THREE HUNDRED NINETEEN MILLION THREE HUNDRED THOUSAND EUROS (€319,300,000) of Class A Notes, (ii) the total amount of Class B Notes and Class C Notes before 10:00 Madrid time, and (iii) the Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager in accordance with the Management, Placement and Subscription Agreement on 19 December 2018, between 13:00 Madrid time and 13:30 Madrid time. Payment of the total price of the face value of such notes will be made by means of setting off the relevant Receivables assigned to the Fund on the Disbursement Date.

Cajamar will not charge any fees for the subscription of (i) the Class A Notes that it will subscribe, nor (ii) the Class B Notes and Class C Notes, nor, if applicable, (iii) the Class D Notes and Class E Notes.

The obligations of the Lead Manager under the Management, Placement and Subscription Agreement are subject to the fulfilment of the following conditions precedent before the Subscription Period:

- i. That no breach of the representations, warranties and other obligations of the Management Company or the Originator under the Management, Placement and Subscription Agreement and the other agreements signed by the Management Company on behalf of the Fund have not been occurred.
- ii. That the signed legal opinion of Cuatrecasas has been delivered to Santander in a form satisfactory to it.
- iii. That the Agency and Financial Services Agreement, the Subordinated Loan Agreement for Initial Expenses, the Subordinated Loan for the Commingling Reserve, the Loan Servicing

Agreement, the Back-Up Servicing Agreement and the other agreements to be entered into by the Fund have been executed by the relevant parties thereto.

The obligations of the Lead Manager under the Management, Placement and Subscription Agreement are subject to the fulfilment of the following conditions precedent before the Disbursement Date:

- i. That the Rating Agencies confirm the provisional ratings assigned to the Rated Notes on or before the Disbursement Date;
- ii. That the Management Company, on behalf of the Fund, has applied for the issuance of the Notes to be admitted to trading on AIAF and to be represented by means of book entries in IBERCLEAR.

Additionally, the Lead Manager could terminate the Management Placement and Subscription Agreement before 12:30 CET on the Disbursement Date (the maximum time for the disbursement of the Notes), upon occurrence of any of the following events: (i) any misrepresentation in relation to the representations and warranties made by the Management Company and the Subscribers thereunder; (ii) force majeure or extraordinary alteration of the market conditions which, in the reasonable and justified judgment of the Lead Manager and the Subscribers, could substantially and adversely affect the fulfillment of the Lead Manager's obligations, to the Subscribers' obligations or to the Issue of notes; (iii) any change of law (including tax law) or the announcement or approval of any legislative proposal (including tax proposals) in Spain that may substantially and adversely affect the placement of the Notes or the rights of the Noteholders; or (iv) a modification on the ratings (i.e. if the Rating Agencies express their intention to decrease the ratings or if they are considering to do so).

#### **4.2. Description of type and class of securities.**

The Notes will have the legal nature of negotiable fixed-income securities with a specified yield, and are subject to the rules established in the Securities Market Act and the regulations in implementation thereof, and are issued pursuant to Law 5/2015. The Notes are redeemable through early redemption or upon final maturity.

#### **4.3. Law under which the securities have been created.**

The Notes are issued in accordance with the laws of Spain, and particularly in accordance with the legal provisions set forth in (i) Law 5/2015 and implementing provisions; (ii) the Securities Market Act; (iii) Royal Decree 1310/2005; (iv) Royal Decree 878/2015, of October 2, 2015, on compensation, settlement and registration of negotiable securities represented through book entries; (v) Order 3537/2005 of the Ministry of the Economy and Finance of 10 November 2005, implementing Article 27.4 of the Securities Market Act; and (vi) any such other legal and regulatory provisions as may be in force and applicable from time to time.

This Securities Note has been prepared in accordance with the models established in Annex XIII of Regulation 809/2004.

Any issue, discrepancy or dispute relating to the Fund or the Notes issued with the backing of the Fund and arising during the operation or liquidation thereof, whether among the Noteholders or between the Noteholders and the Management Company, will be submitted to the Courts of the city of Madrid, with the parties expressly waiving any other forum to which they may be entitled.

#### **4.4. Representation of the securities.**

The Notes will be represented by book entries in accordance with the provisions of Law 5/2015 and Royal Decree 878/2015, will be created as such by virtue of their corresponding book entry, and will be made out to the bearer. The Deed of Incorporation will give rise to the effects provided for in Article 7 of the Securities Market Act.

The denomination, number of units, nominal value and other characteristics and conditions of the Notes represented in book-entry form are those included in the Deed of Incorporation and this Prospectus.

The Noteholders will be identified as such (for their own account or that of third parties) as recorded in the book-entry register maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), with a registered office in Madrid, at Calle Plaza de la Lealtad 1, 28014, which has been appointed as the entity in charge of the book-entry registry of the Notes. Thus, clearance and settlement of the Notes will be performed in accordance with the rules of operation that are or may hereafter be established by Iberclear regarding securities admitted to trading in the AIAF Fixed-Income Market and represented by the book entries.

#### **4.5. Currency of the issue.**

The Notes will be denominated in EUROS.

#### **4.6. Ranking.**

On each Payment Date, the Management Company, on behalf of the Fund, will apply the amount of Available Funds to payments and retentions in accordance with the Priority of Payments described in section 3.4.6 of the Additional Building Block.

##### **4.6.1 Summary of the priority of the payment of interest on the Notes in the priority of payments of the Fund**

The payment of interest accrued by the Class A Notes occupies the (2<sup>nd</sup>) (second) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6.3 of the Additional Building Block and the (3<sup>rd</sup>) (third) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6.4 of the Additional Building Block.

The payment of interest accrued by the Class B Notes occupies the (3<sup>rd</sup>) (third) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6.3 of the Additional Building Block and the (5<sup>th</sup>) (fifth) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6.4 of the Additional Building Block.

The payment of interest accrued by the Class C Notes occupies the (4<sup>th</sup>) (fourth) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6.3 of the Additional Building Block and the (7<sup>th</sup>) (seventh) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6.4 of the Additional Building Block.

The payment of interest accrued by the Class D Notes occupies the (6<sup>th</sup>) (sixth) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6.3 of the Additional Building Block and the (9<sup>th</sup>) (ninth) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6.4 of the Additional Building Block.

The payment of interest accrued by the Class E Notes occupies the (9<sup>th</sup>) (ninth) place in the application of Available Funds in the Priority of Payments set forth in section 3.4.6.3 of the Additional Building Block and the (11<sup>th</sup>) (eleventh) place in the application of the Available Funds for Liquidation in the Liquidation Priority of Payments established in section 3.4.6.4 of the Additional Building Block.

##### **4.6.2 Summary of the priority of the payments of principal on the Notes in the priority of payments of the Fund**

In the absence of a Subordination Event and provided there were sufficient Available Funds, amortisation on Class A Notes, Class B Notes, Class C Notes and Class D Notes will be pro-rata in accordance with the Priority of Payments set forth in section 3.4.6 of the Additional Building Block. This amortisation will be made in an amount equal to the Pro-Rata Target Amortisation Amount. For the avoidance of doubts and provided there were sufficient Available Funds, interest on Class D will be paid before payment of principal of Class D Notes under pro-rata amortization.

Upon the occurrence of a Subordination Event, Class A Notes, Class B Notes, Class C Notes and Class D Notes will amortise sequential, applying the Target Amortisation Amount by the following order of priority: (i) firstly, to repay Class A Notes until repaid in full; (ii) secondly, to repay Class B Notes until repaid in full; (iii) thirdly, to repay Class C Notes until repaid in full; (iv) fourthly, to repay Class D Notes until repaid in full.

Amortisation on the Class E Notes ranks in (10<sup>th</sup>) tenth place in the Priority of Payments set forth in section 3.4.6 of the Additional Building Block.

In the Liquidation Priority of Payments set forth in section 3.4.6 of the Additional Building Block, (i) repayment of the Outstanding Balance of Class A Notes occupies the (4<sup>th</sup>) (fourth) place; (ii) repayment of the Outstanding Balance of Class B Notes occupies the (6<sup>th</sup>) (sixth) place; (iii) repayment of the Outstanding Balance of Class C Notes occupies the (8<sup>th</sup>) (eighth) place; (iv) repayment of the Outstanding Balance of Class D Notes occupies the (10<sup>th</sup>) (tenth) place; and (v) repayment of the Outstanding Balance of Class E Notes occupies the (12<sup>th</sup>) (twelfth) place.

**“Target Amortisation Amount”** means the difference between (i) the Outstanding Balance of Classes A to D Notes and (ii) the Outstanding Balance of the Performing Receivables.

**“Pro-Rata Amortisation Ratio”** means for each Class of Notes, the percentage that results from the following ratio: the Outstanding Balance of the relevant Class of Notes (except Class E Notes) divided by the sum of the Outstanding Balance of the Class A to D Notes, and calculated for each period using the Outstanding Balance of the Notes before the application of the Pro-Rata Target Amortisation Amount for the period on which it will be applied in the Priority of Payments.

**“Pro-Rata Target Amortisation Amount”** for each Class of Notes, means an amount equal to the Target Amortisation Amount multiplied by the Pro-Rata Amortisation Ratio of each Class of Notes.

**“Subordination Event”** means, after application of the Priority of Payments on a relevant Payment Date, if any of the following triggers below is in breach:

- A. the sum of:
  - i. Target Amortisation Amount plus
  - ii. the Required Reserve Amount **minus** the Reserve Fund amount on the relevant Payment Date;

Divided by:

- iii. The Outstanding Balance of the Performing Receivables is equal to or greater than:
  - a. From the Date of Incorporation until four Payment Dates after the Date of Incorporation, 1.25%;
  - b. From four Payment Dates after the Date of Incorporation (excluded the fourth) until eight Payment Dates after the Date of Incorporation (included the eight), 2.25%;
  - c. From eight Payment Dates after the Date of Incorporation (excluded the eight) until twelve Payment Dates after the Date of Incorporation (included the twelfth), 3.00%;

- d. From twelve Payment Dates after the Date of Incorporation (excluded the twelfth) until sixteen Payment Dates after the Date of Incorporation (included the sixteenth), 4.00%;
- e. From sixteen Payment Dates after the Date of Incorporation onwards, 4.50%.

For the avoidance of doubts, once the trigger above is in breach, amortization of the notes will remain sequential until Final Maturity Date.

- B. The aggregate Outstanding Balance of the Performing Receivables less Non-principal collections applied to reduce principal balance, falls below 10% of the aggregate Outstanding Balance of Receivables thereof on the Date of Incorporation.

For the avoidance of doubts, once the trigger above is in breach, amortization of the Notes will remain sequential until Final Maturity Date.

- C. The sum of the aggregate Outstanding Balance of the Performing Receivables to the top 10 borrower groups is equal or greater than 10% the aggregate Outstanding Balance of the Performing Receivables.

For the avoidance of doubts, once the trigger above is in breach, a Subordination Event will occur and amortization of the notes will remain sequential until Final Maturity Date.

- D. The Reserve Fund amount is lower than 50% of the Required Reserve Amount.

For the avoidance of doubts, once the trigger "D" above is in breach, amortization of the Notes will remain sequential. However if after application of the Priority of Payments on any Payment Date thereafter, the Reserve Fund amount is equal or greater than 50% of the Required Reserve Amount, this Subordination Event will no longer be considered in breach and the transaction might switch back to pro-rata to the extent that no other Subordination Event occurs, or has occurred.

#### **4.7. Description of the rights attached to the securities and procedure for exercise of said rights.**

The Notes described in this Securities Note do not create present and/or future rights for the investor as regards the IM BCC CAPITAL 1. This is consistent with the nature of the FONDO DE TITULIZACION as a passive holding entity (*entidad patrimonial*) without legal personality.

The rights of investor associated with the acquisition and holding of the Notes will be those deriving from the right to receive interest payments, returns and other form of repayment are set forth in sections 4.8 and 4.9 below.

The Noteholders may not bring an action against the Management Company unless it breaches its payment obligations as described in this Prospectus or the Deed of Incorporation. Pursuant to applicable law, the Management Company is the only authorised representative of the Fund as regards third parties and in any legal proceedings (but this is without to rights of representation that may be granted by the Management Company to third parties).

The obligations of the Originator and of the other entities participating in the transaction are limited to those included in the corresponding agreements relating to the IM BCC CAPITAL 1, with the most significant ones being described in this Prospectus and in the Deed of Incorporation.

Any question or dispute concerning the Fund or the Notes issued with the backing thereof and that may arise during the operation or liquidation thereof, whether among the Noteholders or between the Noteholders and the Management Company, will be submitted to the Courts of the city of Madrid, waiving any other forum to which the parties may be entitled.

**4.8. Nominal interest rate and provisions relating to interest payable.**

All Classes of Notes will accrue, from Disbursement Date, until their full redemption, an annual fixed interest rate, payable quarterly, as determined in section 4.8.2 of the Securities Note. This interest will be paid quarterly on each Payment Date, provided that the Fund has sufficient liquidity in the Treasury Account, in accordance with the Priority of Payments in section 3.4.6 of the Additional Building Block. **Interest accrual**

The term of the issue of the Notes will be divided into successive Interest Accrual Periods comprising the days elapsed between each Payment Date, including the initial Payment Date and excluding the final Payment Date in each Interest Accrual Period. If such Payments Dates are not a Business Day, the immediately following Business Day will be considered unless this entails a change in month, in which case, relevant Interest Accrual Period will end on the last Business Day of the corresponding month.

However, the First Interest Accrual Period will begin on the Disbursement Date (included) and will end on the First Payment Date, 22 April 2019 (excluded), or if such is not a Business Day, the immediately following Business Day unless this entails a change in month, in which case, the First Interest Accrual Period will end on the last Business Day of the corresponding month.

**4.8.2. Interest Rate**

The following fixed Interest Rates will apply to each Class Notes:

<b>Class</b>	<b>Interest Rate</b>
Class A	0.312%
Class B	0.70%
Class C	2.10%
Class D	7.49%
Class E	12.00%

**4.8.3. Formula to determine the interest of the Notes**

The Management Company will calculate the interest accrued by each Class of Notes on each Interest Accrual Period in accordance with the following formula:

$$I = N * r * \frac{n}{360}$$

Where:

I = Interest accrued by the Notes during the Interest Accrual Period rounded to 2 decimal places.

N = Outstanding Balance of the Notes at the beginning of the Interest Accrual Period.

r = Nominal interest rate expressed as an annual percentage.

n = Number of calendar days in the Interest Accrual Period.

**4.8.4. Dates, place, institutions and procedure for the payment of interest**

Interest on the Notes (and their principal, in accordance with section 4.9 of the Securities Note) will be paid on each Payment Date until they are fully redeemed. Payment Date will be 22<sup>nd</sup> of January, April, July and October of every year, or the immediately following Business Day if such days are not Business Days unless this entails a change in month, in which case, the relevant Payment Date of interest of the Notes of each Class will be the last Business Day of the corresponding month.

The First Payment Date of interest of the Notes of each Class shall be 22 April 2019 (or if such is not a Business Day, the immediately following Business Day unless this entails a change in month, in which case, the First Payment Date of interest of the Notes of each Class will be the last Business Day of the corresponding month).

“**Business Days**” will be those that are not:

- A holiday in the city of Madrid; or
- A holiday according to the TARGET2 calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System). According to the technical application 1/2008 of the Bank of Spain’s General Directorate of Transactions, Markets and Payment Systems, TARGET2 operates every day except Saturdays, Sundays, New Year’s Day, Good Friday and Easter Monday (according to the ECB calendar), and May 1<sup>st</sup>, Christmas Day and December 26<sup>th</sup>.

If on a Payment Date, and despite the mechanisms established to protect the rights of the Noteholders, the Available Funds are insufficient to meet the interest payment obligations under the Notes, the amount available to pay interest will be distributed in accordance with the Priority of Payments and the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block, and if the Available Funds are only sufficient to partially fulfil the payments with the same ranking, independently and for each one, the amount will be distributed among the affected Notes in proportion to the Outstanding Balance of the Notes. The amounts that remain outstanding shall be paid on the following Payment Date possible without accruing additional or default interest. The payments due to the Noteholders will be paid on the following Payment Date (if there are sufficient Available Funds to do so) immediately before the payment of the same Class for the new period and in accordance with section 3.4.6 of the Additional Building Block.

Existing withholdings, payments in advance or taxes levied or to be levied in the future, in relation to capital, interest or yield of these Notes, shall be borne exclusively by the Noteholders and the amount will be deducted, when necessary, by the appropriate institution in the legally established procedure.

Payment will be made through the Paying Agent, which will use Iberclear and its participating institutions to distribute the amounts to the Noteholders in accordance with their established procedures. Payment of interests and amortisation will be notified to the Noteholders in the events and with the notice established for each situation described in 4.1 of the Additional Building Block.

#### **4.8.5. Description of any episode of market distortion of underlying rate**

Not applicable.

#### **4.8.6. Rules for adjustment of underlying rates**

Not applicable.

#### **4.8.7. Calculation Agent**

The nominal Interest Rate will be calculated by the Management Company.



#### **4.9. Redemption of the securities. Redemption price**

The redemption price of the Notes will be ONE HUNDRED THOUSAND EUROS (€100,000) per Note, equivalent to their face value, free of charges and taxes for the Noteholder, payable progressively on each principal Payment Date, as set out in the following sections.

Each and every one of the Notes will be repaid in the same amount through the reduction of the face value of each Note.

##### **4.9.2. Date and forms of redemption**

The Final Maturity Date of the Notes will take place on the date on which they are fully redeemed or on the Legal Maturity Date of the Fund, i.e., 22 April 2037 or on the following Business Day, without prejudice to the Management Company redeeming the issue of Notes prior to the Legal Maturity Date of the Fund in accordance with section 4.4.3 of the Registration Document.

The Notes will be redeemed by means of a reduction in their face value thereof on the 22<sup>th</sup> day of January, April, July and October of each year (or the following Business Day) until full redemption thereof in accordance with the ordinary redemption rules set forth below, unless the Available Funds in the Treasury Account are insufficient for such purpose.

##### **4.9.3. Redemption of the Notes**

The amortisation of the Notes will take place on each Payment Date, in accordance with this section and subject to the Priority of Payments and the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block. Outstanding Balance of the Notes on a Payment Date will be the balance pending amortisation prior to the amortisation to take place on such Payment Date.

###### **a) Redemption Rules for the Class A Notes, Class B Notes, Class C Notes and Class D Notes**

The amortisation of the Class A, Class B Notes, Class C Notes and Class D Notes will begin on the First Payment Date of the Fund.

On each Payment Date, Available Funds for the redemption of the Class A Notes, Class B Notes, Class C Notes and Class D Notes will be distributed pro-rata between Class A, Class B Notes, Class C and Class D Notes until full redemption, unless a Subordination Event occurs.

On each Payment Date, the Available Funds for the redemption of the Class A Notes, Class B Notes, Class C Notes and Class D Notes shall equal the Pro-Rata Target Amortisation Amount for Class A Notes, Class B Notes, Class C Notes and Class D Notes.

For the avoidance of doubts and provided there were sufficient Available Funds, interest on Class D will be paid before payment of principal of Class D Notes under pro-rata amortization.

Notwithstanding the above, in the Payment Date immediately following a Subordination Event, the Target Amortisation Amount for the redemption of the Class A Notes, Class B Notes, Class C Notes and Class D Notes will be applied first to amortise Class A Notes until their full redemption, secondly to Class B Notes until their full redemption, thirdly to Class C Notes until their full redemption and fourthly to Class D Notes until their full redemption.

###### **b) Redemption Rules for the Class E Notes**

Class E Notes will be amortised according to the Priority of Payments set out in section 3.4.6 of the additional Building Block. No Available Funds for the redemption of Class A Notes, Class B Notes, Class C Notes and Class D Notes will be applied to the amortisation of Class E Notes.

From the First Payment Date, and on each subsequent Payment Date, the Management Company will apply to the amortisation of Class E Notes an amount equal to the higher of:

- (i) Class E Redemption Amount; and
- (ii) the Class E Target Amortisation Amount;

unless a Subordination Event has occurred. After the redemption of Class D Notes, and following the occurrence of a Subordination Event, the amounts applied to the redemption of Class E Notes will be the Available Funds on such Payment Date as described in section 3.4.6.1 of the Additional Building Block, minus the amounts corresponding to the concepts mentioned in sections (i) to (ix) of the Priority of Payments described in section 3.4.6.3 of the Additional Building Block.

**“Class E Redemption Amount”** means a constant instalment equal to €2,387,500 plus, if applicable, the addition of all the shortfalls in the payment of such amount in any previous Payment Date.

**“Class E Target Amortisation Amount”** means an amount equal to:

- (i) the Reserve Fund in the previous period minus the Required Reserve Amount in the current Payment Date, or
- (ii) Zero (0), if (a) the Reserve Fund had not been funded up to the Required Reserve Amount on the immediately previous Payment Date or (b) the Outstanding Balance of the Non-Performing Receivables divided by the Outstanding Balance of all the Receivables on the Date of Incorporation is greater than 4.50%.

#### **Early redemption of all the Notes issued**

Regardless of the obligation of the Fund to redeem the Notes on the Legal Maturity Date of the Fund or make partial redemptions on each Payment Date as stated in the foregoing sections, the Management Company is obliged to engage in an early liquidation of the Fund and along therewith the early redemption of all Notes issued, upon the terms set forth in section 4.4.3 of the Registration Document, and to distribute the Available Funds for Liquidation in accordance with the Liquidation Priority of Payments set out in section 3.4.6.4 of the Additional Building Block.

#### **4.10. Indication of investor yield and calculation method**

The average life, yield, duration and final redemption of the Notes depend on several factors, of which the most significant are the following:

- The amortisation schedule of each of the Loans according to their corresponding contracts.
- The ability of the Debtors to prepay totally or partially the Loans. This Prospectus estimates a prepayment rate (CPR) in order to make the calculations included in the Securities Note.
- The arrears and defaults of the Debtors of the Loans.

For the charts of this section, the following values are used for the abovementioned factors, taking as reference the Preliminary Portfolio with a cut-off date on 11 November 2018:

- (i) Reference Interest Rate of the Loans: the current reference interest rate of each Loan, maintained constant until its redemption in full.
- (ii) Repayment system: Loan repayment system, grace period and payment of coupons remain constant until their redemption in full.
- (iii) The average interest rate of the Preliminary Portfolio is 2.77%. To this effect, if the sum of a Loan’s base interest rate and its margin is negative, the assumption is that the interest paid by such loan is zero.
- (iv) Assumption of the amortisation schedule for each Loan, and the three annual CPR (5%, 10% and 15%) constant over the life of the Fund. Such rates are consistent with those ones observed by the Originator from loans similar to those of the Preliminary Portfolio.

- (v) Arrears rate (delay in payments over 90 days): annual arrears rate of 0.751559% of the Outstanding Balance of the Receivables.  
That rate is consistent with the weighted average of the latest rates of arrears of more than 90 days observed by the Originator. Such rates are not calculated from the same portfolio or in the same way that the rate applied to the Originator’s portfolio in section 3.5 of the Additional Building Block, and, therefore, cannot be compared.
- (vi) Recovery Rate 71.403481% after 18 months.
- (vii) The Disbursement Date: 20 December 2018.
- (viii) Interest Rate of the Notes:

Class	Interest Rate
Class A	0.312%
Class B	0.70%
Class C	2.10%
Class D	7.49%
Class E	12.00%

The initial weighted average interest rate of the Notes is 1.19%.

- (ix) All these hypothesis are reasonable and based on the historical performance of Cajamar loans that share similar characteristics to those from which the Receivables that will be assigned to the Fund.
- (x) The remuneration of the amounts deposited in the Treasury Account is assumed to be zero.
- (xi) There will be no Subordination Event.
- (xii) Each of the following scenarios are contemplated herein:
  - a. Exercise the Clean-up Call Option by the Originator as disclosed in item 4.4.3.2. of the Registration Document;
  - b. No other Call Options will be exercise from the Originator.

In the scenario described above, the Final Maturity of the Notes and the average life of the Notes, IRR and Duration of the various CPRs would be as follows:

IM BCC CAPITAL 1, FT				
Scenario		5% CPR	10% CPR	15% CPR
Class A	Average Life (years)	2,91	2,54	2,25
	IRR	0,317%	0,317%	0,317%
	Duration (years)	2,88	2,52	2,24
Class B	Average Life (years)	2,91	2,54	2,25
	IRR	0,712%	0,712%	0,712%
	Duration (years)	2,85	2,49	2,21
Class C	Average Life (years)	2,91	2,54	2,25
	IRR	2,146%	2,146%	2,146%
	Duration (years)	2,72	2,40	2,13
Class D	Average Life (years)	2,91	2,54	2,25
	IRR	7,809%	7,809%	7,808%
	Duration (years)	2,32	2,07	1,86
Class E	Average Life (years)	1,19	1,17	1,15
	IRR	11,557%	11,444%	11,321%
	Duration (years)	1,00	0,99	0,97
Fund's Net Accumulated Default		0,62%	0,55%	0,49%
Date of the Liquidation of the Fund		22/04/2026	22/04/2025	22/07/2024

### Tables with the assumed principal and interest payment of the Notes

The information included in the following tables is presented for illustrative purposes only and it does not represent the Fund's specific payment obligations to third parties on the dates or periods to which they correspond. The data have been elaborated under assumptions of interest rate, delinquencies and regular and prepayment rates of the Loans described above and which are subject to constant change, and as a consequence, investors interested in the Fund's expected calendar of payments should request the information from the institutions authorised to distribute it, the Management Company and the CNMV.

As indicated in 4.10 above, in order to produce these tables 3 annual constant prepayment rates have been assumed (5, 10 and 15%) for the entire life of the Fund.

Flows for every bond without withholding for the holder CPR=5% (Amounts in EUR)

Payment Date	Class A			Class B			Class C			Class D			Class E		
	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
20/12/2018															
22/04/2019	8.314,68	106,60	8.421,28	8.314,68	239,17	8.553,85	8.314,68	717,50	9.032,18	8.314,68	2.559,08	10.873,76	12.500,00	4.100,00	16.600,00
22/07/2019	6.715,28	72,31	6.787,59	6.715,28	162,23	6.877,51	6.715,28	486,70	7.201,98	6.715,28	1.735,88	8.451,16	3.135,07	2.654,17	5.789,24
22/10/2019	6.771,22	67,75	6.838,97	6.771,22	152,00	6.923,22	6.771,22	456,01	7.227,23	6.771,22	1.626,42	8.397,64	9.823,84	2.300,00	12.123,84
22/01/2020	5.965,15	62,35	6.027,50	5.965,15	139,89	6.105,04	5.965,15	419,67	6.384,82	5.965,15	1.496,81	7.461,96	32.201,55	1.916,67	34.118,22
22/04/2020	5.564,01	56,97	5.620,98	5.564,01	127,81	5.691,82	5.564,01	383,44	5.947,45	5.564,01	1.367,60	6.931,61	13.583,47	1.049,00	14.632,47
22/07/2020	5.209,12	52,58	5.261,70	5.209,12	117,97	5.327,09	5.209,12	353,90	5.563,02	5.209,12	1.262,26	6.471,38	11.950,68	669,83	12.620,51
22/10/2020	5.282,81	49,00	5.331,81	5.282,81	109,95	5.392,76	5.282,81	329,84	5.612,65	5.282,81	1.176,42	6.459,23	16.805,39	293,86	17.099,25
22/01/2021	4.471,12	44,79	4.515,91	4.471,12	100,50	4.571,62	4.471,12	301,49	4.772,61	4.471,12	1.075,30	5.546,42	0,00	0,00	0,00
22/04/2021	4.199,84	40,33	4.240,17	4.199,84	90,49	4.290,33	4.199,84	271,46	4.471,30	4.199,84	968,21	5.168,05	0,00	0,00	0,00
22/07/2021	3.894,21	37,47	3.931,68	3.894,21	84,06	3.978,27	3.894,21	252,18	4.146,39	3.894,21	899,45	4.793,66	0,00	0,00	0,00
22/10/2021	4.011,99	34,77	4.046,76	4.011,99	78,02	4.090,01	4.011,99	234,05	4.246,04	4.011,99	834,79	4.846,78	0,00	0,00	0,00
24/01/2022	3.326,86	32,26	3.359,12	3.326,86	72,38	3.399,24	3.326,86	217,15	3.544,01	3.326,86	774,48	4.101,34	0,00	0,00	0,00
22/04/2022	3.166,93	27,67	3.194,60	3.166,93	62,07	3.229,00	3.166,93	186,21	3.353,14	3.166,93	664,13	3.831,06	0,00	0,00	0,00
22/07/2022	2.860,83	26,11	2.886,94	2.860,83	58,58	2.919,41	2.860,83	175,74	3.036,57	2.860,83	626,81	3.487,64	0,00	0,00	0,00
24/10/2022	2.999,72	24,64	3.024,36	2.999,72	55,28	3.055,00	2.999,72	165,85	3.165,57	2.999,72	591,53	3.591,25	0,00	0,00	0,00
23/01/2023	2.356,71	21,49	2.378,20	2.356,71	48,21	2.404,92	2.356,71	144,63	2.501,34	2.356,71	515,85	2.872,56	0,00	0,00	0,00
24/04/2023	2.236,14	19,63	2.255,77	2.236,14	44,04	2.280,18	2.236,14	132,12	2.368,26	2.236,14	471,23	2.707,37	0,00	0,00	0,00
24/07/2023	1.920,75	17,87	1.938,62	1.920,75	40,09	1.960,84	1.920,75	120,25	2.041,00	1.920,75	428,90	2.349,65	0,00	0,00	0,00
23/10/2023	2.056,21	16,35	2.072,56	2.056,21	36,68	2.092,89	2.056,21	110,05	2.166,26	2.056,21	393,53	2.449,74	0,00	0,00	0,00
22/01/2024	1.416,76	14,73	1.431,49	1.416,76	33,05	1.449,81	1.416,76	99,14	1.515,90	1.416,76	353,60	1.770,36	0,00	0,00	0,00
22/04/2024	1.422,53	13,61	1.436,14	1.422,53	30,54	1.453,07	1.422,53	91,62	1.514,15	1.422,53	326,78	1.749,31	0,00	0,00	0,00
22/07/2024	1.225,49	12,49	1.237,98	1.225,49	28,02	1.253,51	1.225,49	84,07	1.309,56	1.225,49	299,85	1.525,34	0,00	0,00	0,00
22/10/2024	1.410,45	11,65	1.422,10	1.410,45	26,14	1.436,59	1.410,45	78,42	1.488,87	1.410,45	279,68	1.690,13	0,00	0,00	0,00
22/01/2025	931,86	10,53	942,39	931,86	23,62	955,48	931,86	70,84	1.002,70	931,86	252,69	1.184,55	0,00	0,00	0,00
22/04/2025	1.005,98	9,57	1.015,55	1.005,98	21,47	1.027,45	1.005,98	64,41	1.070,39	1.005,98	229,74	1.235,72	0,00	0,00	0,00
22/07/2025	892,49	8,88	901,37	892,49	19,93	912,42	892,49	59,79	952,28	892,49	213,25	1.105,74	0,00	0,00	0,00
22/10/2025	1.065,20	8,27	1.073,47	1.065,20	18,55	1.083,75	1.065,20	55,66	1.120,86	1.065,20	198,51	1.263,71	0,00	0,00	0,00
22/01/2026	592,30	7,42	599,72	592,30	16,65	608,95	592,30	49,94	642,24	592,30	178,12	770,42	0,00	0,00	0,00
22/04/2026	8.713,36	6,80	8.720,16	8.713,36	15,25	8.728,61	8.713,36	45,74	8.759,10	8.713,36	163,16	8.876,52	0,00	0,00	0,00
<b>Total</b>	<b>100.000,00</b>	<b>914,89</b>	<b>100.914,89</b>	<b>100.000,00</b>	<b>2.052,64</b>	<b>102.052,64</b>	<b>100.000,00</b>	<b>6.157,87</b>	<b>106.157,87</b>	<b>100.000,00</b>	<b>21.963,06</b>	<b>121.963,06</b>	<b>100.000,00</b>	<b>12.983,53</b>	<b>112.983,53</b>



## TITLE I GENERAL PROVISIONS

### Article 1

#### *General*

- 1.1 According to Article 37 of Law 5/2015, the Meeting of Creditors will be validly constituted upon execution of the Deed of Incorporation of the Fund.
- 1.2 The terms and conditions of these Rules are deemed to form part of each Note issued by the Fund.
- 1.3 The Rules also govern the relationship of the Noteholders with any third person acting as Subordinated Loan Provider (the “**Other Creditors**”). No creditor of the Fund other than the Noteholders and the Other Creditors shall have the right to vote at any Meeting of Creditors, although they will be bound by any resolution adopted by such Meeting according to the Rules. Nevertheless, the Meeting of Creditors will not be entitled to adopt any resolution affecting the rights of any third party which is a service provider to the Fund to receive its remuneration pursuant to a valid agreement entered into the Fund and whose payments rank senior to any payments to be made to the Noteholders or the Other Creditors according to the Priority of Payments.
- 1.4 Any matter relating to the Meeting of Creditors which is not regulated under these Rules shall be regulated in accordance with Article 37 of the Law 5/2015 and, if applicable, in accordance with the provisions contained in Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Act (“**Capital Companies Act**”), as amended, relating to the Security-holders’ Syndicate.
- 1.5 Any and all Noteholders and Other Creditors are members of the Meeting of Creditors and shall be subject to the provisions established in these Rules (as these may be modified by the Meeting of Creditors from time to time).
- 1.6 The Meeting of Creditors shall be convened by the Management Company and any decisions made by the Management Company in connection with the convening of meetings, whether these are combined or separated and in general any decision made under the discretion rights granted to the Management Company by these Rules will have the objective of defending the best interests of all Noteholders of all Classes of Notes and the Other Creditors and without any distinction between the Noteholders of any Class and Other Creditors. Any information given to Noteholders of any Class or the Other Creditors must be given to the Noteholders of the rest of Classes and the Other Creditors.

### Article 2

#### *Definitions*

All capitalised terms of these Rules not otherwise defined herein shall have the same meaning set forth in the Prospectus and the Deed of Incorporation.

In addition, in this Rules:

- “**Early Liquidation Resolution**” means an Extraordinary Resolution to decide on the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015.
- “**Extraordinary Resolution**” means a resolution in relation to a Reserved Matter passed (i) at a Meeting of Creditors duly convened and held in accordance with the Rules by the relevant majority required or (ii) by virtue of a Written Resolution.

- **“Ordinary Resolution”** means a resolution in relation to any matter other than a Reserved Matter passed (i) at a Meeting of Creditors duly convened and held in accordance with the Rules by the relevant majority required or (ii) by virtue of a Written Resolution.
- **“Written Resolution”** means a resolution in writing signed by or on behalf of all Noteholders and Other Creditors who are then entitled to receive notice of a Meeting of Creditors in accordance with these Rules, whether such resolution is contained in one or several documents in the same form, each signed by or on behalf of one or more such Noteholders or by or on behalf of one or more of the Other Creditors;
- **“Resolution”** means a resolution passed (i) at a Meeting of Creditors by Noteholders of one or several Classes of Notes and/or Other Creditors or (ii) by virtue of a Written Resolution.
- **“Transaction Party”** means any person who is a party to a Transaction Document and **“Transaction Parties”** means some or all of them;
- **“Transaction Documents”** means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Management, Placement and Subscription Agreement; (iii) the Subordinated Loan Agreement for Initial Expenses; (iv) the Subordinated Loan for the Commingling Reserve; (v) the Agency and Financial Services Agreement; (vi) the Loan Servicing Agreement; (vii) the Back-Up Servicing Agreement and (viii) any other documents executed from time to time after the Date of Incorporation in connection with the Fund and designated as such by the relevant parties.

### Article 3

#### *Separate and combined meetings*

- 3.1 An Ordinary Resolution or an Extraordinary Resolution which affects the Noteholders of one or more Classes of Notes and/or the Other Creditors but does not give rise to an actual or potential conflict of interest between the Noteholders of different Classes of Notes and/or the Other Creditors shall be transacted at a separate Meeting of Creditors for the Noteholders of each Class of Notes or the Other Creditors, or at a single Meeting of Creditors of the Noteholders of all Classes of Notes and the Other Creditors, as the Management Company shall determine at its absolute discretion.
- 3.2 An Ordinary Resolution or an Extraordinary Resolution which affects the Noteholders of different Classes of Notes and/or the Other Creditors and gives rise to an actual or potential conflict of interest between the Noteholders of any such Classes of Notes and/or the Other Creditors shall be transacted at separate Meetings of Creditors of the Noteholders of each of the affected Classes of Notes and, if applicable, of the Other Creditors.

### Article 4

#### *Meetings convened by Noteholders and Other Creditors*

- 4.1 A Meeting of Creditors shall be convened by the Management Company upon the request in writing of:
  - (i) Noteholders of a Class or Classes holding no less than 10 per cent of the aggregate Outstanding Balance of Notes of the relevant Class or Classes; or
  - (ii) Other Creditors holding no less than 10 per cent of the outstanding principal amount due to such Other Creditors.
- 4.2 Unless otherwise provided under these Rules, the Noteholders and the Other Creditors are not entitled to instruct or direct the Management Company to take any actions without the consent of the Meeting of Creditors.

**TITLE II**  
**MEETING PROVISIONS**

**Article 5**

*Convening of Meeting*

- 5.1 The Management Company:
- (i) may, at its sole discretion and at any time, convene a Meeting of Creditors in relation to one or several Classes of Notes and/or the Other Creditors; and
  - (ii) shall convene a Meeting of Creditors in relation to one or several Classes of Notes and/or the Other Creditors if so instructed by the relevant percentage of Noteholders or Other Creditors as set forth in section 4.1 above.
- 5.2 Whenever the Management Company is about to convene any such meeting, it shall immediately give notice of the date thereof and of the nature of the business to be transacted thereat, through the publication of a material event (*hecho relevante*) with the CNMV.
- 5.3 The resources needed and the costs incurred for each Meeting of Creditors shall be provided and borne by the Fund as Extraordinary Expenses.
- 5.4 The Management Company shall designate a representative for each Meeting of Creditors; therefore, no commissioner (*comisario*) shall be appointed for any Meeting of Creditors.

**Article 6**

*Notice*

- 6.1 The Management Company shall give at least 21 calendar days' notice by means of the procedure established in section 4.3 of the Additional Building Block (exclusive of the day on which the notice is published and of the day on which the meeting is to be held) specifying the date, time and place of the initial Meeting of Creditors ("**Initial Meeting**") to the Noteholders and Other Creditors.
- 6.2 Without prejudice to the above, the Management Company may adjourn such Initial Meeting for 10 calendar days in the event that the relevant quorum for the Initial Meeting is not met ("**Adjourned Meeting**").

**Article 7**

*Quorums at Initial Meetings and Adjourned Meetings*

Quorums at Initial Meetings:

- 7.1 The quorum at an Initial Meeting for one or several Classes of Notes convened to decide on an Ordinary Resolution shall be at least one or more persons holding or representing 50,01% of the Outstanding Balance of the Notes of each of the Class or Classes convened.
- 7.2 The quorum at any Initial Meeting for one or several Classes of Notes convened to decide on:
- (i) an Extraordinary Resolution (other than an Early Liquidation Resolution) shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Balance of the Notes of the relevant Class or Classes convened;
  - (ii) an Early Liquidation Resolution shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Balance



of the Notes of the relevant Class or Classes and seventy-five per cent (75%) of the outstanding principal amount due to each of the Other Creditors.

Quorums at Adjourned Meetings:

- 7.3 The quorum at any Adjourned Meeting for one or several Classes of Notes convened to decide on an Ordinary Resolution shall be at least one or more persons being or representing Noteholders of the relevant Class or Classes convened, irrespective of the aggregate Outstanding Balance of the Notes held by the Noteholders of such Class or Classes.
- 7.4 The quorum at any Adjourned Meeting for one or several Classes of Notes convened to decide on:
- (i) an Extraordinary Resolution (other than an Early Liquidation Resolution) shall be at least one or more persons holding or representing not less than thirty-three per cent (33%) of the Outstanding Balance of the Notes of the relevant Class or Classes convened
  - (ii) an Early Liquidation Resolution shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Balance of the Notes of the relevant Class or Classes and seventy-five per cent (75%) of the outstanding principal amount due to each of the Other Creditors.

Quorums of Other Creditors:

- 7.5 There is no minimum quorum of Other Creditors for either an Initial Meeting or an Adjourned Meeting convened to decide on an Ordinary Resolution or an Extraordinary Resolution (other than an Early Liquidation Resolution, in which case one or more persons holding or representing not less than seventy-five per cent (75%) of the outstanding principal amount due to each of the Other Creditors shall attend).

For the purposes of calculating the relevant quorum, the entitlement of the Noteholders and Other Creditors to attend the meeting shall be determined by reference to the Outstanding Balance of the Notes of the relevant Class or Classes or the outstanding principal due to each of the Other Creditors on the immediately preceding Payment Date to the convening of the Meeting.

**Article 8**

*Required Majority*

- 8.1 An Ordinary Resolution or an Extraordinary Resolution is validly passed at any Initial Meeting and/or Adjourned Meeting when:
- (i) in respect of an Ordinary Resolution or an Extraordinary Resolution (other than an Early Liquidation Resolution), not less than seventy-five per cent (75%) of the votes cast by the Noteholders of each of the Classes of Notes and/or the Other Creditors attending the meeting have been cast in favour thereof, or
  - (ii) in respect of an Early Liquidation Resolution, not less than seventy-five per cent (75%) of the total outstanding principal held by the Noteholders and not less than seventy-five per cent (75%) of the total outstanding principal held by the Other Creditors have been cast in favour thereof, also taking into account those not attending the relevant meeting.

For the purposes of calculating the relevant required majority, the voting rights of the Noteholders and Other Creditors shall be determined by reference to the Outstanding Balance of the Notes of the relevant Class or Classes or the outstanding principal due to

each of the Other Creditors on the immediately preceding Payment Date to the convening of the Meeting.

#### **Article 9**

##### *Written Resolution*

- 9.1 A Written Resolution in relation to an Ordinary Resolution or an Extraordinary Resolution is validly passed when it has been signed by or on behalf of:
- (i) the Noteholders holding one hundred per cent (100%) of the Outstanding Balance of the Notes of the relevant Class or Classes affected by such resolution; and/or
  - (ii) by and on behalf of the and Other Creditors holding one hundred per cent (100%) of the outstanding principal held by the Other Creditors.

#### **Article 10**

##### *Matters requiring an Extraordinary Resolution*

- 10.1 Any Reserved Matter must be approved by an Extraordinary Resolution.

#### **Article 11**

##### *Reserved Matters*

- 11.1 The following are “**Reserved Matters**”:
- (i) to change any date fixed for the payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;
  - (ii) to change the currency in which amounts due in respect of the Notes are payable;
  - (iii) to alter the priority of payment of interest or principal in respect of the Notes;
  - (iv) to change the quorum required at any Meeting of Creditors or the majority required to pass an Extraordinary Resolution;
  - (v) to authorise the Management Company or (if relevant) any other Transaction Party to perform any act or omission which is not expressly regulated under the Deed of Incorporation and other Transaction Documents;
  - (vi) to approve the cancellation of the Fund in accordance with Article 23.2.b) of Law 5/2015;
  - (vii) to approve any proposal by the Management Company for any modification of the Deed of Incorporation or any arrangement in respect of the obligations of the Fund under or in respect of the Notes (except when, in accordance with section 4.4.1 of the Registration Document, the amendments to the Deed of Incorporation are of minor relevance in CNMV’s opinion, which will need to be documented by the Management Company);
  - (viii) to instruct the Management Company or any other person to do all that may be necessary to give effect to any Extraordinary Resolution;
  - (ix) to give any other authorisation or approval which under the Deed of Incorporation or the Notes is required to be given by Extraordinary Resolution;

- (x) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution; and
- (xi) to amend this definition of Reserved Matters.

## **Article 12**

### *Relationships between Noteholders and Other Creditors*

- 12.1 Resolutions adopted by the holders of the Class A Notes will bind the holders of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as well as the Other Creditors, save where they relate to a Reserved Matter in accordance with 12.5 below. However neither the Resolutions adopted by the holders of each of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes nor the Other Creditors shall bind the holders of the Class A Notes, unless such Resolution has been voted and approved by the holders of the Class A Notes.
- 12.2 Resolutions adopted by the holders of the Class B Notes will bind the holders of the Class C Notes, the Class D Notes and the Class E Notes as well as Other Creditors, save where they relate to a Reserved Matter in accordance with 12.5 below. However neither the Resolutions adopted by the holders of the Class C Notes, the Class D Notes, the Class E Notes nor the Other Creditors shall bind the holders of the Class B Notes, unless such Resolution has been voted and approved by the holders of the Class B Notes.
- 12.3 Resolutions adopted by the holders of the Class C Notes will bind the holders of the Class D Notes and the Class E Notes as well as Other Creditors, save where they relate to a Reserved Matter in accordance with 12.5 below. However neither the Resolutions adopted by the holders of the Class D Notes and the Class E Notes nor Other Creditors shall bind the Class C Notes, unless such Resolution has been voted and approved by the holders of the Class C Notes.
- 12.4 Resolutions adopted by the holders of the Class D Notes will bind the holders of the Class E Notes as well as Other Creditors, save where they relate to a Reserved Matter in accordance with 12.5 below. However neither the Resolutions adopted by the holders of the Class E Notes nor Other Creditors shall bind the Class D Notes, unless such Resolution has been voted and approved by the holders of the Class D Notes.
- 12.5 No Extraordinary Resolution (other than an Early Liquidation Resolution, which shall be approved in accordance with the rules in Article 8.1 (ii) above) that is passed by the holders of one Class of Notes or the Other Creditors shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding.
- 12.6 Any resolution affecting a Class of Notes or the Other Creditors passed at a Meeting of Creditors duly convened and held in accordance with these Rules and the Deed of Incorporation shall be binding upon all Noteholders of such Class of Notes and the Other Creditors, whether or not present at such meeting and whether or not voting.
- 12.7 In addition, so long as any Notes are outstanding and there is a conflict between the interests of (i) the Noteholders of all or some Classes of Notes and (ii) the Other Creditors, the Management Company shall have regard solely to the interests of the Noteholders in the exercise of its discretion.
- 12.8 The Management Company shall not be obliged to solve any conflict of interest between Noteholders of different Classes of Notes. No challenge or claim may be pursued against the Management Company for any action taken as a result of the implementation of any Ordinary or Extraordinary or Written Resolution duly passed by the Meeting of Creditors

according to the Rules, even if it could result in any conflict of interests between Noteholders of the same or different Classes and/or Other Creditors, and regardless the rights of the conflicted parties to claim to each other.

#### **Article 13**

##### *Domicile*

- 13.1 The Meeting of Creditors' domicile is located at the Management Company's registered office, i.e., Príncipe de Vergara 131, Madrid (Spain).
- 13.2 However, the Meeting of Creditors may meet whenever appropriate at any other venue in the city of Madrid, with express specification in the notice of call to meeting.

### **TITLE III**

#### **GOVERNING LAW AND JURISDICTION**

#### **Article 14**

##### *Governing law and jurisdiction*

- 14.1 These Rules and any non-contractual obligations arising therefrom or in connection therewith are governed by, and will be construed in accordance with, the laws of Spain.
- 14.2 All disputes arising out of or in connection with these Rules, including those concerning the validity, interpretation, performance and termination hereof, shall be exclusively settled by the Courts of the city of Madrid.

#### **4.12. Resolutions, authorisations and approvals by virtue of which the securities are issued.**

##### **a) Corporate resolutions**

###### ***Resolution to create the Fund and issue the Notes:***

The Board of Directors of the Management Company, at its meeting held on 27 September 2018, resolved to:

- (i) incorporate the Fund, pursuant to Law 5/2015 and other current applicable provisions and regulations;
- (ii) pool the Receivables, derived from the loans granted by Cajamar to the Debtors, in the Fund;
- (iii) issue the Notes.

###### ***Resolution to assign the Receivables:***

The Executive Commission of Cajamar's Governing Council, at its meeting held on 15 October 2018, approved the assignment to the Fund of the Receivables.

##### **b) Registration by the CNMV**

This Prospectus was recorded in the Official Registers of the CNMV on 13 December 2018.

##### **c) Certification of the Deed of Incorporation of the Fund**

Once the CNMV files the Prospectus, the Management Company and Cajamar, acting as Originator, will proceed to grant the Deed of Incorporation of the Fund. The Deed of Incorporation will be executed before the Date of Subscription of the Notes.

On behalf of the Fund, the Management Company represents that the contents of the Deed of Incorporation will be fully consistent with the provisions of the draft Deed of Incorporation filed with the CNMV. Under no circumstances will the terms of the Deed of Incorporation contradict, modify, alter or invalidate the rules set forth in this Prospectus.

The Management Company will deliver a copy of the Deed of Incorporation to the CNMV to be filed in its public records.

In case of any discrepancy or inconsistency between this Prospectus and the Deed of Incorporation, the Prospectus shall prevail.

#### **4.13. Issue date**

The issue date of the Notes will be 14 December 2018.

##### **4.13.1 Group of potential investors**

The placement of Class D Notes and Class E Notes is aimed at qualified investors for the purposes of Article 39 of Royal Decree 1310/2005, i.e., for descriptive purposes and not limited to, legal persons authorised or regulated to operate in financial markets, including credit institutions, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, other authorised or regulated financial entities, etc.

The issuance of the Class D Notes and Class E Notes is directed towards qualified investors (as defined in Article 39 of Royal Decree 1310/2005). Additionally, Class A Notes, Class B Notes and Class C Notes will be subscribed by ICO and Cajamar. By subscribing the Notes, each Noteholder agrees to the terms of the Deed of Incorporation and this Prospectus.

##### **4.13.2 Subscription Period**

The Management Company will enter into a Management, Placement and Subscription Agreement of the Notes.

By virtue of the said agreement, ICO shall subscribe TWO HUNDRED EIGHTY THREE MILLION FOUR HUNDRED THOUSAND EUROS (€283,400,000) of Class A Notes and Cajamar will subscribe (i) the remaining THREE HUNDRED NINETEEN MILLION THREE HUNDRED THOUSAND EUROS (€319,300,000) of Class A Notes, (ii) the total amount of the Class B Notes and Class C Notes and (iii) any Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager.

Cajamar will not charge any fees for the subscription of (i) the Class A Notes that it will subscribe, nor (ii) the Class B Notes and Class C Notes, nor, if applicable, (iii) the Class D Notes and Class E Notes. Any placement fees to the Lead Manager or any fees to the Arranger will be paid by Cajamar and not by the Issuer.

The Subscription Period will begin at 09:00 Madrid time on 19 December 2018 and will end on the same date at 12:00 Madrid time. Once the Subscription Period has ended, and before 12:30 Madrid time on the same day, the Lead Manager will notify Cajamar and the Management Company of the number and amount of the Class D Notes and Class E Notes that have been placed. Cajamar undertakes to subscribe the remaining Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager in accordance with the Management, Placement and Subscription Agreement on 19 December 2018, between 13:00 Madrid time and 13:30 Madrid time.

##### **4.13.3 Disbursement date and form**

The Disbursement Date will be 20 December 2018.

The disbursement of the amounts of the Notes will be paid by the subscribing entities in accordance with the Management, Placement and Subscription Agreement. The issue price of the Notes will be at par.

On the Disbursement Date, the Lead Manager will pay to the Fund into the Treasury Account before 15:00 Madrid time through the Paying Agent the amount received from the subscribers of the Class D Notes and Class E Notes actually placed, and the amount received from ICO for the subscription of TWO HUNDRED EIGHTY THREE MILLION FOUR HUNDRED THOUSAND EUROS (€283,400,000) of the Class A Notes, for value that same day.

Before 12:30 Madrid time on the Disbursement Date, for value that day (i) ICO must pay the Lead Manager the price of Class A Notes to be subscribed by ICO and (ii) the Class D and Class E Noteholders must pay the Lead Manager the price of the issue of the Class D Notes and Class E Notes subscribed.

Furthermore, (i) the amount of Class A Notes subscribed by Cajamar, (ii) the total amount of the Class B and Class C Notes and (iii) the amount of the Class D and Class E Notes that were not placed by the Lead Manager with qualified investors, if any, will be set-off against the amounts that Cajamar as Originator would receive for the assignment of the Receivables.

#### **4.14. Restrictions on free transferability of the securities.**

The Notes may be freely transferred by any means allowed by law and in accordance with AIAF standards. The ownership of each Note will be transferred by book-entry transfer. The registration of the transfer in favor of the acquirer in the book-entry register will have the same effects as the transfer of the certificates and, as from such time, the transfer may be challenged by third parties.

### **5. ADMISSION TO LISTING AND DEALING ARRANGEMENTS**

#### **5.1. Indication of the market where the securities will be listed and traded.**

The Management Company will request the admission of the issue of all the Notes to trading on the AIAF. The Management Company will also, on behalf of the Fund, request the inclusion of the issue in Iberclear so that clearance and settlement may be carried out under the operating rules established or that may be approved in the future by Iberclear with regard to the securities admitted to trading on the AIAF and represented by book entries.

The Management Company undertakes to complete the registration of the issue of all the Notes on the AIAF within a period of thirty (30) days from the Disbursement Date once the corresponding authorisations have been obtained.

The Management Company, in the name and on behalf of the Fund, states that it is aware of the requirements and conditions that may be requested for the listing, maintenance and de-listing of the securities with AIAF in accordance with applicable regulations as well as the requirements by the governing bodies of the latter, and the Management Company undertakes to comply therewith.

In the event of a failure to meet the deadline for admission of the Notes to trading, the Management Company undertakes to provide a notice of material event with the CNMV and make the announcement in the Daily Bulletin of the AIAF or in any other media generally accepted by the market which guarantees adequate dissemination of the information, in time and content, concerning the reasons for such breach and the new date for admission of the issued securities to trading, without prejudice to the possible liability of the Management Company if the breach is due to reasons attributable thereto.

It is not expected that there will be an agreement with any entity to provide liquidity for the Notes during the term of the issue.

## 5.2. Paying Agent and Depository Agents.

### a) Paying Agent:

The Management Company, on behalf of the Fund, appoints Santander, which undertakes to be the Paying Agent. The obligations assumed by Santander in its condition as Paying Agent include the following:

#### (i) Disbursement of issue

The Paying Agent will pay the Fund, before 15:00 (Madrid time) on the Disbursement Date and for value that same day, all amounts which are paid thereto by ICO and the Noteholders of Class D Notes and Class E Notes in accordance with the provisions of the Management, Placement and Subscription Agreement, by means of a deposit into the Treasury Account of the Fund.

Cajamar will pay into the Treasury Account, on the Disbursement Date before 13:30 Madrid time, for value that day, (i) the amount of Class A Notes subscribed by Cajamar, (ii) the total amount of the Class B and Class C Notes and (ii) the amount of the Class D and Class E Notes that were not placed by the Lead Manager with qualified investors.

Notwithstanding the above, as long as Cajamar is both the Originator and the subscriber of (i) THREE HUNDRED NINETEEN MILLION THREE HUNDRED THOUSAND EUROS (€319,300,000) of Class A Notes; (ii) the total amount of Class B Notes and Class C Notes and (iii) the Class D Notes and Class E Notes not placed among qualified investors by the Lead Manager, the amounts to be paid by Cajamar for the subscription of the such Notes could be set-off against the amounts that the Originator should receive for the assignment of the Receivables.

#### (ii) Payments from the Fund

On each of the Payment Dates of the Notes, the Paying Agent will make the payment of interest and repayment of the principal of the Notes in accordance with the instructions received from the Management Company and following the Priority of Payments or, where applicable the Liquidation Priority of Payments described in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

The payments to be made by the Paying Agent will be made through the corresponding Iberclear participants in whose registers the Notes are recorded, in accordance with the procedures in force regarding this service.

Moreover, on each Payment Date of the Fund, the Paying Agent will carry out any payment required by the Management Company in relation to the Fund for expenses and fees.

#### (iii) Custody of the Multiple Titles that represent the Mortgage Transfer Certificates.

In accordance with the Agency and Financial Services Agreement, Santander will custody the Multiple Titles representing the Mortgage Transfer Certificates until the termination of such agreement.

The remuneration of the Paying Agent, its principal functions and its replacement or the termination of its appointment are regulated under the Agency and Financial Services Agreement and described in section 3.4.7.1 of the Additional Building Block.

### b) Depository Agents:

Not applicable.

## 6. EXPENSES OF ADMISSION TO LISTING AND TRADING

The following expenses are expected:

<b>Costs of incorporation and issuance (expenses relating to documentation, advertising, official charges and others):</b>	<b>Euros</b>
CNMV charges (for the offer and admission to trading): 0.01% of the Notes  If for any reason the Notes are not admitted to trading, there will be a fixed fee of €5,000.	61,206.00
AIAF charges:	48,605.00
Iberclear charges:	8,000.00
Other (management fee, rating agencies, legal advice, notarial services, auditing and more)	1,035,189.00
<b>TOTAL</b>	<b>1,153,000.00</b>

The expenses of incorporation and issuance reflected herein will be paid from the Subordinated Loan for Initial Expenses.

## **7. ADDITIONAL INFORMATION**

### **7.1. Persons and entities advising the issue.**

CUATRECASAS participates as legal advisor of the Lead Manager and Arranger with respect to the structure of the transaction and has reviewed the legal and tax matters applicable to the Fund set forth in section 4.5.d) of the Registration Document, in its capacity as an independent third party.

ALLEN & OVERY participates as legal advisor of Cajamar and has reviewed the Prospectus and the structure of the transaction for the benefit of Cajamar.

### **7.2. Information in the Securities Note reviewed by auditors.**

Not applicable.

### **7.3. Statement or report attributed to a person as an expert.**

PWC has prepared an audit report on certain attributes of the Assets as of 11 November 2018, that is included in section 2.2 of the Additional Building Block.

### **7.4. Information sourced from third parties.**

The Management Company confirms that the information provided by Cajamar in its capacity as Originator has been accurately reproduced in sections 2.2.2, 2.2.6, 2.2.7, 2.2.8 and 3.5 of the Additional Building Block and that, as far as it is aware and has been able to ascertain based on the information provided by Cajamar, no facts have been omitted that would render the information inaccurate or misleading.

### **7.5. Ratings given by rating agency.**

On 10 December 2018, the Class A Notes, Class B Notes, Class C Notes and Class D Notes included in this Securities Note were given the following provisional ratings by the Rating Agencies, which are Fitch and DBRS, respectively:

<b>Notes</b>	<b>Fitch</b>	<b>DBRS</b>
Class A Notes	AAA (EXP)sf	AA



Class B Notes	BBB+ (EXP)sf	BBB
Class C Notes	BB+ (EXP)sf	BB
Class D Notes	CCC (EXP)sf	N/A
Class E Notes	N/A	N/A

**Considerations regarding ratings:**

In the event that, on or before the Disbursement Date of the Notes, the Rating Agencies do not confirm as final any of the provisional ratings assigned by the Rating Agencies, this circumstance will be immediately reported to the CNMV and made public as provided in section 4 of the Additional Building Block. This circumstance will result in cancellation of the incorporation of the Fund, the Notes issue and all agreements in relation to the costs incurred from incorporating the Fund, the Notes issue and the transfer of the Notes.

Final ratings may be reviewed, suspended or withdrawn at any time by the Rating Agencies. These situations, which will not constitute grounds for Early Liquidation of the Fund, will be immediately reported to the CNMV and to the Noteholders in accordance with section 4 of the Additional Building Block.

The abovementioned credit ratings are intended purely as an opinion and should not prevent potential investors from conducting their own analyses of the securities to be acquired.

As of 31 October 2011, the abovementioned Rating Agencies are registered and authorised by the ESMA as European Union Credit Rating Agencies in accordance with the provisions of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

## **ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE (ANNEX VIII OF REGULATION (EC) NO 809/2004)**

### **1. THE SECURITIES**

#### **1.1. Amount of the issue.**

The Fund, which is represented by the Management Company, will be incorporated with the Receivables that Cajamar will assign to the Fund on the Date of Incorporation, the principal amount of which will be equal to or slightly lower than NINE HUNDRED FIFTY THREE MILLION EUROS (€953,000,000), which amount represents the nominal value of the issue of the Class A, Class B, Class C and Class D Notes. The total amount issue of the Notes is NINE HUNDRED SEVENTY TWO MILLION ONE HUNDRED THOUSAND EUROS (€972,100,000).

#### **1.2. Confirmation that the information relating to an undertaking/debtor not involved in the issue has been reproduced.**

Not applicable.

### **2. THE UNDERLYING RECEIVABLES**

#### **2.1. Confirmation that the Receivables have the capacity to produce funds to service payments on the securities.**

The Management Company confirms that the cash flows of principal, ordinary interest and default interest generated by the Loans shall permit, pursuant to their contractual characteristics, the payment of all the amounts due and payable in relation to the Notes.

However, in order to cover payment defaults by the Debtors, in accordance with the applicable law, credit enhancement will be put in place in order to increase the security or regularity of the payment of the Notes and mitigate or neutralise differences in interest rates on the assets, and which are described in section 3.4.2 of this Additional Building Block. Such enhancements, however, may prove to be insufficient in exceptional circumstances.

The Management Company confirms the above on the basis of the Originator's representations made in section 2.2.8 of the Additional Building Block, regarding the information provided by the Originator in relation to the Receivables to be assigned to the Fund and the Loans, as well as on the basis of the audit report on the Preliminary Portfolio of the Loans and the opinion contained in the provisional ratings assigned to the Rated Notes by the Rating Agencies.

#### **2.2. Receivables backing the issue.**

The assets backing the issue and assigned to the Fund are Receivables owned by Cajamar, arising from Loans selected on the Date of Incorporation from the Preliminary Portfolio.

Cajamar has originated the Loans composing the Preliminary Portfolio.

The Receivables selected for assignment to the Fund were granted by Cajamar in accordance to its standard analysis and credit risk assessment policy.

The Loans in the Preliminary Portfolio have been granted to debtors resident in Spain at the time of origination that are classified as self-employed or individual business persons and/or micro businesses, non-financial small and medium sized companies categorised as such by Bank of Spain Technical Implementation 9/2016: entities that regardless of their legal nature, carry out an economic activity with an annual turnover below 50 million Euros, or, in the event that it is part of a consolidated group, the annual turnover of said group.

The Loans in the Preliminary Portfolio have been selected according to Cajamar internal risk model with a downturn loss-given-default (“DTLGD”) of 40% or lower, a through-the-cycle probability of default (“PDTTC”) of 3% or lower, a risk weight (“RW”) of 20% or greater and a rating (“Internal Rating”) according to Cajamar internal scale of 5 or greater. Those levels will be applicable on the Date of Incorporation, hence if the Management Company or the Originator becomes aware for any reason whatsoever that a Loan does not comply with the referred levels of downturn loss-given default, through-the-cycle probability of default, risk weight and internal rating on the Date of Incorporation, the Originator will remedy such non-compliance according to section 2.2.9. of the Additional Building Block.

PDTTC means the likelihood that a default occurs (stressed under certain macroeconomic conditions), calculated by Cajamar using internal risk models according to its methodology.

DTLGD means the expected loss on a downturn cycle once a default occurred, calculated by Cajamar using internal models according to its methodology.

RW means the risk-weighted associated to the loan calculated by Cajamar according to Regulation 575/2013.

Internal Rating means the rating associated to each loan obtained from the PDTTC calculation above mentioned, being 10 the best and 0 the worst.

On the cut-off date of 11 November 2018 the Preliminary Portfolio included 27,275 Loans with an Outstanding Balance of 1,122,625,420.69 Euros. The Preliminary Portfolio includes mortgage secured Loans (the “**Mortgage Loans**”) and non-mortgage secured Loans (the “**Non-Mortgage Loans**”). Both type of Loans can include additional guarantees other than the personal guarantee of the relevant Debtor and the *in rem* right of mortgage (in case of Mortgage Loans). Such additional guarantees can be both personal, guarantees granted by third parties, or *in rem* security, which may not be recordable in any public registry. This Prospectus does not include information about such guarantees. Cajamar has represented to the Management Company that the number and amount of Loans in the Preliminary Portfolio will be sufficient to incorporate the Fund on the Date of Incorporation for the expected amount, in accordance with the Preliminary Portfolio restrictions detailed in section 2.2.8 to follow, equal or as close as possible to 953,000,000.00 Euros.

The assignment of the Receivables derived from Non-Mortgage Loans will take place directly through the Deed of Incorporation.

The assignment of the Receivables derived from Mortgage Loans will be implemented by the subscription by the Fund of the MTCs (the “**Mortgage Transfer Certificates**” or “**MTCs**”) issued by the Originator pursuant to Law 2/1981, Royal Decree 716/2009 and Law 5/2015. On the Date of Incorporation, the Mortgage Loans do not meet all the requirements of Chapter 2 of Royal Decree 716/2009 to be eligible to issue mortgage participations (*participaciones hipotecarias*).

The Receivables are linked to Debtor payments and are, therefore, directly affected by the evolution, delays, prepayments or any other incident affecting them.

### **Receivables Audit Report**

In accordance with Article 22 of Law 5/2015, PWC has produced a report regarding certain attributes of the Preliminary Portfolio. This report has been carried out using sampling techniques, a method generally accepted to verify an entity’s records in relation to a group of items (population), and allowing for a conclusion about said population through the analysis of a smaller number of items (sample) than of the total population. The level of confidence indicates the probability that the real number of items with deviations from an existing trend in a real population does not exceed a predetermined limit (accuracy). The chosen size of the sample and

level of confidence, determine that the absence of errors in the sample shall correspond to a maximum number of errors inferred for the population, other than zero.

Loans included in the audited sample with errors in any of the attributes analysed in the audit report will not be assigned to the Fund on the Date of Incorporation.

The Management Company declares that all the Receivables pooled in the Fund will derive from Loans included in the Preliminary Portfolio and covered in the audit report referred to in this section.

The audit results are included in a report produced by PWC which is part of the documents available for consultation as detailed in section 10 of the Registration Document.

The attributes dealt with in the audit report are as follows:

- Nature of the Obligor and Loan formalisation;
- SME/self-employed confirmation
- Identification of the Obligor;
- Ownership of the Loans;
- Date of execution of the Loans;
- Restructuring Loans;
- Date of maturity of the Loans;
- Initial amount of the Loans;
- Current balance of the Loans;
- Reference interest rate;
- Spread over the reference interest rate;
- Interest rate applied;
- Delays in payment;
- Transfer of the Assets deriving from the Loans;
- Purpose of the Loans;
- Bankruptcy situation;
- Loans granted to developers ("*promotores inmobiliarios*");
- Financial leasing;
- Syndicated operations;
- Type of guarantee;

Additionally, for those loans secured with a mortgage, the following attributes have been revised:

- Mortgage Loan;
- Address of the property mortgaged and/or property registration;
- Valuation;

- Loan to Value (LTV);
- Finished dwelling;

PricewaterhouseCoopers identification details are listed in section 5.2 of the Registration Document.

### 2.2.1 Legal jurisdiction governing the asset pool

The Receivables securitised are governed by Spanish law.

### 2.2.2 General characteristics of the Debtors and the economic scenario, including global data for the assets

The tables included below show the relevant distributions of the Loans on 11 November 2018.

#### List of Distribution Tables

- 1 Origination Year
- 2 Seasoning
- 3 Original Balance
- 4 Outstanding Balance
- 5 Current All-In Interest Rate
- 6 Reference Rate Type
- 7 Transition Year (Mixed Loans)
- 8 Interest rate reduction
- 9 Interest rate reductions (bonification) - Type of interest rate Mixed
- 10 Interest rate reductions (bonification) - Type of interest rate Floating  
Interest rate reductions (bonification) - Type of interest rate Fixed -
- 11 Revisable
- 12 Maximum Rates
- 13 Minimum Rates
- 14 Principal payment frequency
- 15 Interest payment frequency
- 16 Amortisation system
- 17 Principal Grace Period
- 18 Remaining Terms
- 19 Top-10 Borrower Industry (CNAE)
- 20 Breakdown by Loan Purpose
- 21 Borrower Region
- 22 Type of Borrower
- 23 Borrower Group Concentration
- 24 Type of SME Size
- 25 Secured/Unsecured
- 26 Current LTV
- 27 Days in Arrears

- 28** Type of Guarantee
- 29** Guarantee Region
- 30** Through-the-cycle probability of default
- 31** Downturn loss-given-default
- 32** Risk weight
- 33** Internal rating

The Loan Agreements do not refer to a scenario in which the reference interest rate plus the margin could result in a negative interest rate. However, if that occurs, the Originator understands that the nature of the Loans does not foresee any payment of interest to the Debtors. Thus, if the reference interest rate, plus the margin, were to be negative, it would mean that neither would the Debtor pay any interest amount (it would pay only the relevant principal repayment) nor would the Originator pay any amount to the Debtor for the negative interest. Notwithstanding the above, if the law changes or consolidated case law of a Supreme Court shows an opposing opinion, any potential cost would be paid by the Originator.

**Table 1. Breakdown by Origination Year**

Year of Origination	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
2003	4	0,0%	319.974	0,0%	98	280	2,79%
2004	8	0,0%	215.589	0,0%	58	230	1,50%
2005	14	0,1%	2.544.842	0,2%	70	231	3,03%
2006	18	0,1%	765.484	0,1%	90	236	2,63%
2007	40	0,1%	2.518.838	0,2%	67	203	2,39%
2008	19	0,1%	827.125	0,1%	70	196	3,51%
2009	105	0,4%	2.557.383	0,2%	59	170	2,83%
2010	137	0,5%	5.399.804	0,5%	64	164	3,08%
2011	56	0,2%	9.683.944	0,9%	116	206	2,28%
2012	287	1,1%	11.474.930	1,0%	101	177	3,59%
2013	1.261	4,6%	38.944.629	3,5%	92	156	3,99%
2014	3.077	11,3%	105.804.605	9,4%	81	132	3,43%
2015	5.237	19,2%	182.520.648	16,3%	70	110	3,00%
2016	5.906	21,7%	248.048.133	22,1%	78	106	2,72%
2017	8.582	31,5%	403.923.510	36,0%	82	99	2,51%
2018	2.524	9,3%	107.075.983	9,5%	75	84	2,33%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min (Year)	2003
Max (Year)	2018

**Table 2. Breakdown by Seasoning**

Seasoning	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[0 ; 12]	3.117	11,4%	132.191.360	11,8%	76	85	2,33%
[12 ; 24]	8.565	31,4%	405.755.528	36,1%	82	100	2,53%
[24 ; 36]	5.783	21,2%	240.125.083	21,4%	78	107	2,73%
[36 ; 48]	5.126	18,8%	176.992.713	15,8%	70	111	3,04%
[48 ; 60]	2.847	10,4%	96.239.590	8,6%	80	133	3,48%
[60 ; 72]	1.202	4,4%	36.357.587	3,2%	94	158	4,05%
[72 ; 84]	235	0,9%	10.175.661	0,9%	100	178	3,39%
[84 ; 96]	68	0,2%	10.897.525	1,0%	112	202	2,38%
[96 ; 108]	134	0,5%	4.639.735	0,4%	57	158	2,96%
>108	198	0,7%	9.250.639	0,8%	71	210	2,81%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min	7 months
Max	187 months
Avg	30 months
WA	30 months

**Table 3. Breakdown by Original Balance**

Breakdown by Original Balance	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[0 ; 10.000]	2.920	10,7%	10.071.024	0,9%	34	56	4,28%
[10.000 ; 20.000]	5.495	20,1%	42.511.499	3,8%	41	66	4,11%
[20.000 ; 30.000]	4.604	16,9%	60.007.277	5,4%	45	70	3,84%
[30.000 ; 40.000]	3.238	11,9%	62.197.198	5,5%	51	76	3,71%
[40.000 ; 50.000]	2.066	7,6%	54.256.960	4,8%	54	79	3,38%
[50.000 ; 60.000]	1.529	5,6%	47.730.124	4,3%	57	84	3,35%
[60.000 ; 70.000]	1.245	4,6%	47.897.871	4,3%	61	87	3,16%
[70.000 ; 80.000]	802	2,9%	37.585.487	3,4%	66	93	3,16%
[80.000 ; 90.000]	629	2,3%	33.149.678	3,0%	67	94	2,93%
[90.000 ; 100.000]	484	1,8%	29.737.260	2,7%	70	98	2,99%
[100.000 ; 200.000]	2.504	9,2%	221.325.950	19,7%	80	108	2,71%
[200.000 ; 300.000]	823	3,0%	132.109.726	11,8%	89	119	2,41%
[300.000 ; 400.000]	440	1,6%	103.030.451	9,2%	97	128	2,34%
[400.000 ; 500.000]	188	0,7%	58.716.570	5,2%	107	137	2,09%
[500.000 ; 600.000]	101	0,4%	37.503.226	3,3%	101	134	2,12%
[600.000 ; 700.000]	55	0,2%	22.988.519	2,1%	98	137	2,09%
[700.000 ; 800.000]	39	0,1%	21.743.397	1,9%	108	146	2,20%
[800.000 ; 900.000]	25	0,1%	15.951.533	1,4%	105	140	2,04%
[900.000 ; 1.000.000]	18	0,1%	12.031.455	1,1%	119	160	1,90%
[1.000.000 ; 1.100.000]	22	0,1%	14.627.062	1,3%	84	119	1,81%
[1.100.000 ; 1.200.000]	3	0,0%	2.904.276	0,3%	150	197	1,87%
[1.200.000 ; 1.300.000]	7	0,0%	4.756.442	0,4%	100	152	1,98%
[1.300.000 ; 1.400.000]	9	0,0%	8.110.738	0,7%	132	191	1,76%
[1.400.000 ; 1.500.000]	3	0,0%	3.262.589	0,3%	134	168	1,93%
[1.500.000 ; 1.600.000]	7	0,0%	7.223.642	0,6%	115	157	1,69%
[1.600.000 ; 1.700.000]	1	0,0%	1.272.370	0,1%	155	217	1,90%
[1.700.000 ; 1.800.000]	5	0,0%	7.121.690	0,6%	113	142	1,09%
[1.800.000 ; 1.900.000]	2	0,0%	2.772.289	0,3%	104	156	1,71%
[1.900.000 ; 2.000.000]	0	0,0%	0	0,0%	0	0	0,00%
[2.000.000 ; 2.250.000]	2	0,0%	2.690.460	0,2%	69	103	0,82%
[2.250.000 ; 2.500.000]	2	0,0%	4.177.694	0,4%	142	190	1,94%
[2.500.000 ; 2.750.000]	2	0,0%	4.177.026	0,4%	109	144	1,46%
[2.750.000 ; 3.000.000]	1	0,0%	2.352.574	0,2%	148	182	1,75%
[3.000.000 ; 3.250.000]	1	0,0%	311.512	0,0%	44	181	5,00%
[> 3.250.000]	3	0,0%	6.319.671	0,6%	120	234	1,59%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min	€ 1.100
Max	€ 6.000.000
Avg	€ 62.584

Table 4. Breakdown by Outstanding Balance

Breakdown by Outstanding Principal Balance	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[0 ; 10.000[	9.462	34,7%	49.323.805	4,4%	26	62	4,59%
[10.000 ; 20.000[	5.879	21,6%	84.344.701	7,5%	39	69	4,00%
[20.000 ; 30.000[	3.263	12,0%	79.345.476	7,1%	49	75	3,56%
[30.000 ; 40.000[	1.973	7,2%	68.046.507	6,1%	54	80	3,26%
[40.000 ; 50.000[	1.327	4,9%	58.764.266	5,2%	57	84	3,04%
[50.000 ; 60.000[	924	3,4%	50.339.405	4,5%	64	91	3,00%
[60.000 ; 70.000[	703	2,6%	45.265.868	4,0%	67	94	2,90%
[70.000 ; 80.000[	485	1,8%	36.202.161	3,2%	69	96	2,73%
[80.000 ; 90.000[	421	1,5%	35.688.081	3,2%	75	103	2,73%
[90.000 ; 100.000[	299	1,1%	28.186.650	2,5%	79	108	2,64%
[100.000 ; 200.000[	1.577	5,8%	219.239.839	19,5%	87	116	2,52%
[200.000 ; 300.000[	471	1,7%	113.415.474	10,1%	100	129	2,30%
[300.000 ; 400.000[	224	0,8%	76.771.440	6,8%	110	139	2,13%
[400.000 ; 500.000[	117	0,4%	51.768.847	4,6%	114	142	2,00%
[500.000 ; 600.000[	41	0,2%	21.982.882	2,0%	100	137	1,97%
[600.000 ; 700.000[	34	0,1%	21.913.354	2,0%	113	151	2,19%
[700.000 ; 800.000[	23	0,1%	17.274.164	1,5%	108	148	2,07%
[800.000 ; 900.000[	18	0,1%	15.166.788	1,4%	123	162	1,88%
[900.000 ; 1.000.000[	6	0,0%	5.698.359	0,5%	113	152	1,86%
[1.000.000 ; 1.100.000[	4	0,0%	4.184.131	0,4%	157	200	1,73%
[1.100.000 ; 1.200.000[	2	0,0%	2.230.573	0,2%	117	160	1,51%
[1.200.000 ; 1.300.000[	6	0,0%	7.528.030	0,7%	130	175	1,68%
[1.300.000 ; 1.400.000[	5	0,0%	6.778.999	0,6%	133	198	1,80%
[1.400.000 ; 1.500.000[	1	0,0%	1.407.805	0,1%	164	183	1,15%
[1.500.000 ; 1.600.000[	1	0,0%	1.553.684	0,1%	100	150	2,07%
[1.600.000 ; 1.700.000[	2	0,0%	3.378.027	0,3%	132	146	0,80%
[1.700.000 ; 1.800.000[	0	0,0%	0	0,0%	0	0	0,00%
[1.800.000 ; 1.900.000[	3	0,0%	5.588.123	0,5%	87	140	1,39%
[1.900.000 ; 2.000.000[	0	0,0%	0	0,0%	0	0	0,00%
[2.000.000 ; 2.250.000[	0	0,0%	0	0,0%	0	0	0,00%
[2.250.000 ; 2.500.000[	3	0,0%	6.997.933	0,6%	153	181	1,73%
[2.500.000 ; 2.750.000[	0	0,0%	0	0,0%	0	0	0,00%
[2.750.000 ; 3.000.000[	0	0,0%	0	0,0%	0	0	0,00%
[3.000.000 ; 3.250.000[	0	0,0%	0	0,0%	0	0	0,00%
[> 3.250.000]	1	0,0%	4.240.052	0,4%	150	241	0,81%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min	€	65
Max	€	4.240.052
Avg	€	41.160

Table 5. Breakdown by Current All-In Interest Rate

Current All-In Interest Rate	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[0.0%-0.5%[	13	0,0%	805.724	0,1%	95	212	0,31%
[0.5%-1.0%[	216	0,8%	25.963.629	2,3%	82	117	0,79%
[1.0%-1.5%[	566	2,1%	105.165.890	9,4%	89	114	1,24%
[1.5%-2.0%[	1.819	6,7%	216.035.478	19,2%	91	118	1,70%
[2.0%-2.5%[	2.522	9,2%	180.835.724	16,1%	85	114	2,17%
[2.5%-3.0%[	3.938	14,4%	181.124.811	16,1%	83	111	2,68%
[3.0%-3.5%[	4.589	16,8%	144.235.632	12,8%	76	105	3,18%
[3.5%-4.0%[	3.231	11,8%	84.325.777	7,5%	66	97	3,66%
[4.0%-4.5%[	1.937	7,1%	45.284.553	4,0%	66	97	4,15%
[4.5%-5.0%[	1.917	7,0%	51.455.209	4,6%	72	110	4,67%
[5.0%-5.5%[	1.612	5,9%	31.700.904	2,8%	52	93	5,17%
[5.5%-6.0%[	1.443	5,3%	21.383.552	1,9%	47	91	5,65%
[6.0%-6.5%[	1.051	3,9%	11.770.539	1,0%	41	85	6,14%
[6.5%-7.0%[	816	3,0%	9.561.220	0,9%	39	84	6,62%
[7.0%-7.5%[	543	2,0%	4.834.207	0,4%	35	79	7,10%
[7.5%-8.0%[	498	1,8%	4.224.689	0,4%	35	82	7,61%
>8.0%	564	2,1%	3.917.881	0,3%	33	82	8,63%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min	0,00%
Max	12,00%
Avg	3,84%
WA	2,77%



**Table 6. Breakdown by Reference Rate Type**

Interest Type	Reference Type	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal	WA Rem. Term	WA Initial Term	WA Interest Rate
Fixed		1.020	3,7%	11.870.278	1,1%	22	59	4,36%
Fixed - Revisable		14.900	54,6%	342.363.048	30,5%	48	70	3,38%
Floating		5.944	21,8%	345.388.688	30,8%	88	132	2,54%
	EU1A	4.226	15,5%	317.861.879	28,3%	87	135	2,53%
	EX6M	1.486	5,4%	19.564.456	1,7%	59	117	3,32%
	EX1A	150	0,5%	4.847.763	0,4%	50	61	0,71%
	ICOX	58	0,2%	934.279	0,1%	12	121	2,03%
	MHTO	15	0,1%	772.897	0,1%	106	183	2,80%
	EX3M	9	0,0%	1.407.415	0,1%	92	140	1,07%
Mixed		5.411	19,8%	423.003.407	37,7%	101	122	2,42%
	EU1A	5.410	19,8%	422.897.064	37,7%	101	122	2,42%
	MHTO	1	0,0%	106.344	0,0%	128	181	6,25%
<b>Total</b>		<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

EU1A - EURIBOR 1 YEAR (MEDIA MENSUAL PUB. EN EL BOE)

EX1A - EURIBOR 1 YEAR

EX3M - EURIBOR 3 MOTNHS

EX6M - EURIBOR 6 MOTNHS

ICOX - ICO Reference Type Rate

IRPHCE: Monthly average rate of mortgage loans for more than 3 years for the acquisition of housing from the group of financial entities.

Fixed-Revisable: Fixed interest rate Loans subject to modifications in the applicable rate according to cross selling relationship with Cajamar described in Section 2.2.7. of the Additional Building Block. For avoidance of doubt these modifications may be up or down.

Mixed: loans with an initial fixed interest rate period after which the interest rate will reset on an annual/biannual/quarterly basis. There are 343 loans representing a 1.61% of the Preliminary Portfolio where the current rate applicable is not the initial fixed rate.

**Table 7. Breakdown by Transition Year (Mixed Loans)**

Year of Transition	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA Initial Term	WA Interest Rate
2018	714	13,2%	41.147.857	9,7%	85	119	2,70%
2019	1.929	35,7%	138.636.511	32,8%	97	125	2,66%
2020	2.166	40,0%	195.888.691	46,3%	107	125	2,29%
2021	588	10,9%	45.434.186	10,7%	96	105	2,02%
2022	11	0,2%	1.698.651	0,4%	135	153	2,01%
2023	3	0,1%	197.511	0,0%	121	134	2,57%
<b>Total</b>	<b>5.411</b>	<b>100,0%</b>	<b>423.003.407</b>	<b>100,0%</b>	<b>101</b>	<b>122</b>	<b>2,42%</b>

Only Mixed Loans (M)

Min (Year)	2018
Max (Year)	2023

**Table 8. Breakdown by Interest rate reductions (bonification) (Yes/No)**

Bonifications (YES/NO)	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA Initial Term	WA Interest Rate
Without Bonification	5.128	18,8%	140.856.868	12,55%	47	82	2,96%
With Bonifications	22.147	81,2%	981.768.553	87,45%	84	113	2,74%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

With Bonification: Loans subject to modications in their interest rate according to cross selling relationship with Cajamar described in Section 2.2.7. of the Additional Building Block

**Table 9. Breakdown by Interest rate reductions (bonification) - Type of interest rate Mixed**

maximum bonification	Nb of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA Initial Term	WA Interest Rate
[0 - 0,50)	965	17,86%	90.426.452	21,39%	86	103	2,00%
[0,50 - 1,00)	990	18,32%	73.036.669	17,27%	91	111	2,31%
[1,00 - 1,50)	3361	62,21%	253.359.385	59,92%	109	130	2,58%
[1,50 - 2,00)	57	1,05%	4.022.783	0,95%	119	149	3,36%
[2,00 - 2,50)	27	0,50%	1.783.268	0,42%	123	143	2,65%
>=3	3	0,06%	193.674	0,05%	114	152	3,87%
<b>Total</b>	<b>5.403</b>	<b>100,0%</b>	<b>422.822.231</b>	<b>100,0%</b>	<b>101</b>	<b>121</b>	<b>2,42%</b>

The average rate of Mixed Loans in the Preliminary Portfolio, in the event that all bonifications and minimum interest rates are achieved, is 2.16%.

**Table 10. Breakdown by Interest rate reductions (bonification) - Type of interest rate Floating**

Maximum bonification	Nb of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA Initial Term	WA Interest Rate
[0 - 0,50)	1048	20,14%	85.934.139	26,95%	76	115	1,94%
[0,50 - 1,00)	1626	31,25%	69.028.759	21,65%	79	119	2,43%
[1,00 - 1,50)	2485	47,75%	162.024.699	50,82%	96	144	2,85%
[1,50 - 2,00)	31	0,60%	1.370.333	0,43%	74	120	3,69%
[2,00 - 2,50)	14	0,27%	485.690	0,15%	73	112	4,85%
<b>TOTAL</b>	<b>5.204</b>	<b>100,0%</b>	<b>318.843.620</b>	<b>100,0%</b>	<b>87</b>	<b>130</b>	<b>2,52%</b>

The average rate of the Floating Loans in the Preliminary Portfolio, in the event that all bonifications and minimum interest rates are achieved, is 2.36%

**Table 11. Breakdown by Interest rate reductions (bonification) - Type of interest rate Fixed - Revisable**

Maximum bonification	Nb of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA Initial Term	WA Interest Rate
[0 - 0,50)	757	6,56%	17.297.907	7,20%	47	66	3,26%
[0,50 - 1,00)	2979	25,81%	63.695.836	26,53%	49	70	3,51%
[1,00 - 1,50)	7420	64,30%	153.485.902	63,93%	50	72	3,65%
[1,50 - 2,00)	260	2,25%	4.009.962	1,67%	45	72	4,73%
[2,00 - 2,50)	119	1,03%	1.574.295	0,66%	47	72	5,06%
[3,00 - 3,50)	5	0,04%	38.800	0,02%	36	66	6,93%
<b>TOTAL</b>	<b>11.540</b>	<b>100,0%</b>	<b>240.102.702</b>	<b>100,0%</b>	<b>49</b>	<b>71</b>	<b>3,61%</b>

The average rate of Fixed Loans in the Preliminary Portfolio, in the event that all bonifications and minimum interest rates are achieved, is 3.14%

**Table 12. Breakdown by All-in Max. Interest Rate (Cap)**

Max. Interest Rate (Cap)	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Fixed / Fixed-Revisable	15.920	58,4%	354.233.326	31,6%	50	69	3,41%
[0.0%-10.0%]	767	2,8%	77.707.247	6,9%	88	101	2,00%
[10.0%-12.5%]	74	0,3%	7.686.051	0,7%	88	129	2,37%
[12.5%-15.0%]	0	0,0%	0	0,0%		0	0,00%
[15.0%-17.5%]	749	2,7%	71.258.321	6,3%	94	154	2,80%
[17.5%-20.0%]	2	0,0%	34.163	0,0%	55	94	3,66%
[20.0%-22.5%]	1	0,0%	9.398	0,0%	28	70	5,31%
[22.5%-25.0%]	0	0,0%	0	0,0%		0	0,00%
[> 25.0%]	2	0,0%	55.549	0,0%	18	61	2,88%
No Max.	9.760	35,8%	611.641.365	54,5%	94	127	2,50%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

No. Max' refers to loans with no max cap detailed

**Table 13. Breakdown by Current All-in Min. Interest Rate (Floor)**

Min. Interest Rate (Floor)	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Fixed	1.020	3,7%	11.870.278	1,06%	22	58	4,36%
No Min.	9.634	35,3%	608.367.735	54,19%	95	127	2,51%
[0.00%-0.50%]	18	0,1%	3.122.407	0,28%	109	191	1,80%
[0.50%-1.00%]	168	0,6%	9.901.796	0,88%	49	61	0,79%
[1.00%-1.50%]	297	1,1%	44.915.463	4,00%	72	89	1,32%
[1.50%-2.00%]	895	3,3%	84.601.225	7,54%	75	94	1,79%
[2.00%-2.50%]	1.394	5,1%	73.946.446	6,59%	63	85	2,32%
[2.50%-3.00%]	2.671	9,8%	89.661.009	7,99%	63	83	2,91%
[3.00%-3.50%]	3.073	11,3%	72.228.728	6,43%	56	79	3,47%
[3.50%-4.00%]	1.646	6,0%	35.542.217	3,17%	54	77	3,94%
[4.00%-4.50%]	1.252	4,6%	20.566.448	1,83%	50	79	4,45%
[4.50%-5.00%]	1.152	4,2%	23.370.286	2,08%	61	104	4,93%
[5.00%-5.50%]	807	3,0%	12.473.829	1,11%	45	101	5,34%
[5.50%-6.00%]	1.334	4,9%	16.971.619	1,51%	43	88	5,97%
[6.00%-6.50%]	521	1,9%	4.801.893	0,43%	34	78	6,44%
[6.50%-7.00%]	456	1,7%	4.682.643	0,42%	42	87	6,95%
[7.00%-7.50%]	485	1,8%	3.213.693	0,29%	24	71	7,42%
[7.50%-8.00%]	260	1,0%	1.502.812	0,13%	23	70	8,21%
[8.00%-8.50%]	31	0,1%	120.417	0,01%	15	70	8,47%
[8.50%-9.00%]	25	0,1%	111.613	0,01%	13	71	8,91%
[9.00%-9.50%]	5	0,0%	25.144	0,00%	31	70	9,48%
[9.50%-10.00%]	13	0,0%	55.222	0,00%	27	72	9,79%
> 10.0%	118	0,4%	572.497	0,05%	26	71	8,97%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

No Min.' refers to loans with no min rate stated. However, the originator policies detail that no negative interest rate will apply to a loan granted.

**Table 14. Breakdown by Frequency Principal Payments**

Frequency of Principal Payments	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
1 M	20.807	76,3%	658.310.226	58,6%	67	94	2,97%
3 M	436	1,6%	32.659.720	2,9%	82	125	2,12%
6 M	2.187	8,0%	167.014.796	14,9%	102	136	2,56%
12 M	3.845	14,1%	264.640.680	23,6%	95	127	2,49%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 15. Breakdown by Frequency Interest Payments**

Frequency of Interest Payments	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
1 M	20.837	76,4%	660.384.419	58,8%	67	94	2,97%
3 M	527	1,9%	37.198.705	3,3%	78	119	2,21%
6 M	2.280	8,4%	177.264.433	15,8%	103	137	2,54%
12 M	3.631	13,3%	247.777.864	22,1%	95	127	2,50%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 16. Breakdown by Amortisation**

Amortisation Type	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Bullet	0	0,0%	0	0,0%	0	0	0,00%
Constant Amort.	26.247	96,2%	1.075.316.381	95,8%	84	112	2,79%
French - Linear Amort.	1.028	3,8%	47.309.039	4,2%	79	109	2,37%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Constant Amort: Loans where the payments of principal and interest are calculated according to the French amortisation method.

French - Linear Amort: Loans where the payment of principal is the same on each principal payment date during the life of the Loan.

**Table 17. Breakdown by Principal Grace Period**

Principal Grace Period end date (year)	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Bullet	0	0,0%	0	0,0%	0	0	0,00%
No Principal Grace Period	26.903	98,6%	1.101.157.311	98,1%	79	108	2,78%
2018	42	0,2%	1.648.428	0,1%	56	71	1,41%
2019	140	0,5%	7.077.237	0,6%	71	88	2,07%
2020	98	0,4%	7.340.950	0,7%	92	115	2,01%
2021	63	0,2%	4.321.784	0,4%	102	118	2,68%
2022	29	0,1%	1.079.711	0,1%	97	106	2,68%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min (Year)	2018
Max (Year)	2022

**Table 18. Breakdown by Remaining Terms**

Remaining Term	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[0 - 12]	3024	11,09%	19.825.082	1,77%	8	51	3,90%
[12 - 24]	5275	19,34%	70.442.501	6,27%	18	58	3,64%
[24 - 36]	4346	15,93%	96.820.645	8,62%	30	64	3,31%
[36 - 48]	3846	14,10%	123.997.301	11,05%	42	69	3,01%
[48 - 60]	4351	15,95%	181.696.293	16,18%	53	79	2,88%
[60 - 72]	2427	8,90%	124.405.084	11,08%	65	88	2,75%
[72 - 84]	1423	5,22%	103.878.027	9,25%	78	102	2,41%
[84 - 96]	906	3,32%	76.350.469	6,80%	89	110	2,37%
[96 - 108]	194	0,71%	31.720.069	2,83%	101	137	2,05%
[108 - 120]	144	0,53%	25.441.893	2,27%	115	165	2,72%
[120 - 132]	187	0,69%	36.764.293	3,27%	127	181	3,14%
[132 - 144]	276	1,01%	47.965.722	4,27%	137	181	2,69%
[144 - 156]	236	0,87%	56.814.028	5,06%	150	190	2,24%
[156 - 168]	439	1,61%	89.856.699	8,00%	162	185	2,23%
[168 - 180]	201	0,74%	36.647.314	3,26%	172	189	2,20%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Min	1 months
Max	177 months
Avg	43 months
WA	79 months
Min Final Date	27/11/2018
Max Final Date	10/08/2033

**Table 19. Top-10 Borrower Industry (CNAE)**

CNAE	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Crop and animal production, hunting and related service activities	9050	33,2%	536.092.044	47,8%	93	125	2,53%
Wholesale trade, except of motor vehicles and motorcycles	1665	6,1%	86.367.470	7,7%	65	91	2,45%
Land transport and transport via pipelines	2335	8,6%	69.622.626	6,2%	52	78	3,19%
Retail trade, except of motor vehicles and motorcycles	1957	7,2%	51.045.081	4,5%	73	100	3,22%
Manufacture of food products	676	2,5%	38.976.105	3,5%	67	95	2,41%
Food and beverage service activities	1460	5,4%	36.396.214	3,2%	74	101	3,43%
Human health activities	433	1,6%	20.751.890	1,8%	76	116	2,72%
Specialised construction activities	793	2,9%	17.394.402	1,5%	70	93	3,13%
Wholesale and retail trade and repair of motor vehicles and motorcycles	544	2,0%	17.370.862	1,5%	72	96	3,11%
Manufacture of beverages	144	0,5%	15.098.694	1,3%	62	92	2,22%
Rest	8.218	30,1%	233.510.031	20,8%	68	97	3,16%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Rest includes industries with concentrations each ones of them lower than 1%.

**Table 20. Breakdown by Loan Purpose**

Loan Purpose	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Acquisition of agriculture production property	914	3,4%	159.721.897	14,2%	123	160	2,35%
Acquisition of agriculture land	1.093	4,0%	83.318.907	7,4%	95	125	2,50%
Construction of greenhouse	614	2,3%	66.243.414	5,9%	105	139	2,47%
Purchase of heavy truck	1.670	6,1%	48.826.482	4,3%	45	68	3,22%
Acquisition of industrial building	360	1,3%	42.764.253	3,8%	116	141	2,25%
Acquisition of commercial retail property	590	2,2%	40.566.711	3,6%	119	154	2,72%
Acquisition of heavy machinery	722	2,6%	36.784.460	3,3%	53	78	2,61%
Working-capital loan	1.779	6,5%	36.416.959	3,2%	39	64	2,51%
Acquisition of productive assets	717	2,6%	32.523.595	2,9%	60	85	2,38%
Acquisition of agriculture tractor	1.111	4,1%	31.077.265	2,8%	58	83	3,09%
Improvements in agricultural and livestock farms	501	1,8%	26.973.534	2,4%	78	107	2,55%
Adaptation of commercial retail property	1.022	3,7%	26.571.815	2,4%	64	88	3,35%
Acquisition of light machinery	1.044	3,8%	25.538.720	2,3%	49	71	3,04%
Fixed asset financing	1.182	4,3%	24.167.500	2,2%	54	107	3,76%
Varietal conversion of stone fruits	456	1,7%	22.032.483	2,0%	76	111	2,79%
Financing of projects	544	2,0%	20.901.393	1,9%	64	89	2,71%
Capital contribution	466	1,7%	19.898.090	1,8%	71	100	3,00%
Purchase of van	1.519	5,6%	17.149.754	1,5%	45	67	3,76%
Reform of greenhouse	477	1,7%	16.855.223	1,5%	73	102	3,00%
Rehabilitation of commercial retail property	738	2,7%	15.761.471	1,4%	60	87	3,63%
Installation of irrigation systems	392	1,4%	13.711.493	1,2%	64	93	2,86%
Financing of business initiatives	421	1,5%	13.446.352	1,2%	71	99	3,33%
Construction of warehouses and annexes	215	0,8%	12.652.768	1,1%	72	105	2,29%
Construction of industrial building	92	0,3%	12.590.844	1,1%	106	137	2,34%
Financing of infrastructures	125	0,5%	11.561.944	1,0%	58	87	2,03%
Machinery or agricultural material (agricultural supplies)	301	1,1%	11.174.528	1,0%	52	81	2,77%
Rest	8.210	30,1%	253.593.566	22,6%	63	92	2,96%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

Rest includes loan purposes with concentrations each ones of them lower than 1%.

**Table 21. Breakdown by Region**

Borrower Region	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Andalusia	8.788	32,2%	435.844.984	38,8%	96	129	2,70%
Valencia	6.465	23,7%	208.368.732	18,6%	71	98	2,96%
Murcia	5.062	18,6%	195.589.288	17,4%	69	100	2,85%
Castilla-Leon	3.050	11,2%	126.833.094	11,3%	67	94	2,25%
Canary Island	1.071	3,9%	37.266.741	3,3%	70	95	3,18%
Catalonia	827	3,0%	30.916.125	2,8%	59	89	3,17%
Madrid	572	2,1%	25.060.676	2,2%	57	82	2,60%
Castilla-La Mancha	509	1,9%	24.565.331	2,2%	72	98	2,48%
Balearic Islands	551	2,0%	21.751.561	1,9%	65	92	2,99%
Galicia	161	0,6%	6.875.092	0,6%	79	104	2,53%
Navarra	45	0,2%	2.255.870	0,2%	45	66	2,50%
Cantabria	53	0,2%	1.957.535	0,2%	49	74	2,56%
La Rioja	32	0,1%	1.688.383	0,2%	49	73	2,40%
Aragon	39	0,1%	1.619.041	0,1%	63	85	3,10%
Asturias	21	0,1%	670.558	0,1%	31	46	2,62%
Extremadura	6	0,0%	394.687	0,0%	58	70	2,72%
Ceuta	6	0,0%	346.637	0,0%	145	158	2,41%
Melilla	7	0,0%	322.671	0,0%	65	116	2,95%
Basque Country	10	0,0%	298.415	0,0%	46	68	2,98%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 22. Breakdown by SME/Self-Employed**

Type of Borrower	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
SMEs	10.321	37,8%	566.025.246	50,4%	71	100	2,56%
Self-Employed	16.954	62,2%	556.600.175	49,6%	88	119	2,99%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 23. Top-25 Borrower Concentration (Group ID)**

Borrower Group Id	Nb of Loans	% of Nb of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Debtor group 1	10	0,04%	4.983.089	0,44%	60	96	1,68%
Debtor group 2	1	0,00%	4.240.052	0,38%	153	240	0,81%
Debtor group 3	5	0,02%	3.650.397	0,33%	151	192	1,61%
Debtor group 4	2	0,01%	2.817.031	0,25%	157	182	1,43%
Debtor group 5	2	0,01%	2.752.559	0,25%	130	194	1,87%
Debtor group 6	2	0,01%	2.690.460	0,24%	71	102	0,82%
Debtor group 7	1	0,00%	2.352.574	0,21%	150	182	1,75%
Debtor group 8	1	0,00%	2.308.328	0,21%	164	180	2,05%
Debtor group 9	2	0,01%	2.072.588	0,18%	166	203	1,82%
Debtor group 10	2	0,01%	1.956.986	0,17%	132	186	1,78%
Debtor group 11	4	0,01%	1.856.839	0,17%	135	169	1,56%
Debtor group 12	1	0,00%	1.690.074	0,15%	161	171	0,60%
Debtor group 13	1	0,00%	1.687.954	0,15%	106	120	1,00%
Debtor group 14	3	0,01%	1.674.213	0,15%	122	175	1,56%
Debtor group 15	2	0,01%	1.645.742	0,15%	157	186	2,50%
Debtor group 16	2	0,01%	1.563.682	0,14%	102	149	2,07%
Debtor group 17	2	0,01%	1.510.213	0,13%	108	150	1,35%
Debtor group 18	2	0,01%	1.506.239	0,13%	151	188	1,62%
Debtor group 19	1	0,00%	1.407.805	0,13%	34	66	1,23%
Debtor group 20	1	0,00%	1.391.648	0,12%	167	182	1,15%
Debtor group 21	1	0,00%	1.374.931	0,12%	137	180	2,51%
Debtor group 22	1	0,00%	1.323.607	0,12%	83	240	2,25%
Debtor group 23	1	0,00%	1.316.078	0,12%	155	190	1,43%
Debtor group 24	3	0,01%	1.303.523	0,12%	167	191	1,50%
Rest	27.222	99,81%	1.071.548.811	95,45%	77	106	2,83%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 24. Breakdown by SME Size**

Type of SME Size	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Microempresa	6.970	67,53%	296.745.607	52,43%	74	102	2,82%
Pequeña	2.861	27,72%	191.749.503	33,88%	70	99	2,46%
Mediana	490	4,75%	77.530.136	13,70%	60	91	1,81%
<b>Total</b>	<b>10.321</b>	<b>100,0%</b>	<b>566.025.246</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 25. Breakdown by Secured/Unsecured**

Secured/Unsecured	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Unsecured	25.485	93,4%	802.854.835	71,52%	54	80	2,88%
Secured	1.790	6,56%	319.770.585	28,48%	142	181	2,51%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

	Number	Amount (**)	WA LTV
Secured Loans with mortgage guarantee	1.790	319.770.585	53,66
Properties	2.744	319.770.585	53,66
Properties with appraisal on the grant date	2.247	241.276.225	61,19
Which have statistical valuation	25	3.117.896	48,71
Properties with updated appraisal after grant date (***)	472	75.376.465	49,19

(\*) Outstanding Balance or aggregate valuations.

(\*\*) Excludes a loans with LTV>100.

(\*\*\*) Appraisal with the corresponding certificate pursuant to Order ECO 805/2003.

**Table 26. Breakdown by Current LTV**

Current LTV	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate	WALTV
[0% - 10%[	96	5,4%	2.920.963	0,91%	79	161	2,85%	5,94
[10% - 20%[	114	6,4%	8.511.216	2,66%	113	169	2,91%	16,02
[20% - 30%[	173	9,7%	20.624.348	6,45%	123	175	2,82%	25,05
[30% - 40%[	195	10,9%	29.645.393	9,27%	130	177	2,99%	35,63
[40% - 50%[	210	11,7%	49.541.344	15,49%	140	181	2,58%	44,75
[50% - 60%[	396	22,1%	85.770.293	26,82%	145	184	2,35%	56,43
[60% - 70%[	407	22,7%	77.787.669	24,33%	152	179	2,40%	64,11
[70% - 80%[	104	5,8%	22.623.784	7,08%	155	183	2,21%	73,89
[80% - 90%[	47	2,6%	9.661.676	3,02%	179	150	2,36%	84,19
[90% - 100%[	22	1,2%	4.987.547	1,56%	147	192	2,55%	94,80
N/A	26	1,5%	7.696.354	2,4%	126	198	2,00%	
<b>Total</b>	<b>1.790</b>	<b>100,0%</b>	<b>319.770.585</b>	<b>100,0%</b>	<b>142</b>	<b>181</b>	<b>2,51%</b>	<b>53,66</b>

The calculation of the LTV is as follows:

LTV= P/V being,

P= Outstanding Principal Balance not due

V= Sum of the appraisal values of the guarantees less the balance of the prior liens. We have used for the LTV calculation the last appraisal values availables, original or current, of all the guarantees.

N/A: LTV > 100.

Min	0,02
Max	99,41
Avg	48,26
WA	53,66

**Table 27. Breakdown by Days in Arrears**

Days in Arrears	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
No Arrears	26.823	98,34%	1.112.426.417	99,1%	79	109	2,76%
[1 - 30]	452	1,66%	9.943.358	0,9%	61	89	3,08%
[ > 30]	0	0,00%	0	0,0%	0	0	0,00%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.369.775</b>	<b>100,0%</b>	<b>79</b>	<b>198</b>	<b>2,77%</b>

**Table 28. Breakdown by Guarantee Type**

Type of Guarantee	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Rural land	639	35,70%	168.063.857	52,6%	141	184	2,43%
Industrial	287	16,03%	58.321.585	18,2%	144	173	2,36%
Local	308	17,21%	33.928.956	10,6%	142	180	2,61%
Agriculture and livestock development	96	5,36%	24.582.024	7,7%	153	184	2,28%
Terraced house	226	12,63%	18.344.460	5,7%	134	176	3,14%
Flat	208	11,62%	13.438.636	4,2%	133	179	3,28%
Plot	18	1,01%	2.212.454	0,7%	127	172	2,30%
Garage	3	0,17%	527.864	0,2%	164	183	4,06%
Country house	5	0,28%	350.751	0,1%	155	177	2,87%
<b>Total</b>	<b>1.790</b>	<b>100,0%</b>	<b>319.770.585</b>	<b>100,0%</b>	<b>142</b>	<b>181</b>	<b>2,51%</b>

**Table 29. Breakdown by Guarantee Region**

Guarantee Region	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
Andalusia	1.011	56,48%	208.147.744	65,1%	143	184	2,46%
Murcia	294	16,42%	36.474.298	11,4%	135	178	2,72%
Valencia	257	14,36%	34.314.613	10,7%	142	173	2,76%
Castilla-Leon	69	3,85%	13.588.956	4,2%	150	178	2,36%
Canary Islands	60	3,35%	10.587.927	3,3%	131	161	2,28%
Castilla-La Mancha	18	1,01%	4.658.817	1,5%	149	185	2,33%
Catalonia	34	1,90%	4.620.337	1,4%	124	169	2,89%
Balearic Islands	17	0,95%	3.342.402	1,0%	133	168	1,98%
Madrid	19	1,06%	2.271.118	0,7%	136	164	1,78%
Galicia	5	0,28%	1.042.325	0,3%	146	181	2,61%
Ceuta	1	0,06%	281.528	0,1%	169	181	2,00%
Melilla	2	0,11%	243.898	0,1%	73	132	2,56%
Aragon	1	0,06%	98.238	0,0%	157	181	2,50%
Navarra	1	0,06%	66.105	0,0%	168	181	2,50%
La Rioja	1	0,06%	32.278	0,0%	138	181	4,81%
<b>Total</b>	<b>1.790</b>	<b>100,0%</b>	<b>319.770.585</b>	<b>100,0%</b>	<b>142</b>	<b>181</b>	<b>2,51%</b>

**Table 30. Distribution by through-the-cycle probability of default**

Probability of default	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[0,00% - 0,50%[	12.666	46,44%	534.210.565	47,6%	84	116	2,73%
[0,50% - 1,00%[	5.972	21,90%	252.413.520	22,5%	76	104	2,75%
[1,00% - 1,50%[	4.099	15,03%	169.213.322	15,1%	76	105	2,73%
[1,50% - 2,00%[	2.394	8,78%	84.916.143	7,6%	70	96	2,99%
[2,00% - 2,50%[	1.414	5,18%	54.015.057	4,8%	75	101	2,96%
[2,50% - 3,00%[	730	2,68%	27.856.814	2,5%	65	90	3,04%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

For avoidance of doubt, the reference to default on the table above does not have the same meaning of the definition of Default included in the glossary of definitions of this Prospectus. For this purpose, default refers to Loans in arrears more than 90 days.

**Table 31. Distribution by downturn loss-given-default**

Downturn loss-given-default	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[10 - 15[	1.080	4,0%	159.337.569	14,2%	141	182	2,73%
[15 - 20[	203	0,7%	39.265.815	3,5%	150	185	2,41%
[20 - 25[	459	1,7%	83.167.477	7,4%	140	174	2,49%
[25 - 30[	16.034	58,8%	447.515.747	39,9%	64	93	2,90%
[35 - 40[	9.499	34,8%	393.338.813	35,0%	51	77	2,74%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 32. Distribution by Risk Weight**

Risk weight	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
[20% - 30%[	266	1,0%	18.305.805	1,6%	135	177	3,29%
[30% - 40%[	412	1,5%	45.573.041	4,1%	145	177	2,70%
[40% - 50%[	197	0,7%	30.293.229	2,7%	144	178	2,64%
[50% - 60%[	19.333	70,9%	699.602.823	62,3%	72	100	2,87%
[60% - 70%[	10	0,0%	2.996.405	0,3%	140	195	3,14%
[70% - 80%[	6.731	24,7%	223.967.528	20,0%	62	91	2,87%
[80% - 90%[	1	0,0%	846.918	0,1%	129	183	3,06%
[90% - 100%[	1	0,0%	1.374.931	0,1%	80	241	2,25%
>100%	324	1,2%	99.664.742	8,9%	104	142	1,84%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

**Table 33. Distribution by Internal rating**

Internal rating	No. of Loans	% of No. of Loans	Outstanding Principal Balance (EUR)	% of Outstanding Principal Balance	WA Rem. Term	WA. Initial Term	WA. Interest Rate
6	8.413	30,85%	332.986.211	29,7%	74	102	2,81%
7	7.705	28,25%	310.654.270	27,7%	77	105	2,80%
8	5.406	19,82%	221.974.064	19,8%	86	119	2,78%
9	3.991	14,63%	188.951.291	16,8%	88	122	2,59%
5	1.760	6,45%	68.059.585	6,1%	70	96	2,97%
<b>Total</b>	<b>27.275</b>	<b>100,0%</b>	<b>1.122.625.421</b>	<b>100,0%</b>	<b>79</b>	<b>109</b>	<b>2,77%</b>

The tables included below include historical information on defaults and recoveries of Cajamar's SME loan portfolio for the last 5 years, with similar characteristics to the Preliminary Portfolio.

The following tables have been divided in Mortgage Loans and Non-Mortgage Loans and include:

- Defaults: for each quarter of origination of the loans (rows), the accumulated percentage of balance that enters arrears each quarter (columns) for more than 90 days.
- Recoveries: for each quarter in which the loan entered in default (more than 90 days in arrears, rows), the percentage of accumulated balance that is recovered each quarter (columns).

Unsecured Loans (SME and Self-employed)  
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### Vintage Data Arrears

		Quartely Evolution of the subportfolios																			
		1T2013	2T2013	3T2013	4T2013	1T2014	2T2014	3T2014	4T2014	1T2015	2T2015	3T2015	4T2015	1T2016	2T2016	3T2016	4T2016	1T2017	2T2017	3T2017	4T2017
Origination quarter	1T2013	0,00%																			
	2T2013	0,11%	0,00%																		
	3T2013		0,09%	0,82%	1,14%	1,47%	2,52%	3,23%	3,76%	3,95%	4,29%	4,56%	5,11%	5,21%	5,31%	5,40%	5,44%	5,45%	5,51%	5,56%	5,91%
	4T2013			0,00%	0,24%	0,57%	1,30%	2,07%	2,48%	2,70%	2,97%	3,24%	3,66%	3,93%	4,02%	4,08%	4,30%	4,32%	4,35%	4,39%	4,48%
	1T2014				0,00%	0,20%	1,65%	3,04%	3,49%	3,99%	4,17%	4,39%	4,51%	4,84%	5,16%	5,24%	5,33%	6,19%	6,29%	6,35%	6,39%
	2T2014					0,00%	0,10%	0,80%	0,97%	1,12%	1,68%	1,82%	1,98%	2,20%	2,32%	2,47%	2,75%	2,84%	2,89%	2,96%	3,01%
	3T2014						0,00%	0,12%	0,67%	0,92%	1,39%	2,17%	2,36%	2,79%	2,92%	3,35%	3,51%	3,57%	3,77%	3,87%	3,89%
	4T2014							0,00%	0,02%	0,46%	0,73%	1,16%	1,71%	1,94%	2,15%	2,29%	2,42%	2,52%	2,64%	2,69%	2,75%
	1T2015								0,00%	0,14%	0,43%	0,86%	1,40%	1,70%	3,18%	3,41%	3,61%	4,04%	4,04%	4,39%	4,46%
	2T2015									0,00%	0,18%	0,48%	0,65%	0,89%	3,03%	4,49%	4,74%	4,85%	4,94%	5,02%	5,78%
	3T2015										0,00%	0,11%	0,25%	0,55%	0,97%	1,33%	1,48%	1,68%	1,79%	2,05%	2,13%
	4T2015											0,00%	0,09%	0,48%	0,68%	1,00%	1,63%	1,74%	2,53%	2,79%	2,92%
	1T2016												0,00%	0,08%	0,28%	0,60%	0,86%	1,22%	1,35%	1,54%	1,83%
	2T2016													0,00%	0,25%	0,79%	1,09%	1,45%	1,86%	2,04%	2,19%
	3T2016														0,00%	0,14%	0,57%	1,08%	1,24%	1,71%	2,02%
	4T2016															0,00%	0,09%	0,42%	0,55%	1,00%	1,36%
	1T2017																0,01%	0,09%	0,30%	0,80%	0,99%
	2T2017																	0,00%	0,14%	1,84%	2,04%
	3T2017																		1,30%	1,52%	1,79%
	4T2017																			0,00%	0,05%

### Recovery rate

		Rates																				
		1T2013	2T2013	3T2013	4T2013	1T2014	2T2014	3T2014	4T2014	1T2015	2T2015	3T2015	4T2015	1T2016	2T2016	3T2016	4T2016	1T2017	2T2017	3T2017	4T2017	
Quarter	1T2013	--																				
	2T2013		0,00%																			
	3T2013			11,86%	64,46%	83,62%	83,62%	89,56%	89,56%	89,56%	89,56%	89,56%	89,56%	89,56%	89,56%	89,56%	89,56%	98,07%	98,07%	98,07%	98,07%	
	4T2013				29,76%	42,04%	43,99%	56,18%	57,46%	57,46%	57,46%	80,00%	80,00%	80,00%	80,00%	80,00%	90,72%	90,72%	90,72%	90,72%	90,72%	
	1T2014					27,26%	35,37%	35,88%	36,65%	39,93%	39,96%	40,55%	46,66%	46,66%	47,22%	50,97%	51,14%	87,35%	87,35%	87,35%	87,35%	
	2T2014						6,97%	24,07%	25,61%	29,46%	33,11%	33,30%	33,31%	36,75%	36,75%	44,56%	44,56%	70,87%	70,87%	79,00%	79,00%	
	3T2014							22,86%	32,30%	33,94%	35,27%	35,84%	40,52%	40,68%	61,74%	63,88%	64,04%	64,36%	64,39%	64,39%	64,54%	66,36%
	4T2014								28,88%	33,62%	41,42%	42,01%	42,48%	60,21%	60,25%	64,28%	70,08%	72,89%	72,89%	75,38%	75,42%	
	1T2015									13,97%	26,99%	28,18%	31,13%	32,16%	35,74%	38,65%	39,15%	39,41%	39,42%	40,15%	40,97%	42,06%
	2T2015										16,09%	23,33%	27,71%	27,74%	28,72%	48,85%	48,90%	49,05%	51,72%	52,24%	53,16%	55,21%
	3T2015											20,04%	33,77%	40,22%	42,08%	45,04%	46,70%	53,16%	53,65%	55,01%	55,58%	55,63%
	4T2015												26,40%	46,79%	52,52%	54,72%	56,54%	56,75%	57,08%	61,40%	62,38%	
	1T2016													14,61%	44,18%	54,69%	55,25%	56,47%	58,15%	58,58%	63,77%	66,15%
	2T2016														3,11%	17,19%	24,77%	29,38%	30,78%	31,95%	31,95%	36,84%
	3T2016															62,67%	67,46%	69,63%	69,93%	70,80%	71,06%	72,84%
	4T2016																6,96%	16,88%	47,51%	54,87%	55,87%	60,65%
	1T2017																	7,90%	21,68%	26,65%	29,05%	32,09%
	2T2017																		0,20%	10,01%	14,83%	16,14%
	3T2017																			0,02%	6,56%	24,74%
	4T2017																				3,08%	40,11%

Loan secured by a mortgage (SME and Self-employed)  
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### Vintage Data Arrears

		Quartely Evolution of the subportfolios																				
		1T2013	2T2013	3T2013	4T2013	1T2014	2T2014	3T2014	4T2014	1T2015	2T2015	3T2015	4T2015	1T2016	2T2016	3T2016	4T2016	1T2017	2T2017	3T2017	4T2017	
Origination quarter	1T2013	0,00%																				
	2T2013		0,00%																			
	3T2013			0,33%	2,05%	3,34%	7,53%	9,96%	10,50%	11,26%	12,54%	13,32%	13,77%	14,74%	15,36%	16,31%	16,93%	17,37%	18,38%	18,79%	19,89%	
	4T2013				0,00%	0,17%	0,69%	1,23%	2,64%	3,36%	4,27%	4,54%	4,84%	5,07%	6,22%	7,20%	7,78%	8,06%	8,26%	8,52%	8,73%	
	1T2014					0,00%	0,36%	0,48%	0,78%	1,26%	1,26%	1,52%	1,98%	3,41%	4,05%	4,19%	4,39%	4,71%	4,71%	4,71%	5,13%	
	2T2014						0,00%	0,00%	0,49%	0,83%	1,18%	7,66%	8,08%	8,19%	8,75%	9,93%	10,28%	10,58%	11,29%	11,97%	12,05%	
	3T2014							0,00%	0,16%	0,16%	0,46%	0,55%	1,07%	1,60%	1,66%	1,92%	2,22%	2,33%	2,48%	2,59%	3,09%	
	4T2014								0,00%	0,00%	0,07%	0,11%	0,62%	0,87%	1,07%	1,16%	1,40%	1,98%	2,29%	2,65%	3,05%	
	1T2015									0,00%	0,00%	0,13%	0,60%	1,10%	1,33%	1,48%	1,55%	1,74%	1,81%	1,99%	6,82%	
	2T2015										0,00%	0,17%	0,32%	0,55%	0,67%	0,90%	1,00%	1,22%	1,26%	1,36%	1,43%	
	3T2015											0,00%	0,00%	0,34%	0,58%	0,90%	1,31%	1,50%	1,85%	2,99%	3,10%	
	4T2015												0,00%	0,04%	0,32%	0,75%	0,88%	1,00%	1,10%	1,19%		
	1T2016													0,00%	0,02%	0,15%	0,17%	0,22%	0,43%	0,62%	0,62%	
	2T2016														0,00%	1,42%	1,42%	1,97%	2,06%	2,06%		
	3T2016															0,00%	0,04%	0,04%	0,24%	0,59%	0,84%	
	4T2016																	0,00%	0,01%	0,01%	0,33%	
	1T2017																		0,00%	0,00%	0,13%	0,48%
	2T2017																			0,00%	0,14%	
	3T2017																				0,00%	0,00%
	4T2017																					0,00%

## Recovery rate

		Rates																				
		1T2013	2T2013	3T2013	4T2013	1T2014	2T2014	3T2014	4T2014	1T2015	2T2015	3T2015	4T2015	1T2016	2T2016	3T2016	4T2016	1T2017	2T2017	3T2017	4T2017	
Quarter occurrence 90+ Arrears	1T2013	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
	2T2013		0,00%																			
	3T2013			48,1130%	69,53%	75,59%	75,59%	75,59%	75,59%	75,59%	75,59%	95,34%	95,34%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	
	4T2013				62,50%	74,38%	75,05%	76,50%	76,81%	83,75%	86,31%	86,31%	86,31%	86,31%	87,64%	89,72%	89,72%	89,72%	90,73%	90,73%	90,73%	90,73%
	1T2014					60,10%	63,07%	63,07%	66,09%	75,52%	75,52%	75,52%	75,52%	75,52%	76,46%	76,46%	76,46%	76,46%	76,46%	81,22%	81,22%	81,22%
	2T2014						20,23%	28,36%	28,68%	28,68%	28,68%	28,68%	28,68%	28,90%	28,90%	28,90%	28,90%	28,90%	29,13%	29,13%	29,13%	29,13%
	3T2014							40,12%	44,00%	46,85%	47,39%	48,85%	48,85%	49,52%	49,52%	49,52%	49,52%	49,52%	49,52%	49,52%	49,52%	49,52%
	4T2014								50,48%	66,37%	68,00%	68,01%	71,02%	71,02%	74,26%	74,26%	74,26%	74,26%	74,80%	80,80%	80,80%	80,80%
	1T2015									64,58%	71,18%	72,89%	72,89%	72,89%	80,37%	80,37%	80,37%	80,37%	88,67%	88,67%	88,67%	91,94%
	2T2015										25,77%	33,49%	35,53%	37,82%	48,50%	48,50%	52,17%	55,22%	58,56%	58,56%	64,21%	64,21%
	3T2015											68,17%	72,39%	73,88%	77,86%	78,65%	78,65%	78,65%	80,94%	83,09%	83,09%	83,09%
	4T2015												18,25%	40,00%	46,12%	46,12%	48,41%	48,63%	49,83%	51,85%	53,39%	53,39%
	1T2016													17,92%	36,69%	39,48%	52,15%	61,64%	61,91%	63,78%	66,71%	66,71%
	2T2016														3,69%	14,63%	17,71%	18,79%	21,23%	24,71%	32,98%	32,98%
	3T2016															7,56%	27,36%	33,75%	41,86%	42,23%	51,35%	51,35%
	4T2016																0,00%	24,94%	31,23%	34,25%	38,98%	38,98%
	1T2017																	0,00%	19,71%	21,56%	22,46%	22,46%
	2T2017																		1,37%	26,88%	33,80%	33,80%
	3T2017																			3,45%	10,80%	10,80%
	4T2017																				0,00%	0,00%

### 2.2.3 Legal nature of the Receivables.

The Receivables securitised by means of their assignment to the Fund are credit rights deriving from Loans originated by Cajamar.

The Loans are classified, on the basis of the associated collateral, as (i) Non-Mortgage Loans; and (ii) Mortgage Loans.

The transfer of the Receivables deriving from the Non-Mortgage Loans will take place directly under the Deed of Incorporation and will be governed by the laws of Spain, in particular articles 1,526 et seq. of the Spanish Civil Code.

The Receivables deriving from Mortgage Loans will be assigned by means of the issuance by Cajamar of the MTCs which will be fully subscribed by the Fund through its Management Company, in accordance with the Deed of Incorporation and upon the terms established therein and in this Prospectus.

The MTCs will be issued and subscribed in accordance with Fourth Additional Provision of Law 5/2015, Law 2/1981, Royal Decree 716/2009, and other regulations in force at the time of transfer and relating to the acquisition of mortgage market titles. The MTCs will be represented in one Multiple Title containing the minimum details provided for in Royal Decree 716/2009. Each MTC represents 100% of the outstanding balance of each of the Mortgage Loans assigned thereunder; it will have the same term and will accrue an interest rate equal to the nominal interest rate accrued by the corresponding Mortgage Loan.

### 2.2.4 Expiry or maturity date(s) of the Receivables.

Each of the Loans selected has a final maturity date, notwithstanding any partial periodic repayment installments in accordance with the particular terms thereof.

The Debtors may prepay all or part of the outstanding balance of the Loans at any time during the term of the Loans, ceasing the accrual of interest on the prepaid amount as from the date of repayment.

The latest final maturity of the Loans in the Preliminary Portfolio is 10 August 2033. Therefore, the Final Maturity Date of the Notes is 22 April 2037.

### 2.2.5 Amount of the Receivables.

The Receivables will be assigned by Cajamar and selected from among those comprising the Preliminary Portfolio, until reaching an amount equal to or marginally lower than NINE HUNDRED AND FIFTY THREE MILLION (€953,000,000.00).



The Preliminary Portfolio, from which the Loans to be assigned to the Fund on the Date of Incorporation will be selected, is composed by 27,275 Loans, the total outstanding balance of which amounts to €1,122,625,420.69 as of 11 November 2018.

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

For the purposes of this section, please refer to the information included in tables of section 2.2.2 of the Additional Building Block above, which include all the relevant information related to this section and shall be read in conjunction with section 2.2.16 of the Additional Building Block below.

#### **2.2.7 Method of origination or creation of the receivables by Cajamar.**

The Receivables selected for assignment to the Fund were granted by Cajamar following its customary credit risk analysis and appraisal procedures. The procedure followed for granting the Loans grouped into the Portfolio is described in this section.

The Originator applied to the Loans included in the Preliminary Portfolio the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures. To that end, the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits were applied. The Originator has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the debtor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the debtor meeting its obligations under the Loan Agreements.

In addition, the Originator has not selected the Loans in the Preliminary Portfolio with the aim of rendering losses on the Receivables transferred to the Fund over a maximum of 4 years, higher than the losses over the same period on comparable assets held on the balance sheet of the Originator.

The most significant aspects of the origination policies and procedures (*Manual de Riesgos de Crédito*) described below coincide with those in force at the different times during which the loans making up the Fund's assignable portfolio were originated.

- (i) All acceptance processes are contained in Cajamar's Credit Risk Management and Control Policies and Procedures, which include, among other things, the principals and standards to be applied to such credit risk management and control. This complies with the provisions of Annex IX "Credit Risk" of Bank of Spain Circular 4/2004, as amended.
- (ii) The acceptance and Recovery procedures are governed by various principles, most importantly the principle of independence, as these procedures are followed with independence from the commercial sector. The segregation of roles guarantees the consistency of the standard credit practices.
- (iii) There are different circuits for the acceptance of credit transactions, one for the individual segment and another for the other segments.
- (iv) All transactions originate at branches. There are no other alternative channels of origination, nor are there brokers or agents.

#### **Issuance: responsible bodies and powers**

The entity has a credit risk origination system which has been established in accordance with the existing system of delegation of powers, which can be summarised as follows:

- (i) The start of a credit risk transaction involves the branch's recording of all data related thereto (personal, guarantees and security, and characteristics of the chosen product) that comprise the initial electronic file for the transaction.

- (ii) If the parameters thereof exceed those pre-established for the branch, the transaction is assigned to the body with the power competent to originate such transaction. If this body requires additional information for study, it will be requested to the branch where the operation was initiated.
- (iii) At the branches, the party responsible for the study and analysis of the transaction before it is carried out is the Office Management Committee of each branch, composed of a Director, Controller and administrative manager, and possibly the Director of the Area to which the branch belongs.
- (iv) For higher bodies, the parties responsible for this study are the Risk Admission and Spatial Financing Areas, reporting on those transactions that must be submitted to higher authorities.

The delegated bodies that are authorised to originate credit transactions according to their functions are: the Investment Committee, the Analysis Centre Committee, Business Committees, the Labour Finance Committee, the Micro Credit Committee, the Investment Committee and the Branches.

The composition of these committees is as follows:

Investment Committee:

- Chief Lending Officer and three members appointed thereby.
- Business CEO and two members appointed thereby.

Analysis Centre Committee:

- Analysis Centre Manager
- Analysis Centre Coordinator
- Senior Analyst
- Analyst proposing the transaction

Territorial and Zone Business Committees:

- Area Level 1: Area Director or Territorial Division Business Director and Management Committee or Director, if there is none, of the branch where the transaction is originated.
- Territorial Level 2: Territorial Director and Area Business Committee or Management Committee or Director, if there is none, of the branch where the transaction is originated.

Labour Finance Committee:

- Level 1: Internal Labour Relations Office Manager
- Level 2: Level 1 and Labour-Finance Area Director
- Level 3: Level 2 and Human Resources Director

Investment Committee

Each of these delegated bodies has regular limitations in the origination of loans, which are referred to as “delegated limits”. In order to comply with the delegated limits, the principal of the requested transaction is added to the current risk of all transactions of the applicant’s group. The limits currently in force are:

- (i) Branch: up to 300,000 Euros depending on the category of the branch and the type of transaction.

- (ii) Business Committees: 300,000 Euros for committees of Zone Level 1 and 1,000,000 Euros for committees of Territorial Level 2.
- (iii) Analysis Centre Committees: up to 3,000,000 Euros.
- (iv) Investment Committee: up to 6,000,000 Euros.
- (v) Labour Finance Committee: 300,000 Euros for level 1 committees, 600,000 Euros for level 2 committees and 1,000,000 Euros for level 3 committees.

Loans exceeding in aggregate 6 million Euros require the approval of the Executive Committee, which is made up of the following:

- President
- Vice-president
- Secretary
- Members

These origination policies are applied to both the borrowers under the loan and those who, jointly with the borrower, constitute a risk group.

A “Risk Group” means the group of natural or legal persons that meet any of the following four circumstances:

- (i) They form a financial group.
- (ii) They are financially interrelated in such a way that if one encounters financial difficulties to meet its obligations, this circumstance would be transferred to the other members of the group.
- (iii) They share a business or economic activity as their main source of income.
- (iv) They form a family unit.

The entity has a specialized structure for acceptance of each type of client and volume of risk, distinguishing between individuals and legal entities (including real estate developers).

The basic principal for the origination of a financing transaction is the ability to repay in due time and form. Security is considered a supplement and never as the foundation for the financing.

A risk transaction begins within the branch network, where all the data required for the origination are collected and analysed: identification of participants, information regarding the ability to repay and evidence of the security provided. In the event that any of the standard requirements is not met or the amount of accumulated risk exceeds the powers of the branch, the manager must submit the proposal to the next higher level. The approval of transactions is a joint responsibility and in all cases requires the participation of at least two managers.

#### **Assessment of Security**

Regardless of the fact that the origination of credit transactions is based primarily on the borrower’s ability to repay, the inclusion of security is taken into consideration in order to mitigate the loss in the event of default.

For these purposes, the contracted risk will be considered to be sufficiently secured if at least one of the following circumstances occurs:

- (i) The reasonable value of the assets of the borrower and guarantors exceeds twice the value of their debts.

- (ii) The credit transaction is secured by a pledge or a mortgage over the assets indicated in the table below, and the ratio between the credit amount and the valuation of the property provided as security (LTV) does not exceed the following percentages:

ASSET BACKING THE SECURITY INTEREST		LTV
<b>1</b>	Residential home	
<b>1.1</b>	<i>Main residence</i>	80%
<b>1.2</b>	<i>Other uses</i>	70%
<b>2</b>	Offices, shops and multipurpose warehouses	70%
<b>3</b>	Buildable land	50%
<b>4</b>	Rural property	
<b>4.1</b>	<i>Intensive horticultural farming</i>	70%
<b>4.2</b>	<i>Other farming activities</i>	50%
<b>5</b>	Other real estate property	50%

As a consequence, those loans with an LTV that exceeds the pre-established limits are not considered to be sufficiently secured. (There are also LTV levels for other types of security like deposits or securities, but given that they don't apply to the assignable portfolio, they have not been included).

Generally, the submission of an appraisal by an appraisal firm registered with the Bank of Spain is requested for mortgage loans. In addition, the internal valuation of the property by "Estación Experimental Las Palmerillas" may be used for agricultural land that has not been officially appraised. The absence of an appraisal does not mean the automatic rejection of a transaction. In those cases in which mortgage security is provided but there is no appraisal (from an appraisal firm registered with the Bank of Spain), it will be deemed that no mortgage security was provided for purposes of the origination analysis.

### Credit rating models

In relation to the credit risk management, in 2003 Cajamar initiated the "Comprehensive Risk Management" project, which has allowed Cajamar to gradually integrate a conservative credit policy. This has been achieved by adding customer credit quality assessment tools (ratings and scorings) to the risk management.

Within the framework of the "Comprehensive Risk Management" project, different rating models have been gradually implemented, covering almost the entire credit portfolio, and which can be grouped as follows:

1. **Acceptance Scoring:** models for the evaluation of proposed credit transactions, determining the acceptance thereof, can be classified as:
  - Reactive Scoring, models evaluating a specific request for a credit transaction based on the information provided by the applicant. There are 3 types:
    - General Reactive Scoring: transactions for a specific purpose
      - Mortgage loans
      - Personally guaranteed loans
      - Credit Cards

- New Residents Reactive Scoring: transactions for a specific purpose
    - Mortgage loans
  - Small Business Reactive Scoring
    - Mortgage loans
    - Personally guaranteed loans
    - Leasing
    - Credit accounts
    - Credit cards
    - Discount lines
  - Proactive Scoring for individuals
    - Mortgage loans
    - Personally guaranteed loans
    - Credit cards
    - Credit accounts
    - Account overdrafts
    - Discount lines
  - Proactive Scoring for micro businesses
    - Investment mortgage loans
    - Personally Guaranteed Loans
    - Credit Accounts
    - Credit Cards
    - Account Overdrafts
    - Discount Lines
    - Leasing
    - Bank Guarantees
  - Scoring for intensive plasti-tunnel horticultural farms
    - Working capital financing
    - Investment financing
2. **Tracking Scoring:** models to evaluate the credit quality of the customer and/or the transaction throughout the life thereof. There are three types:
- Private Individual Tracking Scoring
  - Micro business Tracking Scoring
  - Intensive plasti-tunnel horticultural farm Tracking Scoring
3. **Behavioural or Transactional Tracking Scoring**, which rate the transaction, and which have been implemented for transactions by individuals and micro companies.

4. **Rating**, models to evaluate the credit quality of the customer. These models are applied during the acceptance process and in monitoring the corporate segment. There are three types:
- SME rating
  - Large business rating
  - Developer/builder rating

#### **Segmentation of the credit portfolio**

In order to distribute the credit portfolio by segments, portfolios and sub portfolios, Cajamar considers the following identification variables: (i) type of risk holder, (ii) size of the company, determined by the volume of its turnover and by the Cajamar's exposure to the economic group, excluding financing secured by mortgages on residential properties, (iii) productive activity of the holder, (iv) use of the financing, (v) purpose of the transaction, (vi) type of credit product arranged, and (vii) security for the transaction.

The combination of the variables described above result in the following identification of segments, portfolios and sub-portfolios at Cajamar:

##### **1. Retail Segment:**

The retail segment is comprised of transactions that are not intended for the purchase of residential properties or land for development, where the borrower is an individual or a company that meets the following three conditions:

- Its main activity is not real estate development.
- Its invoicing volume is below 1.5 million Euros.
- The exposure to the customer or its economic group is below 1 million Euros.

If the company belongs to an economic group, turnover for the consolidated group or, if the annual accounts are not consolidated, the highest figure for all the companies of the economic group, shall be deemed to be the invoicing volume.

The portfolios and sub-portfolios of this segment are:

- 1.1 Home mortgage: this portfolio is made up of transactions secured by mortgages held by an individual and arranged in order to purchase, restore or self-develop a property for domestic use.
  - Customary Residence: the customary residence is the permanent address of the holder.
  - Home for other uses: Includes holiday, rental or investment homes.
- 1.2 Other family financing: this portfolio is made up of transactions by an individual in order to attend family financial needs other than those included in the home mortgage portfolio.
  - Micro consumer: Micro consumption is when the credit transaction is equal to or lower than 6,000 Euros and is not intended for the purchase of a family vehicle.
  - Vehicles: when the use is for the acquisition of a family vehicle.
  - Other goods and services: Includes other family financing transactions that are not assigned to other portfolios.
- 1.3 Auto-renewable financing: Include transactions in which the holder is an individual and are implemented using credit cards or current account overdrafts.

- Credit cards.
- Current account overdrafts.

1.4 Small businesses: There are two sub portfolios, based on the legal form used by the business:

- Business/professional activity of individuals (self-employed, individual businesspersons): The sub portfolio includes all transactions that finance the business or professional activities of individuals, unless the main activity is one that places them in portfolio 1.5.
- Micro businesses: Includes all transactions by commercial companies that meet the conditions to be considered retail, unless:
  - Their main activity is among those causing them to be included in portfolio 1.5, or 2.1
  - The purpose of the transaction causes them to be included in portfolios 1.5 or 2.1.

1.5 Retail agro food sector:

- Economic activities relating to the transformation of animal or plant natural resources into non-processed primary products, such as agriculture, animal farming, forestry, beekeeping, fish farming, hunting and fishing.
- Wholesale trade of animal or plant non-processed primary products, with added value, such as horticulture, corn exchange, agricultural cooperatives, etc.
- Transformation of animal or plant primary products into food products.
- Activities aimed at the production, installation and distribution of equipment, products or services clearly linked to the abovementioned economic activities, and, therefore, dependant on them.
- Activities aimed at the exploitation or distribution of natural resources and/or raw materials provided they are included as inputs to any of the stages of the food production chain such as water distribution for irrigation, production or sales of seeds, saplings, compost, pesticides, etc.

This segment includes:

- Transactions for businesses of individuals whose main activity is one of those defined in the agro food sector.
- Transactions with companies that meet the conditions for belonging to the retail segment, the main activity of which is one of those defined in the agro food sector.
- Transactions of individuals or commercial companies that meet the conditions for belonging to the retail segment and that are intended for the agro food sector, even if their main activity is not within such sector.

## 2. Corporate Segment

This segment only includes those transactions in which the borrowers engage in business activities in the form of a commercial company.

The portfolios and sub portfolios defined for this segment are:

- 2.1 Real estate developers. Credit transactions that meet one of the following criteria are included in this portfolio:
- a) The borrower is a commercial company whose main activity is real estate development.
  - b) The borrower is a commercial company whose main activity is not real estate development and the purpose of the financing is one of the following: acquisition, development and sub-division of land and plots; development of residential buildings for sale or lease.
- 2.2 Corporate agro food sector: Transactions in which the borrower is a commercial company whose main activity is any of those described for the agro food sector and that do not meet the conditions for belonging to the retail segment are included in this portfolio. In addition, the purpose of the transaction shall not be any of those causing it to belong to the land or development sub portfolios.
- 2.3 SMEs: Credit transactions of commercial companies with an invoicing volume below 25 million Euros but that do not meet the conditions to belong to the retail segment shall be included in this portfolio, provided the two following conditions are met:
- Their main activity is different than any that would cause them to belong to the Real Estate Development segment.
  - The purpose of the transaction is not one that would cause it to belong to the Real Estate Development portfolio.
- Two portfolios are defined by the size of the company:
- Small businesses: If the invoicing volume is less than 5 million Euros.
  - Medium businesses: If the invoicing volume is between 5 and 25 million Euros.
- 2.4 Large Companies: Credit transactions of commercial companies with an invoicing volume in excess of 25 million Euros shall be included in this portfolio, provided the following two conditions are met:
- Their main activity does not cause them to belong to the Real Estate Development portfolio.
  - The purpose of the transaction does not cause them to belong to the Real Estate Development portfolio.
- 3. Government Authorities Segment:** Credit transactions in which the borrower is a government authority at national, regional or local levels and the Social Security administration are included in this portfolio.
- 4. Non-Profit Entity Segment:** Credit transactions in which the borrower is a non-profit entity, such as sport clubs and associations, neighbourhood associations, etc., are included in this portfolio
- 5. Financial Intermediaries Segment:** Credit transactions in which the borrower is a company whose main activity is financial intermediation are included in this portfolio.

The segmentation also takes into account the number of employees of the debtors, with micro businesses being deemed to be those that have less than 10 employees, small businesses those that have less than 50 employees and medium businesses those that have less than 250 employees.

### Interest Rate Reductions



There are loans that benefit from reductions in their interest rate. These reductions depend on certain cross-selling relationship between Cajamar and each Debtor.

Cross-selling is referred to products or services that the Debtor holds or arranges with Cajamar (regardless of the fact the Cajamar is the provider of the product or service or is the one managing the product or service). Each type of Cross-selling has an assigned reduction in the interest rate.

Conditions offered to clients when a Loan is originated include reductions on the interest rate depending on the type of product, regardless it is a fixed rate interest loan or a floating rate interest loan:

- Standard interest rate: The interest rate for the Loan if no cross selling is taking place.
- Applicable reduction: The amount by which the standard interest rate will be reduced. For each Loan it will be the sum of all reductions applicable according to the level of cross-selling with the relevant Debtor. Each Loan has a maximum of reductions.
- Adjusted interest rate: The applicable interest to the Loan resulting from the difference between the standard interest rate minus applicable reductions.

The level of cross-selling will be normally revised (i) annually, for investment or consumer loans and (ii) quarterly, for credit or working capital loans (although this can vary depending on the relevant cross-selling relationship that provides each reduction). On each date of revision, level of cross-selling is monitored and hence a new adjusted interest rate is calculated to be applied onwards to the Loan.

## **2.2.8 Representations and other warranties given to the Issuer relating to the Receivables.**

### **2.2.8.1. Representations**

The Management Company reproduces below the representations and warranties that the Originator shall make in the Deed of Incorporation to the Fund on the Date of Incorporation in relation to itself, the Loans, the Mortgage Transfer Certificates and the Receivables:

#### Representations of the Originator:

- 1) Status: it is a financial entity duly incorporated and validly existing under Spanish law, and also duly registered with the Commercial Registry and the Registry for Credit Entities at the Bank of Spain, and is entitled to grant loans to companies and self-employed individuals and to operate in the mortgage market;
- 2) Consents: it has obtained or made all necessary licenses, permits, registrations, consents and approvals necessary to conduct its business as currently conducted, to hold the Receivables that will be purchased by the Fund and to enter into the rest of the agreements of the transaction;
- 3) Authorisations: that it has obtained all the necessary authorisations, both administrative and corporate authorisations, including, where appropriate, those of third parties that may be affected by the assignment of the Receivables to the Fund, and for validly granting the Deed of Incorporation, the commitments undertaken therein and the rest of the agreements related to the incorporation of the Fund;
- 4) Insolvency proceedings: that neither on the Date of Incorporation of the Fund, nor at any time since its incorporation, it has been declared insolvent in an insolvency proceeding nor has it been intervened in accordance with Law 11/2015, of 18 June, on

recovery and resolution of credit institutions and investment services companies (*Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) (the “**Law 11/2015**”);

- 5) Annual Reports: Cajamar has favourably audited its individual annual accounts for the financial years 2016 and 2017. These annual accounts have been deposited with the CNMV and the Commercial Registry, in accordance with current legislation.
- 6) Data Protection: It is in compliance with all applicable legislation on data protection matters.
- 7) Retention requirements: as stated in Section 2.2.8.2 below, Cajamar will comply with the retention requirements by holding randomly selected exposures, equivalent to no less than 5% of the nominal value of the securitised exposures, where such exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is no less than 100 at origination.

Representation of the Originator with respect to the Loans and to the Receivables:

- 8) The Originator is the sole owner of the Receivables, which are free of liens and encumbrances and has the right to dispose thereof, and to the best of its knowledge (i) there is no cause that could adversely affect the enforceability of such assignment; and (ii) no Debtor may raise any objections to the payment of any amount regarding the Receivables.
- 9) All Loans exist, are valid in accordance with Spanish law and contain contractually binding and enforceable obligations of the type that are commonly recognized and accepted by the Spanish courts, and all subject to the exceptions of general application under Spanish law, with full recourse to Debtors and, where applicable, to guarantors.
- 10) The Loans are clearly identified and documented in public deeds or in private agreements.
- 11) All original Loan Agreements are deposited at the Originator’s premises, both in IT files and the hard copies of the public instruments or private agreements by virtue of which they were formalised, and available to the Management Company. The Loans are currently analysed and monitored by the Originator, in accordance with standard procedures.
- 12) Each Loan agreement has been executed pursuant to, and in compliance with, the applicable provisions of Spanish legislation and all other applicable legal and regulatory provisions, including, but not limited to, all applicable anti-money laundering legislation.
- 13) The Loan Agreements are governed by Spanish law and subject to the jurisdiction of Spanish court.
- 14) No Loan Agreement contains confidentiality provisions which may restrict the Fund’s exercise of its rights as owner of the Receivables.
- 15) All Loans are denominated and payable exclusively in Euros.
- 16) On the Date of Incorporation there are no clauses allowing the deferral interest or principal. Notwithstanding, some Loans will have an agreed grace period during an initial period that may have not concluded at the Date of Incorporation.
- 17) The information related to the Loans in sections 2.2.2, 2.2.6, 2.2.7, 2.2.8 and 3.5 of the Additional Building Block of this Prospectus and in the Deed of Incorporation accurately reflects their current situation on the Date of Incorporation, as set out in the relevant

public deeds or private agreements and in the files provided to the Management Company, and such data is true and accurate in all material aspects.

- 18) The Loans were originated by Cajamar.
- 19) The origination criteria in force at the time of the origination date of each Loan do not materially differ from the ones described in section 2.2.7 of the Additional Building Block.
- 20) All the Loans have been granted according to the same origination criteria as representation 19) above, regardless the fact that it has been originated through a Originator's fully authorised branch.
- 21) Since the granting of the Loans, they have been serviced by the Originator in accordance with its standard procedures for servicing financing operations for companies and self-employed;
- 22) No Loan is subject to any amicable or contentious recovery proceeding and the Originator has not begun a termination claim with respect to the relevant Loan Agreement for a breach by the Debtor(s) of its (their) obligations under the terms of such Loan Agreement or at the occurrence of an event of default howsoever described under the Loan Agreement, including amongst others things, with respect to the timely payment of amounts due.
- 23) The Originator is not aware of the existence of legal claims in relation to the Loans that may adversely affect their validity, or that may force the application of article 1535 of the Civil Code.
- 24) The Originator has no knowledge that any Debtor has been formally declared insolvent nor has previously written-off amounts on the Loan.
- 25) The Originator is not aware of any Debtor holding any credit right against it that may entitle them to exercise any set-off rights.
- 26) To the best knowledge of the Originator, no Loan has been disputed by the corresponding Debtor on any ground whatsoever.
- 27) No Loan is subject to transferability restrictions, otherwise the Originator has already performed (or assumed the obligation to immediately perform) any necessary actions and comply with any requirements to allow the transfer of the relevant Loans.
- 28) To the best knowledge of the Originator, on the Date of Incorporation, no Loan has been accelerated nor any Debtor has formally notified its intention to prepay any of the Loans;
- 29) Each Debtor has made at least one scheduled payment under the relevant Loan.
- 30) The guarantees securing the Loans are valid and enforceable in accordance with its terms and to the best knowledge of the Originator there is no circumstance that may prevent their foreclosure. Some Loans are secured by guarantees other than the personal guarantee of the relevant Debtor and the *in rem* right of mortgage (in case of Mortgage Loans), which can be personal, guarantees granted by third parties, or *in rem* security, and which may not be recordable in any public registry. However, the lack of registration of these additional guarantees does not adversely affect their validity nor enforceability.
- 31) No Loans have been granted to Originator's employees.
- 32) The principal of each Loan has been fully disbursed;

- 33) On the Date of Incorporation, each Loan shall maintain a minimum outstanding balance of EUR 1,000.
- 34) All Loans repay via direct debit;
- 35) None of the Loans fund real estate developments.
- 36) No Debtor is a company part of the Cajamar group in accordance with article 42 of the Spanish Commercial Code.
- 37) On the Date of Incorporation, all the Loans have at least three (3) months of remaining life.
- 38) On the Date of Incorporation, the Outstanding Balance of the Receivables derived from Loans granted to restructure previous existing financing transactions due to debtor's inability to repay or due to other credit issues will be excluded.
- 39) On the Date of Incorporation, the Outstanding Balance of the Receivables derived from Loans with a principal grace period ending after 14 December 2018 will be equal or less than 2.25% of the Outstanding Balance of the Receivables assigned.
- 40) No Receivable derives from a financial leasing agreement.
- 41) On the Date of Incorporation no Receivables were more than five (5) days in arrears.
- 42) To the best of its knowledge, on the Date of Incorporation of the Fund, no Receivables derived from Loans with a Debtor or guarantor that has experienced a deterioration of its credit quality, meaning that such Debtor or guarantor:
  - a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to its non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the Fund, except if a restructured Loan has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer to the Fund;
  - b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Originator; or
  - c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Originator which are not securitised.
- 43) The Loans are not in default within the meaning of Article 178(1) of Regulation 575/2013.
- 44) None of the Loans has a final maturity date beyond 10 August 2033 on the Date of Incorporation;
- 45) On the Date of Incorporation, the Outstanding Balance of the Receivables vis-à-vis a single Debtor group will not be higher than 0.5% of the total Outstanding Balance of the Receivables pooled at the Fund.
- 46) The Loans are not syndicated financial transactions.
- 47) The Loans do not include derivatives.

- 48) The Receivables have been selected from a portfolio of credit rights derived from loans granted by the Originator to Debtors that are categorised as self-employed/individual business persons and/or micro companies, small and medium sized businesses according to the Originator and the Technical Application of Bank of Spain Circular 9/2016 (entities that, regardless of their legal nature, carry out an economic activity with an annual turnover or an annual consolidated group turnover is less than 50 million Euros).
- 49) On the Date of Incorporation, the Preliminary Portfolio includes mortgage secured and non-mortgage secured Loans. In addition, some Loans may also have other in-rem security and personal guarantees.

In relation to the Mortgage Loans and the Mortgage Transfer Certificates:

- 50) The Executive Commission of the Governing Body of the Originator has adopted all the necessary resolutions for the assignment of the Receivables arising from the Mortgage Loans through the issue of Mortgage Transfer Certificates.
- 51) The Mortgage Transfer Certificates are issued in accordance with Law 2/1981, Royal Decree 716/2009 and Fourth Additional Provision of Law 5/2015, and they meet all the requirements set forth therein.
- 52) The assignment to the Fund of the Receivables deriving from the Mortgage Loans is performed through the issue of the Mortgage Transfer Certificates.
- 53) The MTCs are issued to the extent the Mortgage Loans are not eligible under Article 3 of Royal Decree 716/2009, for purposes of being subject to mortgage participations (participaciones hipotecarias). This is consistent with the information provided to Bank of Spain.
- 54) The details of the Mortgage Loans are included in the Multiple Title, and correctly reflect their current situation, as shown in the Originator's IT files and the public deeds of such Mortgage Loan, and that they are accurate and complete.
- 55) Where the Loan is guaranteed by a residential mortgage granted after the entry into force of Directive 2014/17/EU, it has not been marketed and underwritten on the premise that the Loan applicant were made aware that the information provided by the Loan applicant might not be verified by the Originator.
- 56) The Mortgage Loans are secured by first ranking mortgage over all the real estate properties, otherwise (i) the first ranking mortgage has been granted in favour of the Originator, Banco de Crédito Cooperativo or entities merged with Cajamar; or (ii) the obligations secured by the first ranking mortgage are fully repaid and economically cancelled although the registration of the cancellation of relevant first ranking mortgage with the Land Registry is still in process and has not yet concluded.
- 57) All the Mortgage Loans are documented in public instruments (escritura pública), and all the mortgages are duly granted and registered in the corresponding Land Registries. The registration of the mortgages is in force and with no contradictions.
- 58) Mortgaged properties have been previously appraised by an appraisal company registered with the Bank of Spain, and that such appraisal has the corresponding certificate pursuant to Order ECO 805/2003. In the case of social housing, the value of the appraisal corresponds to the maximum legal sale value valid for social home.
- 59) When servicing the Mortgage Loans, the Originator has applied its internal policies for updating mortgage property valuations, and that such internal policies are consistent with current legislation requirements.

- 60) Mortgaged properties are not considered excluded properties as eligible guarantees, pursuant to article 11 of Royal Decree 716/2009 and the Mortgage Loans do not meet any of the characteristics of the excluded or restricted loans under Articles 12.1 a), c), d), f) and 12.2 of Royal Decree 716/2009.
- 61) Mortgage Loans are not represented in any type of nominative or bearer security.
- 62) Mortgage Loans are not linked to any asset backed security or covered bond issued by the Originator other than the Mortgage Transfer Certificates pursuant to which the Receivables arising from the Mortgage Loans are assigned to the Fund.
- 63) All mortgaged properties are completed properties (except in the case of land) and are located in Spain.

#### **2.2.8.2. Compliance with EU Risk Retention Requirements**

The Originator, as an originator for the purposes of the CRR, the Regulation (EU) No. 231/2013 of the EU Directive 2011/61/EU on Alternative Investment Fund Managers (the **AIFMR**) and the Solvency II Regulation, will retain, on an ongoing basis, a material net economic interest of not less than five per cent in the securitisation contemplated by the Transaction Documents in accordance with article 405 of the CRR (**Article 405**), article 51 of the AIFMR (**Article 51**) and article 254 of the Solvency II Regulation (**Article 254**) (which, in each case, is interpreted and applied on the Disbursement Date and does not take into account any corresponding national measures) (the **Retention**). To this effect, refer to "*Certain Regulatory and Industry Disclosures*".

Under the Deed of Incorporation, the Originator will undertake to communicate the Management Company, on a monthly basis (or with at least the same frequency of the periodic reports it produces for investors), the compliance with the retention commitment assumed so that the latter can publish such information on its web site ([www.imtitulizacion.com](http://www.imtitulizacion.com)). For the purposes of this communication, the Originator must explicitly state that it has not carried out any action (credit risk hedging, sale, taking short positions, etc.) that might have undermined the application of the retention requirement.

In compliance with the provisions of article 409 of the Regulation, the Originator must ensure that potential investors can easily access all relevant data regarding credit quality and the evolution of the various underlying exposures, cash flows and the real guarantees backing the securitization exposures, together with any information necessary to carry out detailed and documented stress tests of the cash flows and the value of the real guarantees backing the underlying exposures.

In addition, and pursuant to the effective application of Regulation EU 2017/2402, the Originator specifically undertakes in the Deed of Incorporation, to comply with articles 6 and 7 of such Regulation.

In respect of section 2 of said article 7, the Fund, through the Management Company, is designated as the entity responsible for the presentation of the information detailed within.

#### **2.2.9 Non-conformity of the loans or the Receivables. Breach of representations and warranties**

The Management Company, acting for and on behalf of the Fund, will take into consideration the Originator's representations and warranties as an essential and determining condition for its consent to acquire the Receivables on the Date of Incorporation.

In any event, liability for the failure of the Loans or of the Receivables from which they derive transferred by the Originator to the Fund with the representations and warranties referred in section 2.2.8 of the Additional Building Block, will at all-time remain with the Originator only (and the Management Company shall under no circumstance be liable therefor) and the Management Company will therefore rely only on the representations made, and on the warranties given, by the Originator regarding those Loans and Receivables.

If the Management Company or the Originator becomes aware for any reason whatsoever that any of the representations or warranties given or made by the Originator in relation to the Loans or the Receivables arising therefrom the latter and assigned to the Fund were false or incorrect on the Date of Incorporation, the Management Company or the Originator, as applicable, will promptly inform the other party of such non-compliance by providing a letter containing an electronic list with the non-compliant Receivables.

The Originator undertakes to remedy such non-compliance and, if unable to do so, to replace or repurchase such non-compliant Receivable in the terms set out below. The Originator will assume any cost relating to said replacement or repurchase.

The remedy may consist of the replacement of the corresponding Receivable within a maximum period of 30 Business Days by another with similar characteristics in terms of credit quality, outstanding balance, LTV ratio (for Mortgage Loans), repayment rules, term, interest rate and payment frequency, acceptable to the Management Company. Such replacement shall be intended not to affect the ratings the Rating Agencies have assigned to the Rated Notes. In the event of a positive difference between the balance of the replaced Receivable and the replacement, the difference will be deposited into the Treasury Account.

If an effective remedy is not provided on or before 30 Business Days following the date on which notice of the non-compliance of the relevant non-compliant Receivable was provided by one party to the other party, the Originator shall repurchase the non-compliant Receivable. The amount payable by the Originator will be equal to the Outstanding Balance of the Receivable plus any accrued and unpaid interest thereon. Payment will be made two (2) Business Days before the immediately following Payment Date.

In addition, and in any case, the Originator shall indemnify in full and hold harmless the Fund and the Management Company from and against any and all damages and claims (whether or not successful, compromised or settled), actions, demands, proceedings or judgments which may be instituted, made, threatened, alleged, asserted or established from time to time in any jurisdiction initiated by the Debtors or any successors thereof in connection with the non-compliant Loans and from all damages that the Fund or the Management Company may suffer or incur from time to time (including all costs and expenses reasonably incurred in the defence of the interest of the Fund, and any direct and indirect tax implications that such indemnity payment may trigger for the Fund, including, but not limited to, any corporate income tax levied on the Fund as a consequence of collecting such amounts).

Notwithstanding the above, if the Management Company is unable to use the CIFRADO/CNMV service at any time and for any reason, the Originator and the Management Company will appear before the Spanish Notary designated by the Originator for the purposes of converting into a Public Document any repurchase of Receivables made hereunder (provided that all costs and expenses arising from any such notarisations shall be borne by the Originator).

Neither the Originator nor the Management Company will enter into repurchase or replacement agreements of the Receivables other than those set forth in this section 2.2.9 of the Additional Building Block.

#### **2.2.10 Relevant insurance policies relating to the Loans.**

Not all properties backing Mortgage Loans have insurance damage, therefore no information is provided.

#### **2.2.11 Information relating to the Debtors where the Receivables comprise obligations of five (5) or fewer Debtors which are legal persons, or where a Debtor accounts for twenty percent (20%) or more of the Receivables, or where a Debtor accounts for a material portion of the Receivables.**

Not applicable.

**2.2.12 Details of the relationship between the Issuer, the guarantor and the Debtor if it is material to the Issue.**

It is not known whether there are significant relationships concerning the issue of the Notes as regards the Fund, the Originator, the Management Company or other persons involved in the transaction other than those included in section 5.2 of the Registration Document.

**2.2.13 Where the Receivables comprise fixed income Securities, a description of the principle terms and conditions.**

Not applicable. The Receivables assigned to the Fund do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU.

**2.2.14 Where the Receivables comprise equity Securities, a description of the principal terms and conditions.**

Not applicable.

**2.2.15 Where more than ten percent (10%) of the Receivables comprise equity securities that are not traded on a regulated or equivalent market, a description of the principal terms and conditions.**

Not applicable.

**2.2.16 Where a material portion of the Receivables is secured on or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow/income streams.**

Only certain appraisals of properties backing Mortgage Loans have been updated after their date of issue.

The current situation of the Preliminary Portfolio to be assigned to the Fund in relation to the appraisals is:

	Number	Amount (*)	WA LTV
Secured Loans with mortgage guarantee	1.790	319.770.585	53,66
Properties	2.744	319.770.585	53,66
Properties with appraisal on the grant date	2.247	241.276.225	61,19
Which have statistical valuation	25	3.117.896	48,71
Properties with updated appraisal after grant date (***)	472	75.376.465	49,19

(\*) Outstanding Balance or aggregate valuations.

(\*\*) Excludes a loans with LTV>100.

(\*\*\*) Appraisal with the corresponding certificate pursuant to Order ECO 805/2003.

*(\*) Aggregated existing balance or aggregated valuation*

Such appraisals are carried out in accordance with the provisions of Order ECO/805/2003. The appraisals of the properties were performed on the date of the origination of the relevant Loan and in some cases updated after that date. The criteria for updating the initial valuations are those set out in paragraphs 79 to 81 and 130 of Annex 1 of Bank of Spain Circular 4/2016. However, Circular 4/2017 is applicable since 1 January 2018 and has introduced some modifications to the procedures for updating property valuations that are currently being implemented and that have still to be applied to existing appraisals.



When preparing the tables in section 2.2.2, the most recent updated appraisals have been used, pursuant to Order ECO 805/2003. The audit report of the Preliminary Portfolio mentioned in section 2.2 of the Additional Building Block includes the verification that the Mortgage Loans have been appraised by an appraisal company registered with the Bank of Spain, and pursuant to Order ECO 805/2003, either at the time of issue or subsequently in the event that the mortgage property has been updated.

**2.3. Actively managed assets backing the issue.**

Not applicable.

**2.4. Where an Issuer proposes to issue further securities backed by the same Receivables, a prominent statement to that effect and description of how the holders of that class will be informed.**

Not applicable.

**3. STRUCTURE AND CASH FLOW**

**3.1. Description of the structure of the transaction, including, if necessary, a diagram.**

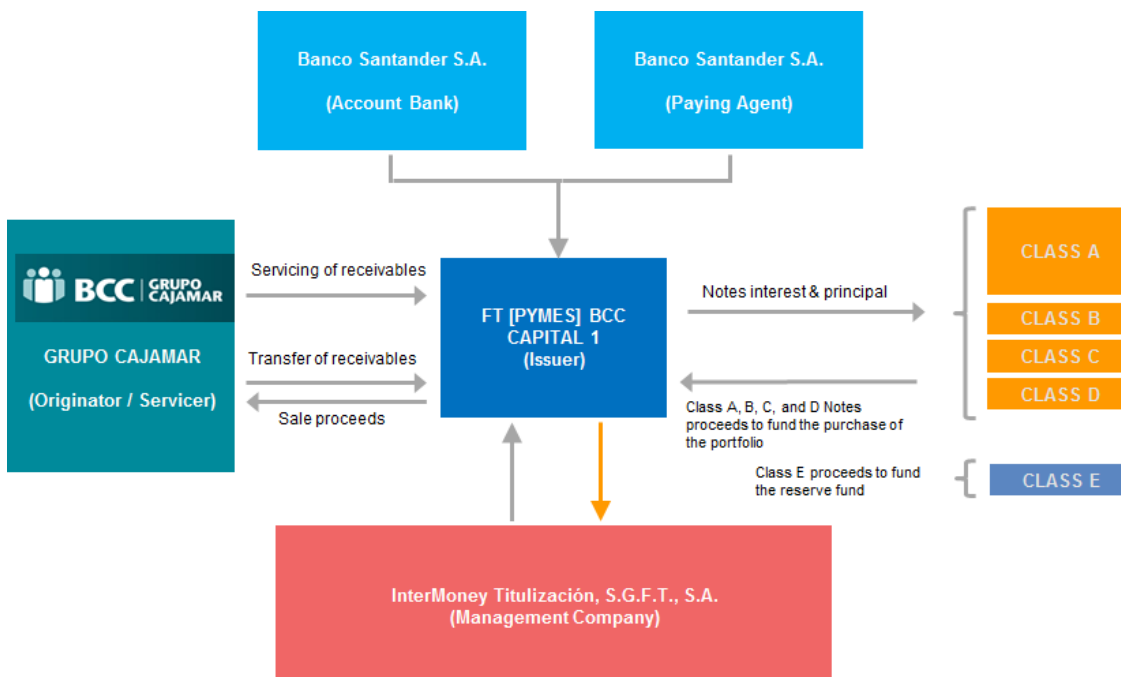
The purpose of the Fund is the transformation of the pooled assets into fixed rate, homogeneous and standardised securities, susceptible of being traded in organised security markets.

On the Date of Incorporation, the Fund will purchase the Receivables that derive from Loans that the Originator has granted to non-financial small and medium sized businesses or self-employed individuals, defined in section 2.2.2 of the Additional Building Block. In addition, on such date, the Fund will in turn issue securitisation notes to finance the purchase of such Receivables and to fund the Reserve Fund for an amount equal to the Required Reserve Amount.

Payments of principal and interest (ordinary and default) under the Receivables received by the Fund will be applied quarterly, on each Payment Date, to pay any amounts due to the Fund, in accordance with the Priority of Payments and the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

**3.1.1. Diagram of the operation**

The following is an explanatory diagram of the transaction:



### 3.1.2. Initial balance of the fund

The balance sheet of the Fund at the Disbursement Date will be as follows:

ASSETS (in euro)		LIABILITIES (in euro)	
Receivables	953,000,000	Class A	602,700,000
		Class B	226,400,000
		Class C	64,300,000
		Class D	59,600,000
		Class E	19,100,000
		Subordinated Loan for Initial Expenses	1,153,000.00
		Subordinated Loan for the Commingling Reserve	€900,000
Treasury Account (Reserve Fund, initial expenses reserve and Commingling Reserve)	21,153,000.00		
<b>Total Assets</b>	<b>974,153,000.00</b>	<b>Total Liabilities</b>	<b>974,153,000.00</b>

### 3.2. Description of the entities participating in the issue and description of their functions

Participants in the transaction are included in section 5.2 of the Registration Document.

The Management Company declares that the summary descriptions of the Transaction Documents included in the Prospectus, contain the most relevant and material information regarding each of the Transaction Documents and give a true and fair view of their content, and no material information that might affect the contents of this Prospectus has been omitted

### 3.3. Description of the method and of the date of sale, transfer, novation or assignment of the Assets

The Loans from which the Receivables derive exist, are valid, and contain contractually binding and enforceable obligations of the type that are commonly recognized and accepted by the Spanish courts, and all subject to the exceptions of general application under Spanish law, having observed in its origination all the legal provisions in force, with full recourse to Debtors and, where applicable, to guarantors.

All the Loans have been originated by Cajamar. The origination of each and every Loan has taken place and will take place during the ordinary course of Cajamar's business pursuant to underwriting standards that are no less stringent than those that Cajamar applied at the time of origination to similar exposures that are not securitised, faithfully following the policy of loans' origination in force at any given time. The 100% of the Outstanding Balance of the Receivables is in line with Cajamar's current origination policy set forth in section 2.2.7 of the Additional Building Block. The Receivables assigned, and which will be assigned to the Fund, do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU, nor any securitisation position. None of the securitised assets include, nor will it include, derivative financial instruments.

#### 3.3.1. Assignment of the Receivables

The Fund is structured as a closed fund both in assets and liabilities side. On the Date of Incorporation, the Originator will assign without undue delay the Receivables to the Fund pursuant to and in accordance with the terms set out in the Deed of Incorporation, as described in this Prospectus.

The Deed of Incorporation will detail each Loan from which the Receivables derive, with an Outstanding Balance of the Receivables as close as possible to €953,000,000.00.

The assignment of Receivables derived from Non-Mortgage Loans will be carried out through the execution of the Deed of Incorporation and will entitle the Fund as assignee to receive from the Date of Incorporation all payments under the relevant Non-Mortgage Loans in accordance with section 3.3.2 of the Additional Building Block, as well as any Ancillary Right derived from each Loan under the terms established in their respective Loan Agreements and which are inherent to them.

For these purposes, "**Ancillary Rights**" means any and all present or future rights arising from the Loans (i) including but not limited to any compensation deriving from insurance policies, payments made by potential guarantors, payments derived from foreclosures or insolvency proceeding and any right that, in connection with any guarantee or security interest (including, without limitation, pledges and/or mortgages) and according to article 1,528 of the Spanish Civil Code, may correspond to the Originator in relation with the Loans; and (ii) excluding claim fees for failure of payments, subrogation fees, repayment or early termination fees as well as any other fee or disbursement (*suplido*) corresponding to the Originator.

In addition, the assignment of the Receivables derived from Mortgage Loans will be carried out through the Originator's issue and the Fund's subscription of the Mortgage Transfer Certificates. These MTCs will be subscribed by the Management Company, on behalf of the Fund, to be pooled in the Fund, by virtue of the Deed of Incorporation and upon the terms thereof, in accordance with the legislation on the mortgage market (Law 2/1981, Royal Decree 716/2009, the Fourth Additional Provision of Law 5/2015 and other applicable legal provisions).

The assignment of the Receivables will not be subject to severe clawback provisions in the event of the Originator's insolvency pursuant to article 16.4 of Law 5/2015. In this regard, Article 16.4 of Law 5/2015 (by reference to the 4<sup>th</sup> additional provision of Law 5/2015 and Articles 10 and 15 of Law 2/1981), the assignment of the Receivables transferred to the Fund may only be rescinded or challenged under Article 71 of the Insolvency Act by the insolvency administration and in so challenging, the insolvency administration will have to prove the existence of fraud in the assignment. Each Mortgage Transfer Certificate shares 100% of the Outstanding Balance of the corresponding Mortgage Loan and will accrue an interest equal to the ordinary interest accrued by each Mortgage Loan, the transfer of each MTC will imply the assignment since the Date of Incorporation of any Ancillary Right derived from each Mortgage Loan under the terms established in their respective Loan Agreements and which are inherent to them. The participation in the Mortgage Loans through the issue of MTCs will be for the whole of the remaining period until the final maturity of the Mortgage Loans with no agreement of any to repurchase on the side of the Originator with the exception of those described in section 2.2.9 of the Additional Building Block.

The Originator will not assume any responsibility whatsoever for non-payment by the Debtors, whether for principal, interest, or any other amount which the Debtors may owe pursuant to the Mortgage Loans. Likewise, it will not be held liable, in any form whatsoever, for directly or indirectly guaranteeing the successful conclusion of this transaction and it will not grant collateral or bank guarantees, except as described in section 2.2.9 of this Additional Building Block.

### **3.3.2. Rights conferred to the Fund through the assignment of the Receivables**

The Fund, as legal holder of the Receivables will hold the rights generally recognized by applicable law and in the Receivables.

The Fund is entitled to receive all amounts (including principal, ordinary interest and default interest) paid by the Debtor from the execution of the Deed of Incorporation (on the Date of Incorporation). Under no circumstance will the Fund have to pay any amount to the Originator or the Debtor related to the Receivables other than the price of assignment specified in section 3.3.4 that follows.

Each Receivable derived from each Loan shares 100% of its outstanding balance, from the Date of Incorporation, for its remaining term to redemption. The Fund will acquire the right to collect:

- (i) Payments of principal from the Receivables redeemed since the Date of Incorporation (included).
- (ii) For Receivables whose next payment instalment will be due and payable on or before the last day of the month immediately prior to the First Payment Date, payments of ordinary interests from the Receivables which will be made since the Date of Incorporation (included);
- (iii) For Receivables whose next payment instalment will be due and payable after the last day of the month immediately prior to the First Payment Date, ordinary interests from the Receivables which accrued from the Date of Incorporation (included);
- (iv) Payment of default interest from the Receivables derived from Loans since the Date of Incorporation (included) made by each Debtor in accordance with the corresponding agreement.

- (v) Payment of any other amounts arising from contract or law, including, without limitation, from Ancillary Rights.

Principal repaid under the Loans after the Date of Incorporation but belonging to instalments due prior to the Date of Incorporation will correspond to the Originator who will collect them with preference over those that correspond to the Fund when the Debtor makes the relevant payment.

Interests repaid after the Date of Incorporation and accrued under the Loans prior to the Date of Incorporation will correspond to the Originator (except those referred to Receivables included in (ii) above) which will be collected by the Originator with preference over those that correspond to the Fund when the Debtor makes payment.

As assignee of the Receivables, the Fund will be entitled to receive all payments made by the Debtors under the Loans from the execution of the Deed of Incorporation (on the Date of Incorporation), as well as any rights or payments derived from any Ancillary Rights.

Amounts resulting from the acquisition price (*remate*) or any amounts determined by a judicial resolution or notarial proceeding in relation to the foreclosure of the security interests securing the Loans (both in case of Mortgage Loans and Non-Mortgage Loans) will correspond to the Fund, as well as any amounts deriving from the sale or expropriation of real estate properties or foreclosed assets, or, as a consequence of such foreclosures, from the management and interim ownership of the real estate properties. The Originator as Loan Servicer undertakes to make all necessary notifications in order for such payments to be made to the Fund.

### **3.3.3. Effectiveness of the assignment**

The assignment of the Receivables (including the issue and subscription of Mortgage Transfer Certificates) is effective from the Date of the Incorporation of the Fund and will be considered full and unconditional and for the entire remaining term until redemption of each Receivable.

Upon the execution of the Deed of Incorporation, the assignment of Receivables derived from Non-Mortgage Loans and the subscription of the Mortgage Transfer Certificates will be enforceable vis-à-vis any third parties (*surtirá efectos frente a terceros*) in accordance with Article 1,526 of the Spanish Civil Code.

### **3.3.4. Price of the assignment**

On the Disbursement Date, the Fund will pay to the Originator the Outstanding Balance not Due of the Receivables on the Date of Incorporation, once it has received the subscription price of the Notes.

On the Date of Incorporation, the difference between the Initial Balance of the Notes and the Outstanding Balance of the Receivables will be deposited in the Treasury Account.

The calculation of the assignment price has not taken into consideration the amounts that correspond to the interest accrued by the assigned Receivables from the latest interest settlement date of each of the Loans immediately prior to the Date of Incorporation and until the Date of Incorporation. Once collected from Debtors, Cajamar will retain such interest and shall not pass them to the Fund.

In the event of cancellation of the incorporation of the Fund, and thus the assignment of the Receivables, (i) the obligation of the Fund to pay the purchase price of the Receivables will be extinguished, (ii) the Management Company will be obliged to reimburse Cajamar any amounts that may have accrued to the Fund due to the assignment of the Receivables, and (iii) the Originator will recover its ownership (cancelling all the MTCs issued). In this event, the Originator will pay all reasonable and duly documented expenses directly and effectively incurred in the incorporation of the Fund.

### **3.3.5. Cajamar's responsibility in relation to the Receivables**

The Originator, in accordance with article 348 of the Spanish Commercial Code and article 1529 of the Civil Code, will be responsible to the Fund for the existence and lawfulness of the Receivables assigned on the Date of Incorporation, and its legal standing to effect the assignment, but will not assume any responsibility for the solvency of the Debtors.

The above shall be understood without prejudice to what is established in section 4.4.3 of the Registration Document and which relates to the preferential right over the Receivables, the responsibilities of the Originator for the representations and warranties given under section 2.2.8 of the Additional Building Block and the Deed of Incorporation, and the undertakings assumed in sections 2.2.9 and 3.7.2 of the Additional Building Block.

If the Fund is obliged to make any payments to third parties due to the assignment of the Receivables that have not been paid at the Date of Incorporation due to the fact that the information supplied by the Originator on the Receivables is incomplete or inaccurate, the Originator shall be liable to the Fund for any damage incurred, expense supported, taxes or penalties derived for the Fund. The Fund and Cajamar will agree in the Deed of Incorporation that any invalidation or cancellation of the floor interest rates under any of the Loans will only affect the Fund from the date on which such cancellation or invalidity is decreed by judgment, with the Originator assuming any compensation that might correspond to the Debtor of the relevant Loan. The Originator shall indemnify in full and hold harmless the Fund from and against any and all damages and claims (whether or not successful, compromised or settled), actions, demands, proceedings or judgments which may be instituted, made, threatened, alleged, asserted or established from time to time in any jurisdiction initiated by the Debtors in connection with such invalidation or cancellation of the interest floor clauses (including all costs and expenses reasonably incurred in the defence of the interest of the Fund).

Moreover, if the reference interest rate plus the margin applicable to any Loan were to be negative, it would mean that neither would the Debtor pay any interest amount nor would the Originator pay any amount to the Debtor for the negative interest. Notwithstanding the above, if the law changes or consolidated case law of a Supreme Court shows an opposing opinion, any potential cost would be paid by the Originator. For the avoidance of doubt, the Originator shall hold harmless the Fund from any potential application of negative interest rates to any Loan included in the Portfolio.

### **3.3.6. Fund advance**

The Originator will not advance any amount to the Fund on behalf of the Debtors, either for principal or interest of the Receivables or Ancillary Rights.

### **3.3.7. Assignment notification**

The Management Company and the Originator agree not to notify the Debtors of the assignment of the Receivables on the Date of Incorporation except in case such notification is mandatory in accordance with any law or regulation enacted from time to time.

Nevertheless, the Management Company may instruct the Originator as Loan Servicer to notify the assignment of the Receivables to the Debtors, insurance companies and third party guarantors and that only the payments under the Loans made in the Treasury Account (or any other designated by the Management Company) will release such Debtor from its liabilities under the relevant Loan Agreement if the Management Company considers necessary for the protection of the interest of the Noteholders and, in any case, within the Loan Servicer Replacement Term, in the event of declaration of insolvency of the Originator, of the Loan Servicer, or in case any of revocation of any of their authorisation to operate as a credit entity in Spain or if any of them is affected by a resolution process under the terms established in Law 11/2015; to notify such event, the Management Company will select the most operative, fast and efficient channel to implement such notification.

In this respect, the Originator undertakes to immediately notify the Management Company the declaration of insolvency or the revocation of its right to operate as a credit entity in Spain or if it is affected by a resolution process as described in Law 11/2015.

Such notification will also be addressed to insurance companies or to any guarantor of the Loans.

For these purposes, the Management Company may request from the Originator and from the Loan Servicer, and they will not be able to deny to provide any information that the Management Company considers necessary or desirable in order to comply with the above notification procedure, provided that the Originator and/or the Loan Servicer shall not be obliged to comply with this obligation if that would cause an infringement of any law or regulation applicable from time to time. In this later case, to the extent possible, the Originator and/or the Loan Servicer will do their best to mitigate this situation.

Immediately upon the request from the Management Company, the Originator as Loan Servicer will notify the Debtors and, if applicable, any insurance company or guarantor of the Receivables, the assignment of the Receivables and will provide the Management Company with proof of the positive notification to the Debtors by submitting any receipts of such notification as soon as these are available.

Together with this instruction to notify, the Management Company will provide to the Originator and to the Loan Servicer a list of the expected payments under the Receivables for the current and the immediately following collection periods, in accordance with the data available to the Management Company at such time. In any event, from the date on which the Originator receives this list it will immediately transfer to the account designated by the Management Company (opened at an entity with the required rating in accordance with section 3.4.4.1 of the Additional Building Block for the counterparty of the Treasury Account) any amount derived from the Receivables held by the Fund at that moment and will continue to transfer, on a daily basis, any amount it receives from such Receivables.

Nevertheless, the Originator shall grant any authorisations or powers of attorney necessary in order for the Management Company to notify the assignment of the Receivables when necessary.

The Originator will bear all the expenses derived from the notification process even if carried out by the Management Company.

### **3.3.8. Receivable yield payment withholding**

No Income for the Fund from any Receivable is subject to withholdings on account of Corporate Tax, as is established by the Regulation of the Corporate Tax, passed by Royal Decree 634/2015.

In the event that any direct withholding tax or indirect tax is established in the future that affects such payments, they will be paid by the Originator (so that the Fund is not affected by any such withholding and receives payments from the Receivables gross from the Originator) and reimbursed to whom they correspond if recovered by the Fund.

### **3.3.9. Set-off**

Exceptionally, and notwithstanding section 2.2.8 of the Additional Building Block, in the event that any Debtor has a legal credit right or a right to oppose any payment against the Originator and, therefore, as a result any Receivable is affected by a set-off in full or in part, the Originator will remedy such circumstance with the Debtor and if such remedy is not possible, the Originator will transfer to the Fund the relevant amount offset plus interest accrued that would have corresponded to the Fund until the day of the transfer, calculated in accordance with the provisions of the corresponding Loan Agreement.

## **3.4. Explanation of the fund flows**

### **3.4.1. How the asset flows will meet the Issuer's obligations with the Noteholders**

In accordance with this section, the Fund will meet the payment obligations derived from the Notes and other liabilities that comprise its assets by applying the cash-flows received from the Receivables and other applicable rights. The Fund will, in addition, arrange other credit enhancement mechanisms that are described in this section. These mechanisms will be applied in accordance with the rules established in this Prospectus and in order to enable the flows to which the Fund is entitled to attend its payment obligations, in accordance with the Priority of Payments and the Liquidation Priority of Payments established in section 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

### **3.4.2. Financial transactions arranged and credit enhancement**

#### **3.4.2.1. Financial transactions arranged**

In order to consolidate the financial structure of the Fund, to increase the security and regularity of the payment of its obligations and to cover any mismatches between the cash flows generated by the Receivables and the principal and interest due under the Notes, the Management Company, in the name and on behalf of the Fund, will enter in the following agreements on the Date of Incorporation:

- *Subordinated Loan for Initial Expenses*, as set out in section 3.4.3.1 of this Additional Building Block.
- *Subordinated Loan for the Commingling Reserve*, as set out in section 3.4.3.2 of this Additional Building Block.
- *Treasury Account*, as set out in section 3.4.4.1 of this Additional Building Block.
- *Agency and Financial Services Agreement*, as set out in section 3.4.7.1 of this Additional Building Block.

The Management Company may extend or amend the agreements subscribed on behalf of the Fund and replace each of the services providers, including, if necessary arranging additional agreements as long as it is in compliance with current legislation. In any event, such actions will require the prior notification to or authorisation from the CNMV (or from the relevant authority), and the notification to the Rating Agencies. The Management Company will not enter into such amendments in case they negatively affect the ratings assigned to the Rated Notes by the Rating Agencies.

The description of the agreements described in this Prospectus accurately reflects the most relevant terms and does not omit any information that might affect the contents of this Prospectus.

Such agreements may be cancelled in the events foreseen in this Prospectus and, in particular, if:



- the Rating Agencies do not confirm, prior to or during the Disbursement Date, the provisional ratings assigned to the Rated Notes included in this Prospectus; or
- if prior to the Disbursement Date, an unforeseen and unforeseeable event takes place and prevents the performance of the Management, Placement and Subscription Agreement, in accordance with article 1105 of the Civil Code; or
- if any of the conditions precedent established in the Management, Placement and Subscription Agreement have not been met by the time foreseen thereunder.

Additionally, the Fund will enjoy the protection mechanisms of preference and subordination of principal and interest of the Notes set out in sections 4.8 and 4.9 of the Securities Note.

#### **3.4.2.2. Reserve Fund**

As credit enhancement to protect against possible losses derived from Non-Performing Receivables and, in order to enable the Fund's payments in accordance with the Priority of Payments and Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block, the Fund will benefit from the Reserve Fund. Regardless any other risks that may affect the ability of the fund to make any payment, as the transaction does not include a specific interest rates hedging, the risk derived from this circumstance will also be covered with the Reserve Fund.

The Reserve Fund will be funded on the Disbursement Date with the corresponding proceeds from the disbursement of Class E Notes. On the Disbursement Date, the Reserve Fund will have an initial balance of €19,100,000 (the **"Initial Reserve Fund"**).

On each Payment Date, the Reserve Fund will be funded to reach the Required Reserve Amount with the available funds, in accordance with the Priority of Payments.

The **"Required Reserve Amount"** means, 12 months after the Disbursement Date and on any quarterly Payment Date thereafter, to the extent the Outstanding Balance of the Performing Receivables is greater than zero, an amount equal 2% of the Outstanding Balance of the Class A to Class D Notes; with a floor of 1% of the Outstanding Balance of the Class A to Class D Notes on the Disbursement Date. For the avoidance of doubt, during the first 12 months after Disbursement Date the Required Reserve Amount will be the Initial Reserve Fund.

Notwithstanding the foregoing, the Required Reserve Amount will not be allowed to amortise on the applicable Payment Date and will remain at the Required Reserve Amount on the immediately preceding Payment Date if any of the following circumstances occurs:

- (i) If the Reserve Fund has not been funded up to an amount equal to the Required Reserve Amount on the preceding Payment Date; or
- (ii) If the Outstanding Balance of the Non-Performing Receivables on the last day of the month prior to the relevant Payment Date is higher than 4.50% of the Outstanding Balance of Receivables on such date.

The Reserve Fund may be drawn on each Payment Date (and such amounts drawn added to the Available Funds) to reduce (up to zero) any shortfall of Available Funds to satisfy, in order of priority, items (i) to (vii) of the Priority of Payments described in section 3.4.6.3 of the Additional Building Block.

#### **3.4.2.3. Commingling Reserve**

To mitigate any potential disruption on the payment of ordinary and extraordinary expenses and Class A Notes interest, the Fund will benefit from the Commingling Reserve. The Commingling Reserve will only cover the ordinary and extraordinary expenses or interest on the Class A Notes upon the occurrence of a Commingling Reserve Event.

A “**Commingling Reserve Event**” means:

- (i) Failure by the Servicer to transfer collections of the Loans to the Fund, if this failure is not cured in a period of five (5) Business Days;
- (ii) Insolvency of the Servicer, if it results in any disruption of the payments to be made to the Fund; or
- (iii) Upon the Servicer being replaced by the Back-Up Servicer, if it results in any disruption of the payments to be made to the Fund.

The Commingling Reserve will be funded on the Disbursement Date with the corresponding proceeds from the disbursement of the Subordinated Loan for the Commingling Reserve. On the Disbursement Date, the Commingling Reserve will have an initial balance of €900,000. The Commingling Reserve will be deposited in the Treasury Account at Santander and will only be applied for the purposes of covering the ordinary and the extraordinary expenses and the interests on the Class A Notes upon occurrence of a Commingling Reserve Event.

On each Payment Date, the Commingling Reserve will be reduced to reach the Required Commingling Reserve Amount, in accordance with the Priority of Payments. The Commingling Reserve will be used upon the occurrence of a Commingling Reserve Event.

The “**Required Commingling Reserve Amount**” means:

1. On the Disbursement Date, €900,000, and
2. after the Disbursement Date an amount equal to the higher of: (i) €900,000 multiplied by the ratio which results of dividing the current balance of Class A Notes and the initial balance of Class A Notes; and (ii) the 50% of the Required Commingling Reserve Amount on the Disbursement Date. Notwithstanding the above, once Class A Notes are amortised in full, the Required Commingling Reserve Amount will be zero.

On any quarterly Payment Date, amounts in excess of the Required Commingling Reserve Amount will be used to amortise the Subordinated Loan for the Commingling Reserve. For any avoidance of doubt it will be considered as Available Funds but for the purposes of sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block will only be used for the amortization of the Subordinated Loan for the Commingling Reserve.

### **3.4.3. Details of any subordinated finance**

#### **3.4.3.1. Subordinated Loan for Initial Expenses**

The Management Company, in the name and on behalf of the Fund, will enter into a commercial Subordinated Loan for Initial Expenses agreement with Cajamar for a total amount of one million one hundred and fifty three thousand Euros (€1,153,000.00).

The drawdown of the Subordinated Loan for Initial Expenses amount will take place on the Disbursement Date by deposit into the Treasury Account opened within the Paying Agent. The Management Company will use the amount of the Loan to pay the Initial Expenses of the incorporation of the Fund and the issuance of the Notes.

The Loan will accrue fixed interests at a rate of 2.5%, payable on each Payment Date, in accordance with the Priority of Payments and the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

Repayment of the Subordinated Loan for Initial Expenses will take place on each Payment Date, in an amount equal to the remaining amount of the Available Funds, after payment of all items ranking ahead in the Priority of Payments and the Liquidation Priority of Payments established in section 3.4.6 of the Additional Building Block.

The maturity of the Subordinated Loan for Initial Expenses will take place on the first of the following dates: (i) the Payment Date on which the Subordinated Loan for Initial Expenses is repaid in full, (ii) the Legal Maturity Date of the Fund or (iii) the Liquidation Date of the Fund.

The repayment of principal and the payment of interests on the Subordinated Loan for Initial Expenses will follow the Priority of Payments or the Liquidation Priority of Payments to the extent that there are sufficient Available Funds on each relevant Payment Date. In the event that the Fund does not have sufficient liquidity to repay the relevant amounts due under the Subordinated Loan for Initial Expenses in accordance with the Priority of Payments established in section 3.4.6 of the Additional Building Block, all amounts unpaid to Cajamar as Subordinated Loan Provider pursuant to the preceding paragraphs will be paid (together with those amounts to be repaid on the relevant Payment Date) on the immediately following Payment Date on which there are sufficient Available Funds to make payment in accordance with the Priority of Payments or the Liquidation Priority of Payments, as applicable, established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

Amounts not paid on preceding Payment Dates will be paid in preference to those amounts corresponding to the relevant Payment Date, by applying the Available Funds to the interests accrued and not paid first and, secondly, to the repayment of principal amounts, according to the Priority of Payments or, if applicable, to the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

The amounts due and unpaid under this Subordinated Loan for Initial Expenses will not accrue default interest in favour of the creditor.

#### **3.4.3.2. Subordinated Loan for the Commingling Reserve**

The Management Company, in the name and on behalf of the Fund, will enter into a commercial Subordinated Loan for the Commingling Reserve Agreement with Cajamar for a total amount of nine hundred thousand Euros (€900,000).

The drawdown of the Subordinated Loan for the Commingling Reserve amount will take place on the Disbursement Date by deposit into the Treasury Account opened within the Paying Agent. The Management Company will use the amount of the Loan to pay the Commingling Reserve of the incorporation of the Fund.

The Loan will accrue fixed interests at a rate of 2.5%, payable on each Payment Date, in accordance with the Priority of Payments and the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

Repayment of the Subordinated Loan for the Commingling Reserve will take place on each Payment Date, in an amount equal to the excess of the Required Commingling Reserve Amount. For any avoidance of doubt the amounts in excess of the Required Commingling Reserve Amount will be considered as Available Funds but for the purposes of sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block will only be used for the amortization of the Subordinated Loan for the Commingling Reserve. The Commingling Reserve will be used upon the occurrence of a Commingling Reserve Event.

The maturity of the Subordinated Loan for the Commingling Reserve will take place on the first of the following dates: (i) the Payment Date on which Class A Notes are repaid in full; (ii) the Payment Date on which the Subordinated Loan for the Commingling Reserve is repaid in full, (iii) the Legal Maturity Date of the Fund or (iv) the Liquidation Date of the Fund.

The repayment of principal and the payment of interests on the Subordinated Loan for the Commingling Reserve will follow the Priority of Payments or the Liquidation Priority of Payments to the extent that there are sufficient Available Funds on each relevant Payment Date. In the event that the Fund does not have sufficient liquidity to repay the relevant amounts due under the Subordinated Loan for the Commingling Reserve in accordance with the Priority of Payments established in section 3.4.6 of the Additional Building Block, all amounts unpaid to Cajamar as Subordinated Loan Provider pursuant to the preceding paragraphs will be paid (together with those amounts to be repaid on the relevant Payment Date) on the immediately following Payment Date on which there are sufficient Available Funds to make payment in accordance with the Priority of Payments or the Liquidation Priority of Payments, as applicable, established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

Amounts not paid on preceding Payment Dates will be paid in preference to those amounts corresponding to the relevant Payment Date, by applying the Available Funds to the interests accrued and not paid first and, secondly, to the repayment of principal amounts, according to the Priority of Payments or, if applicable, to the Liquidation Priority of Payments established in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

The amounts due and unpaid under this Subordinated Loan for the Commingling Reserve will not accrue default interest in favour of the creditor.

#### **3.4.4. Parameters for the investment of temporary excess amounts and institutions responsible for such investment**

##### **3.4.4.1. Treasury Account**

The Fund will hold an account at Santander, which will act as provider of the Treasury Account in accordance with the Agency and Financial Services Agreement, where all payments due to the Fund will be deposited and from which all payments due by the Fund will be made, in accordance with the instructions of the Management Company.

The Agency and Financial Services Agreement will be entered by and between the Management Company, on behalf of the Fund, and Santander on the Date of Incorporation. In the event that Banco de Crédito Social Cooperativo, S.A. (“BCC”) or Cajamar meet the Fitch and DBRS criteria described in this section, the Management Company, on behalf of the Fund, will execute the corresponding agreement with BCC or Cajamar in order to replace Santander as Treasury Account provider to one of the referred two entities, provided that at least one (1) year has elapsed from the execution of the Agency and Financial Services Agreement with Santander.

The following amounts, among others, shall be deposited into the Treasury Account:

- (i) principal and interest on the Receivables;
- (ii) any other amounts paid under the Loans other than principal and interest and which correspond to the Fund. These amounts include, among others, default interests under the Receivables and Ancillary Rights, the payments made by the insurance companies and third party guarantors;
- (iii) the amount corresponding to the Reserve Fund;
- (iv) On the Disbursement Date, the amount corresponding to the Subordinated Loan Agreement for Initial Expenses and to the proceeds from the issuance of the Notes;
- (v) returns from the balances of the Treasury Account itself, if any;
- (vi) the proceeds of the liquidation, if any, and where applicable, of the Receivables and assets of the Fund;
- (vii) the amount corresponding to the Commingling Reserve;

- (viii) Any other amounts that shall be deposited in the Treasury Account in accordance with the provisions included in this Prospectus and the Deed of Incorporation.

The amounts corresponding to the Subordinated Loan for the Commingling Reserve Agreement will also be deposited in the Treasury Account on the Disbursement Date. However, the Commingling Reserve will only be used for the purposes of covering ordinary and extraordinary expenses and interests on the Class A Notes upon occurrence of a Commingling Reserve Event, in accordance with section 3.4.2.3 of the Additional Building Block.

All collections and payments during the entire life of the Fund will be centralised in the Treasury Account.

Notwithstanding the above, the Management Company may decide to open any accounts that it consider necessary for the management of the Fund, which will be regulated by similar terms of those regulating the Treasury Account. If Management Company decides to open a reinvestment or similar purpose account in the name of the Fund, the resources of the Fund will be deposited into such account. If this is the case, the Management Company will transfer from this account to the Treasury Account, within at least one (1) Business Day in advance to each Payment Date, all the amounts required in order to comply the Fund's obligations on such Payment Date.

The Treasury Account could never have a negative balance against the Fund and it will be a demand deposit (*saldos a la vista*).

The amounts deposited into the Treasury Account will accrue variable interest rates equal to the sum of the (1) month EURIBOR with a floor of 0% minus a margin of 0.15%. The interests will be accrued daily and they can be revised by the provider of the Treasury Account annually. The duration of the Treasury Account will be divided into interest periods, which will have a term of one (1) month. The first interest period will begin on the Date of Incorporation and shall finish on the last date of the month in which the fund was incorporated.

#### DBRS Criteria

1. The Management Company, on behalf of the Fund, shall apply the provisions of the Legal Criteria for European Structured Finance Transactions document published by DBRS in September 2018. The entity providing the Treasury Account or the account opened by the Fund to replace or complement it must have a rating of at least the higher of (i) a rating one notch lower the long term Critical Obligations Rating ("COR") or (ii) long term senior unsecured debt "A" according to DBRS Rating.
2. Notwithstanding Fitch Criteria below, in the event that the provider of the account concerned loses the minimum required herein, or any of the ratings are withdrawn, the Management Company must, with prior notice to the Rating Agencies and within a maximum period of thirty (30) calendar days from the date on which this situation arises, adopt one of the options described below to allow an appropriate level of guarantee to be maintained with respect to the commitments relating to the Treasury Account:
  - (i) obtain an unconditional and irrevocable guarantee on first demand from one or more entities with a rating of at least the higher of (i) a rating one notch lower the long term COR or (ii) long term senior unsecured debt "A" according to DBRS Rating, securing, upon request of the Management Company, the timely performance by the account holder of its obligation to repay the amounts deposited therein, for as long as the situation remains downgraded; or

- (ii) transfer the balances deposited in the account opened with the affected provider to another account or accounts opened on behalf of the Fund with one or more entities with a rating of at least the higher of; (i) a rating one notch lower the long term COR or (ii) long term senior unsecured debt “A” according to DBRS Rating. The Management Company will arrange the highest possible return for the balance of the aforementioned accounts, which may be equal to or higher than that arranged with the provider of the Treasury Account.
- 3. DBRS Rating for the provider of the Treasury Account or the account opened by the Fund to replace or complement it, will be the higher of the ratings described below (which, in any case, should be of at least “A”):
  - (i) a rating one notch below the institution’s long-term Critical Obligations Rating (COR) in case the provider of the Treasury Account or the account opened by the Fund to replace or complement it has a COR, and
  - (ii) DBRS Rating for the long-term senior unsecured debt rating of the provider of the Treasury Account or the account opened by the Fund to replace or complement it.

#### FITCH Criteria

1. The entity providing the Treasury Account or the account opened by the Fund to replace or complement it must have a minimum deposit rating of at least “A” in the long term or “F1” in the short term (or Issuer Default Rating if deposit rating is not available) according to Fitch Criteria.
2. Notwithstanding Criteria DBRS above, in the event that the provider of the account concerned loses the minimum rating required herein, or any of the ratings are withdrawn, the Management Company must, with prior notice to the Rating Agencies and within a maximum period of thirty (30) calendar days from the date on which this situation arises, adopt one of the options described below to allow an appropriate level of guarantee to be maintained with respect to the commitments relating to the Treasury Account:
  - (i) obtain an unconditional and irrevocable guarantee on first demand from one or more entities with a minimum Fitch deposit rating of at least “A” in the long term or “F1” in the short term (or Issuer Default Rating if deposit rating is not available) securing, upon request of the Management Company, the timely performance by the provider of the account of its obligation to repay the amounts deposited therein, for as long as the situation remains downgraded, or
  - (ii) transfer the balances deposited in the account opened with the affected provider to another account or accounts opened on behalf of the Fund with one or more entities with minimum Fitch deposit rating of at least “A” in the long term or “F1” in the short term (or Issuer Default Rating if deposit rating is not available) the Management Company will arrange the highest possible return for the balance of the aforementioned accounts, which may be equal to or higher than that arranged with the Treasury Account provider.

All costs, expenses and taxes incurred by the implementation and execution of the above options related to DBRS and Fitch’s criteria will be considered Extraordinary Expenses of the Fund.

The provider of the Treasury Account will notify the Management Company of any loss or suspension of rating by the Rating Agencies that might affect its compromises established in the Agency and Financial Services Agreement.

#### **3.4.5. Collection by the Fund of the payments related to the Receivables**

From the Date of Incorporation and for as long as it is not replaced pursuant to section 3.7.2. of the Additional Building Block, the Originator, as Loan Servicer, will collect all amounts due from the Debtors and any other obligors and insurance companies, and will use its best efforts to ensure that all payments due by Debtors, or third parties, pursuant to the Loan Agreements, are collected on the corresponding dates in accordance with the terms and conditions thereof.

In the event of delinquencies of the Debtors, the Loan Servicer will take the actions described in section 3.7.2 of the Additional Building Block, and will carry out the same measures that it would have carried out if it continued to be the owner of the Receivables, and provided that such actions do not negatively affect the management of the Fund nor the rating assigned to the Rated Notes.

Each calendar month from the Date of Incorporation until the cancellation of the Fund is defined as a Collection Period. However, the first Collection Period will begin on the Date of Incorporation and end on 31 December 2018.

During each Collection Period, the Loan Servicer shall deposit any amounts collected from the Receivables and which correspond to amounts paid by the Debtors or other third party obligors under the Loans into the Treasury Account on the next Business Day on which these are collected.

Notwithstanding the foregoing, if the Management Company considers it necessary for improved protection of the interests of the Noteholders, and, in any case, upon occurrence of a Loan Servicer replacement event, in the event of declaration of insolvency of the Originator, of the Loan Servicer, or in case of revocation of any of their authorisations to operate as a credit entity in Spain or if any of them is affected by a resolution process under the terms established in Law 11/2015, it will instruct the latter to notify each of the Debtor and any other obligor and the insurance companies, to pay the amounts due under the Receivables directly into the Treasury Account or the account opened for such purpose by the Management Company, provided that the Fitch Criteria and the DBRS Criteria described in section 3.4.4.1 of the Additional Building Block are met.

#### *Control of the deposited amounts arising from the Receivables*

Within the first five (5) Business Days of each month the Loan Servicer will provide to the Fund a detailed report including the following information:

- The outstanding balance to be paid under each of the Loans from which the Receivables assigned to the Fund derive, differentiating between matured amounts and those not yet due.
- Amounts collected during the previous Collection Period as scheduled repayments of principal for each of the Loans from which the Receivables assigned to the Fund derive, including principal recoveries from prior defaults.
- Amounts collected during the previous Collection Period as prepayments of principal for each of the Loans from which the Receivables assigned to the Fund derive, stating the value date of such prepayments.
- Amounts collected during the previous Collection Period as interests for each of the Loans from which the Receivables assigned to the Fund derive, including interest recoveries from prior defaults.
- Current instalment and date of the next payment of each of the Loans.
- Current interest rate for each of the Loans and the date of the entry into effect of such interest rate, if applicable.
- Margin over the current interest rate, if applicable.

- Remaining term (in months) of each of the Loans from which the Receivables assigned to the Fund derive.
- List of the Loans that have been declared in default during the previous Collection Period.
- Amount from each of the Loans for cumulative due and unpaid principal.
- Amount from each of the Loans for cumulative due and unpaid interest.
- Number of unpaid instalments for each of the Loans.
- Amount of default interest collected for each of the Loans.
- Information on amendments to the terms and conditions of each Loan Agreement, especially those referring to defaulted Loans.
- Information on status of any Loan foreclosure and any proceed received accordingly.
- Information on status of any repossession derived from a Loan foreclosure or a payment in kind and any proceed received from the sale or lease of the repossessed properties.

Additionally, subject to applicable regulations, the Loan Servicer will provide any other information related to the Loans that is reasonable requested by the Management Company in order to carry out its functions.

The “**Collection Adjustment Date**” is defined as the 20<sup>th</sup> of each month or the immediately preceding Business Day. On such date, the Management Company and the Loan Servicer will adjust the amounts effectively deposited into the Treasury Account (or the account that replaces it) during the Collection Period corresponding to the calendar month immediately prior to the specific Collection Adjustment Date, to those amounts that should have been deposited in accordance with each of the Loan Agreements corresponding to the Loans from which the Receivables assigned to the Fund derive.

In the event of disagreements between the Loan Servicer and the Management Company regarding the adjustment amount on the Collection Adjustment Date, both parties will try to resolve such disagreements. However, if no agreement is reached prior to the Collection Adjustment Date, the Loan Servicer will provisionally transfer into the Treasury Account the amount determined by the Management Company with sufficient justification, without prejudice to subsequent agreements to adjust this amount.

On each Payment Date and notwithstanding the existence of unresolved disagreements or the delivery by the Loan Servicer of incomplete information regarding the Loans that it services pursuant to the terms of this section, Available Funds on each Payment Date will deem to be the outstanding balance of the Treasury Account deposited at the end of the Collection Period immediately prior to a Payment Date, corresponding to principal, ordinary interest, default interest and any other amount collected from the Receivables during the last three (3) Collection Periods.

### **3.4.6. Priority of Payments**

#### **3.4.6.1 Available Funds**

On Disbursement Date, Available Funds shall be the funds received from the issue and subscription of the Notes, plus those received from the Subordinated Loan for Initial Expenses and the Subordinated Loan for the Commingling Reserve.

On each Payment Date of the Fund, Available Funds will be the following items identified as such by the Management Company (in accordance with the information received from the Loan Servicer):



- (i) Amounts credited in the Treasury Account during the three (3) Collection Periods immediately prior to the relevant Payment Date, being the First Payment Date on 22<sup>nd</sup> April 2019 as principal, ordinary interest and default interest, together with other collections from the Receivables (including Ancillary Rights). For the avoidance of doubt, any amounts received by the Fund such as the revenue from the enforcement of the guarantees and security of the Receivables and from the administration and sale or lease of any property that the Fund may repossess will be included. For the First Payment Date, will be the amounts credited in the Treasury Account until the end of March 2019 (four (4) Collections Periods).

- (ii) Interests credited in the Treasury Account during the Interest Accrual Periods since the last Payment Date, and interests credited in other account that the Management Company may have opened in the name of the Fund.
- (iii) Any remaining amounts under the Subordinated Loan for Initial Expenses once the Initial Expenses have been paid.
- (iv) Amounts corresponding to the Reserve Fund.
- (v) Upon the occurrence of a Commingling Reserve Event, amounts corresponding to the Commingling Reserve. For the avoidance of doubt, the Commingling Reserve will only cover the ordinary and extraordinary expenses or interest on the Class A Notes upon the occurrence of a Commingling Reserve Event.
- (vi) The amounts in excess of the Required Commingling Reserve Amount (only used for the amortization of the Subordinated Loan for the Commingling Reserve).
- (vii) The result of the liquidation or exploitation, if and when applicable, of the Fund's assets.

The Available Funds will be applied on each Payment Date in accordance with the following Priority of Payments and Liquidation Priority of Payments described below.

#### **3.4.6.2 Priority of Payments on the Disbursement Date**

The Available Funds will be applied, on the Disbursement Date, to pay for the purchase price of the Receivables assigned to the Fund and the Initial Expenses.

#### **3.4.6.3 Priority of Payments for any Payment Date from the Disbursement Date and different to a Liquidation Date**

On any Payment Date other than the Legal Maturity Date, the Available Funds will be applied to the following items (without prejudice to the payment of any of the items listed in (i) having taken place on a date different from a Payment Date, in accordance with section 3.4.6.7 of this Additional Building Block) in the following order:

- (i) Ordinary and extraordinary expenses and taxes of the Fund.
- (ii) Payment of interest due and payable on the Class A Notes.
- (iii) Payment of interest due and payable on the Class B Notes.
- (iv) Payment of interest due and payable on the Class C Notes.
- (v) Pro-Rata Target Amortisation Amount to be applied to the amortisation of the Class A Notes, the Class B Notes and the Class C Notes, unless a Subordination Event has occurred. Upon the occurrence of a Subordination Event, the Target Amortisation Amount will be applied first to amortise the Class A Notes until their full redemption, secondly to amortise the Class B Notes and thirdly to amortise the Class C Notes until their full redemption, in accordance with section 4.9 of the Securities Note.
- (vi) Payment of interest due and payable on the Class D Notes.

- (vii) Pro-Rata Target Amortisation Amount to be applied to the amortisation of the Class D Notes, unless a Subordination Event has occurred. After amortisation of the Class C Notes and upon the occurrence of a Subordination Event, the Target Amortisation Amount will be applied to amortise the Class D Notes until their full redemption.
- (viii) Funding of the Reserve Fund to its Reserve Required Amount on all the Payment Dates other than the Liquidation Date.
- (ix) Payment of the interest due and payable on the Class E Notes.
- (x) Amortisation on Class E Notes for an amount equal to the higher of (i) the Class E Redemption Amount, or (ii) the Class E Target Amortisation Amount, unless a Subordination Event has occurred. After amortisation of Class D Notes and upon the occurrence of a Subordination Event, the Target Amortisation Amount shall be applied to repay the Class E Notes until repaid in full, in accordance with section 4.9 of the Securities Note.
- (xi) Payment of the interest accrued under the Subordinated Loan for Initial Expenses.
- (xii) Amortisation of principal under the Subordinated Loan for Initial Expenses.
- (xiii) Payment of the interest accrued under the Subordinated Loan for the Commingling Reserve.
- (xiv) Amortisation of principal under the Subordinated Loan for the Commingling Reserve.
- (xv) Payment of the Variable Fee.

For avoidance of doubts, in the absence of a Subordination Event and provided there were sufficient Available Funds, amortisation on Class A Notes, Class B , Class C and Class D Notes will be made in an amount equal to the Pro-Rata Target Amortisation Amount.

#### **3.4.6.4 Liquidation Priority of Payments on the Liquidation Date of the Fund**

The Management Company will cancel the Fund when its liquidation takes place on the Legal Maturity Date or at any time at which the Early Liquidation takes place according to sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following available funds (the “**Available Funds for Liquidation**”): (i) Available Funds, and (ii) amounts obtained by the Fund from time to time upon disposing of the Receivables and the remaining assets, in the following order of payment priority (the “**Liquidation Priority of Payments**”):

- (i) Funding reserve to pay the final cancellation expenses and the liquidation of taxes, administrative expenses and publicity.
- (ii) Ordinary and extraordinary expenses and taxes of the Fund.
- (iii) Payment of the interest on the Class A Notes.
- (iv) Amortisation of the Class A Notes.
- (v) Payment of the interest on the Class B Notes.
- (vi) Amortisation of the Class B Notes.
- (vii) Payment of the interest on the Class C Notes.
- (viii) Amortisation of the Class C Notes.
- (ix) Payment of the interest on the Class D Notes.
- (x) Amortisation of the Class D Notes.
- (xi) Payment of the interest on the Class E Notes.

- (xii) Amortisation of the Class E Notes.
- (xiii) Payment of interest of the Subordinated Loan for Initial Expenses.
- (xiv) Amortisation of principal under the Subordinated Loan for Initial Expenses.
- (xv) Payment of interest of the Subordinated Loan for the Commingling Reserve.
- (xvi) Amortisation of principal under the Subordinated Loan for the Commingling Reserve.
- (xvii) Payment of the Variable Fee.

#### 3.4.6.5 Other Priority of Payment Rules

In the event that the Available Funds are insufficient to pay any of the amounts mentioned in previous sections, the following rules will apply:

- The Available Funds will be applied to the payment of the different items set out in the relevant Priority of Payments order and *pro rata* to the required amount among obligations with the same payment rank.
- The amounts that remain outstanding on a Payment Date will rank, on the following Payment Date, with priority over the actual rank for the same payment obligation in question.
- The amounts owed by the Fund and which have not been paid on their respective Payment Dates will not accrue additional interest.

#### 3.4.6.6 Variable Fee

Cajamar is entitled to a variable fee that will accrue daily. This fee is the difference between (i) all proceeds derived from the Receivables plus the interest accrued under the Treasury Account and any other return that might correspond to the Fund; minus (ii) all the Fund's expenses, including interest from any financing such as the Subordinated Loan for Initial Expenses or the Subordinated Loan for the Commingling Reserve, those necessary for its incorporation and operation, and the coverage of any defaults of the Receivables (the "**Variable Fee**").

The Management Company will pay the Variable Commission on each Payment Date, with the limitations of the Available Funds, in accordance with the Priority of Payments and the Liquidation Priority of Payments, and once all items prior to such Variable Commission on the Priority of Payments have been paid.

Once the Fund has been liquidated and all the payments have been made pursuant to the Liquidation Priority of Payments, if there is any remaining amount, such remaining amount will also be paid to the Originator as Variable Fee.

If applicable, Cajamar will be responsible for the payment of all taxes related to the payment of the Variable Fee. In the event that such payments give rise to the mandatory imposition of any tax, the amount to be paid shall be reduced to the extent required so that, once increased by the tax incurred, there is no change in the agreed consideration, which shall be deemed for these purposes as a total amount including any taxes applicable to the Fund.

Cajamar may assign, transfer, replace or subrogate the rights and obligations derived from this right provided it has the prior consent from the Management Company.

#### 3.4.6.7 Expenses of the Fund

In relation to this section,

- *Initial Expenses*: those listed in section 6 of the Securities Note.

- *Ordinary Expenses* of the Fund are any necessary expenses for its normal operation, which are accrued or that might be accrued in the future, including, without limitations, the periodical fees of the Management Company mentioned in section 3.7.1 of the Additional Building Block (including those accrued by any replacements thereof), the fee of the Paying Agent, the Servicing Fee, the fees of the Back-Up Servicer and any other cost related to any claim on court or out-of-court of the Loans or their foreclosure, the maintenance and administration of any repossessed property by the Fund, the Rating Agencies' fees for monitoring and maintaining the rating of the Rated Notes, the expenses derived from the book-entry registry of the Notes for the representation thereof as book-entries, the annual accounts auditing expenses, expenses derived from the amortisation of the Notes and the expenses derived from the advertising and notifications related to the Fund and/or the Notes, expenses derived from the European Data Warehouse platform, the expenses derived from supervision and inspection by the CNMV, expenses derived from Personal Data Register updating, expenses derived from the renewal of the LEI code and the expenses derived from obtaining electronic certificates for the Fund. For the first year, ordinary expenses are estimated at Euros 434,000 approximately. Given that Ordinary Expenses include variable components, it is not possible to establish a constant estimate of the percentage they will represent of the Outstanding Balance of the Receivables.
- *Extraordinary Expenses* are the expenses related to the liquidation of the Fund, expenses derived from the preparation and formalisation of any amendment of the Deed of Incorporation and the other Transaction Documents, as well as the execution of any new agreements to be entered into by the Fund, the necessary expenses to initiate the foreclosure of the Loans and those derived from any required recovery actions, extraordinary audit expenses, legal advice and, generally, any other extraordinary expense borne by the Fund or by the Management Company, as its representative.

The Fund's expenses will be paid on the relevant Payment Dates, when they become due and payable, except for those that must be paid on a date other than a Payment Date due to the nature thereof, always in accordance with the Priority of Payments, and from any of the Fund's accounts.

### **3.4.7. Other agreements relevant to the payment of interest and principal to the investors**

#### **3.4.7.1. Paying agency agreement**

The financial service of the Notes issued will be attended through Santander. On the Date of Incorporation, the Management Company, in representation and on behalf of the Fund will enter with Santander into an agency and financial services agreement (the "**Agency and Financial Services Agreement**").

The obligations that the Paying Agent will assume under this Agreement are summarised in section 5.2.a) of the Securities Note.

The Agency and Financial Services Agreement will be terminated in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Rated Notes prior to or during the Disbursement Date, or in the event of the occurrence before the Disbursement Date of an unforeseeable event, or if foreseen that is unavoidable, that prevents the performance of the Agency and Financial Services Agreement.

As consideration for the services to be provided by the Paying Agent, the Management Company, for and on behalf of the Fund, shall pay an annual fee agreed under the Agency and Financial Services Agreement following the Priority of Payments or, where applicable, the Liquidation Priority of Payments described in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

The Paying Agent may subcontract or delegate to third parties with acknowledged solvency capacity, any of the duties entrusted under the Agency and Financial Services Agreement, provided that (i) it is legally possible, (ii) there is prior written consent from the Management Company on behalf of the Fund, unless a company of the Santander Group is subcontracted (iii) the ratings assigned to the Rated Notes are not adversely affected, and (iv) the subcontractor or delegate has waived the right to bring any action claiming liability against the Fund. The Paying Agent may cancel such subcontracts or delegations on the same terms.

In any event, said subcontracting or delegation may not entail any extra costs or expenses for the Fund or the Management Company, which will not assume any additional liability as a result of such subcontracting or delegation.

Any subcontracting or delegation shall be notified to the CNMV and its prior consent must be obtained, if legally required.

Moreover, the Paying Agent is entitled to renounce to its duties under the Agency and Financial Services Agreement if notified at least two (2) months in advance, provided that (i) another financial institution complying with the minimum rating criteria required under the Agency and Financial Services Agreement agrees to substitute the Paying Agent and has effectively assumed the duties of the Paying Agent; (ii) it is notified to CNMV and the Rating Agencies; (iii) and the ratings assigned to the Rated Notes are not adversely affected.

Likewise, the Management Company will be entitled to voluntarily replace the Paying Agent in its duties under the Agency and Financial Services Agreement, provided that (i) the third financial institution complies with the minimum rating criteria required under the Agency and Financial Services Agreement, (ii) at least one (1) year has elapsed since the execution of the Agency and Financial Services Agreement; (iii) the replacement is allowed by applicable law, and (iv) any required approvals from the competent authorities have been obtained. Notice of the replacement will be provided to the CNMV and to the Rating Agencies.

Without prejudice to the above, the Management Company will be entitled to replace the Paying Agent in all or some of its duties under the Agency and Financial Services Agreement at any given time, provided that the replacement is allowed by applicable law and any required approvals from the competent authorities have been obtained. This replacement shall be motivated by major reasons which could negatively affect the interests of the Noteholders. Notice of the replacement will be provided to the CNMV and to the Rating Agencies.

#### DBRS rating criteria

1. The Management Company, on behalf of the Fund, shall apply the provisions of the Legal Criteria for European Structured Finance Transactions document published by DBRS on September 2018. The Paying Agent must have a rating of at least the higher of (i) a rating one notch lower the long term Critical Obligations Rating (“COR”) or (ii) long term senior unsecured debt “A” according to DBRS Rating.
2. Notwithstanding Fitch Criteria below, in the event that the Paying Agent loses the minimum required herein or any of the ratings are withdrawn, the Management Company must, with prior notice to the Rating Agencies and within a maximum period of thirty (30) calendar days from the date on which this situation arises, adopt one of the options described below to allow an appropriate level of guarantee to be maintained with respect to the commitments relating to the Agency and Financial Services Agreement:

- (i) Obtain an unconditional and irrevocable guarantee on first demand from one or more entities with a rating of at least the higher of; (i) a rating one notch lower the long term COR or (ii) long term senior unsecured debt “A” according to DBRS Rating, securing, upon request of the Management Company, the undertakings assumed by the Paying Agent.
  - (ii) Replace the Paying Agent with an entity having a rating of at least the higher of (i) a rating one notch lower the long term COR or (ii) long term senior unsecured debt “A” according to DBRS Rating, in order for the new entity to assume, under the same conditions, the duties of the affected Paying Agent as established in its respective agreement.
4. DBRS Rating for the Paying Agent will be the higher of the ratings described below (which, in any case, should be of at least “A”):
  - (i) a rating one notch below the institution’s long-term Critical Obligations Rating (COR) in case the Paying Agency to replace it has a COR, and
  - (ii) DBRS Rating for the long-term senior unsecured debt rating of the Paying Agency to replace it.

#### FITCH rating criteria

1. The Paying Agent must have a minimum deposit rating of at least “A” in the long term or “F1” in the short term (or Issuer Default Rating if deposit rating is not available) securing according to Fitch Criteria.
2. Notwithstanding Criteria DBRS above, in the event that the Paying Agent loses the minimum rating required herein or any of the ratings are withdrawn, the Management Company must, with prior notice to the Rating Agencies and within a maximum period of thirty (30) calendar days from the date on which such situation arises, adopt one of the options described below to allow an appropriate level of guarantee to be maintained with respect to the commitments deriving from the Agency and Financial Services Agreement:
  - i. obtain an unconditional and irrevocable guarantee on first demand from one or more entities with a minimum Fitch deposit rating of at least “A” in the long term or “F1” in the short term (or Issuer Default Rating if deposit rating is not available) securing, upon request of the Management Company, the timely performance by the Paying Agent.
  - ii. replace the Paying Agent with an entity having an Fitch deposit rating of at least “A” in the long term or “F1” in the short term (or Issuer Default Rating if deposit rating is not available) securing, in order for the new entity to assume, under the same conditions, the duties of the affected Paying Agent as established in its respective agreement.

All costs, expenses and taxes incurred by the implementation and execution of the above options related to DBRS and Fitch’s criteria will be considered Extraordinary Expenses of the Fund.

The Paying Agent will notify the Management Company of any loss or suspension of rating by the Rating Agencies that might affect its compromises established in the Agency and Financial Services Agreement.

### **3.5. Name, address and significant business activities of the Originator**

Cajamar is the Originator of the Receivables. Cajamar is the result of the merger of *Caja Rural de Almería* and *Caja Rural de Málaga* in 2000; *Caja Rural del Duero* was also merged in December 2007, *Caja Rural de Baleares* in December 2010 and *Cajacampo* in March 2011.

On 23 June 2009, Cajamar, *Caja Campo*, *Caixa Albalat* and *Caja Rural de Casinos* became *Grupo Cooperativo Cajamar*, the first institutional protection scheme (Sistema Institucional de Protección, SIP) created in Spain.

On 17 January 2012, Cajamar and *Ruralcaja* approved the merger into a new entity denominated *Cajas Rurales Unidas* that would in turn become the union of *Grupo Cooperativo Cajamar* and *Grupo CRM*; the new *Group* comprised 22 entities, 1,421 branches and 6,847 employees, representing 50% of the credit cooperatives (*cooperativas de crédito*) segment.

At the end of 2012, *Caixa Rural de Vilareal* and *Caixa Sant Vicent de La Vall d'Uixó* also merged with *Cajas Rurales Unidas*, and in June 2013, *Credit Valencia*, *Caja Rural de Casinos* and *Caja Rural de Canarias* approved the merger in their respective shareholder meetings.

Cajamar's corporate information can be found in section 5.2 of the Registration Document.

Cajamar's main activities are typical of the banking sector, pursuant to the specific nature of banking institutions and current legislation. This basically includes the following activities:

- (i) Obtaining funding (through, among others, current accounts, issue of securities, etc.).
- (ii) Financing activities, mainly through personal loans, mortgage loans, credit accounts, discounting, etc.
- (iii) Provision of services such as credit and debit cards, payment systems for retail establishments, direct debiting, etc.

The relevant individual data for Cajamar as of 31 December 2016, 31 December 2017 and 30 June 2018 is shown below. This information has been prepared in accordance with the International Financial Reporting Standards Rules, which apply pursuant to Regulation EC 1606/2002 and Bank of Spain Circular 6/2008. This information, except the referred to the 30 June 2018, has been audited.



<b>BALANCE DE SITUACIÓN (miles de euros)</b>			
	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
Efectivo, saldos en efectivo en bancos centrales y otros depósitos a la vista	2.591.800	797.242	584.558
Activos financieros mantenidos para negociar	1.431	1.382	931
Activos financieros designados a valor razonable con cambios en resultados	156.450	123.733	93.590
Activos financieros disponibles para la venta	56.974	36.433	297.993
Préstamos y partidas a cobrar	28.297.899	38.745.655	34.573.085
Derivados - contabilidad de coberturas	-	-	10
Inversiones en dependientes, negocios conjuntos y asociados	2.363.889	2.329.829	2.279.838
Activos Tangibles	767.924	770.888	751.923
Activos Intangibles	90.054	164.914	202.372
Activos por impuestos	966.434	903.669	924.741
Otros activos	91.645	283.330	189.638
Activos no corrientes y grupos enajenables de elementos que se han clasificado como mantenidos para la venta	426.403	447.489	490.927
<b>TOTAL ACTIVO</b>	<b>35.810.902</b>	<b>44.604.563</b>	<b>40.389.606</b>
Pasivos financieros mantenidos para negociar	172	125	454
Pasivos financieros designados a valor razonable con cambios en resultados	-	-	-
<b>Pasivos Financieros a Coste Amortizado</b>	<b>32.673.844</b>	<b>41.160.865</b>	<b>37.010.635</b>
Depósitos de bancos centrales	-	-	-
Depositos de entidades de crédito	29.636.662	11.889.383	8.818.378
Depósitos de la clientela	-	26.491.953	25.595.451
Pasivos subordinados	-	-	-
Valores representativos de deuda emitidos	2.765.626	2.253.874	2.251.016
Otros pasivos financieros	271.555	525.655	345.790
Derivados - contabilidad de coberturas	-	44	604
Provisiones	82.514	106.800	277.564
Pasivos por impuestos	77.514	83.698	122.180
Capital social reembolsable a la vista	-	-	-
Otros pasivos	320.254	500.828	319.836
Pasivos incluidos en grupos enajenables de elementos que se han clasificado como mantenidos para la venta	-	-	-
<b>TOTAL PASIVO</b>	<b>33.154.298</b>	<b>41.852.361</b>	<b>37.731.273</b>
Fondos propios	2.652.739	2.745.798	2.653.163
Capital	2.561.640	2.477.694	2.419.240
Ganancias acumuladas	15.986	175.104	156.787
Reservas de revalorización	39.031	58.819	62.230
Otras Reservas	0	-	-
Resultado del ejercicio	36.083	50.385	49.063
(-)Dividendos a cuenta	-	16.205	-34.158
<b>Otro Resultado global acumulado</b>	<b>3.865</b>	<b>6.405</b>	<b>5.170</b>
Elementos que no se reclasificarán en resultados			
Ganancias o (-) pérdidas actuariales en planes de pensiones de prestaciones definidas	- 1.032	- 1.032	376
Activos Financieros disponibles para la venta	7.086	7.436	4.794
	- 2.189		
<b>TOTAL PATRIMONIO NETO</b>	<b>2.656.604</b>	<b>2.752.202</b>	<b>2.658.333</b>
<b>TOTAL PATRIMONIO NETO Y PASIVO</b>	<b>35.810.902</b>	<b>44.604.563</b>	<b>40.389.606</b>
PRO-MEMORIA			
Garantías concedidas		624.533	588.969
Compromisos Contingentes Concedidos		2.900.164	2.722.990

Cuentas de Orden			
Resultados Individuales de la Entidad			
	30/06/2018	31/12/2017	31/12/2016
Ingresos por intereses	292.432	572.858	652.563
(Gastos por intereses)	58.702	123.514	166.125
<b>MARGEN DE INTERESES</b>	<b>233.730</b>	<b>449.344</b>	<b>486.437</b>
Ingresos por Dividendos	9.812	16.987	8.951
Ingresos por Comisiones	127.207	259.674	256.816
(Gastos por comisiones)	8.251	15.394	12.968
Ganancias o (-) pérdidas al dar de baja en cuentas activos y pasivos financieros no valorados a valor razonable con cambios en resultados, netas	-16.992	1.489	15.913
Ganancias o (-) pérdidas por activos y pasivos financieros mantenidos para negociar, netas	8	795	83
Ganancias o (-) pérdidas por activos y pasivos financieros designados a valor razonable con cambios en resultados, netas	30.234	29.316	47.184
Ganancias o (-) pérdidas resultantes de la contabilidad de coberturas, netas	0	3	-133
Diferencias de cambio [ganancia o (-) pérdida], netas	595	1.966	2.738
Ganancias o (-) pérdidas al dar de baja en cuentas activos no financieros y participaciones, netas	-65.632	-4.712	-379
Otros ingresos de Explotación	20.853	35.662	108.068
(Otros gastos de explotación)	39.182	135.463	53.680
<b>TOTAL RESULTADO DE EXPLOTACIÓN, NETO</b>	<b>293.382</b>	<b>639.666</b>	<b>859.032</b>
(Gastos de administración)	237.266	481.709	500.463
(Gastos de Personal)	120.564	246.956	256.180
(Otros Gastos de Administración)	116.702	234.753	244.283
(Amortización)	30.371	72.191	72.232
(Inmovilizado material)	16.760	32.385	31.842
(Inversiones inmobiliarias)	1.339	2.261	2.828
(Fondo de comercio)	5.508	11.015	11.015
(Otros activos intangibles)	6.764	26.531	26.547
(Provisiones o (-) reversión de provisiones)	17.980	-26.525	147.223
(Deterioro del valor o (-) reversión del deterioro del valor de activos financieros no valorados a valor razonable con cambios en resultados)	-4.057	82.998	-69.013
(Deterioro del valor o (-) reversión del deterioro del valor de inversiones en dependientes, negocios conjuntos o asociadas)	-33.632	-50.598	143.739
(Deterioro del valor o (-) reversión del valor de activos no financieros)	131	2.281	1.103
Ganancias o (-) pérdidas procedentes de activos no corrientes y grupos enajenables de elementos clasificados como mantenidos para la venta no admisibles como actividades interrumpidas	-4.683	-23.013	-21.983
<b>GANANCIAS O (-) PERDIDAS ANTES DE IMPUESTOS PROCEDENTES DE LAS ACTIVIDADES CONTINUADAS</b>	<b>40.639</b>	<b>54.598</b>	<b>41.304</b>
(Gastos o (-) ingresos por impuestos sobre las ganancias de las actividades continuadas)	4.556	4.213	-7.759
<b>GANANCIAS O (-) PERDIDAS DESPUES DE IMPUESTOS PROCEDENTES DE LAS ACTIVIDADES CONTINUADAS</b>	<b>36.083</b>	<b>50.385</b>	<b>49.063</b>
<b>RESULTADO DEL EJERCICIO</b>		<b>50.385</b>	<b>49.063</b>
<b>PRO MEMORIA</b>			
<b>MARGEN BRUTO</b>		<b>644.378</b>	<b>859.411</b>
<b>RESULTADO DE LA ACTIVIDAD DE EXPLOTACION</b>		<b>34.006</b>	<b>208.507</b>

	30/06/2018	31/12/2017	31/12/2016
<b>MOROSIDAD Y COBERTURA INDIVIDUAL (APM)</b>			
Ratios			
Morosidad	8,71%	10,65%	13,47%
Morosidad hipotecaria	11,51%	13,99%	16,73%
Riesgo con garantía real	20.497.686	21.206.352	22.378.618
Provisión Para Insolvencias sobre Morosos	1.009.552	1.184.173	1.485.307
Cobertura simple de la morosidad*	36,88%	35,24%	35,27%
Cobertura incluyendo garantías reales**	97,30%	107,00%	108,00%
* Cobertura constituida Total (I) / Riesgo en mora			
** Cobertura constituida Total (I) + Riesgo en mora con garantía real/ Riesgo en mora			

**3.6. Return on and/or repayment of the security is linked to others which are not Receivables of the Issuer.**

Not applicable.

**3.7. Loan Servicer, calculation agent or equivalent**

**3.7.1. Management, servicing and representation of the Fund and the security holders**

The Fund shall be established by INTERMONEY TITULIZACION, as its Management Company authorised for such purposes, and as a consequence, for its administration and legal representation, pursuant to Law 5/2015.

The Management Company, on behalf of the Fund, will carry out the functions specified by Law 5/2015 to which it will be legally bound (specifically those included in article 26).

The Management Company, as third party manager, will represent and protect the interests of the Noteholders and other financial creditors of the Fund. As a consequence, it will subordinate its actions to this objective and always in accordance with current legislation.

The Noteholders and the Fund's creditors will have no action against the Management Company except in breach of its duties under the Deed of Incorporation and this Prospectus and the applicable laws and regulations.

**3.7.1.1. Administration and representation of the Fund**

The obligations and actions of the Management Company to comply with its duties of management and legal representation of the Fund, by way of example only and without prejudice to other duties, are the following:

- (i) Manage the Fund in such a way that its assets are nil at any given time.
- (ii) Carry out the accounting of the Fund, duly separate from the Management Company's own accounting, and comply with the tax obligations or any other legal obligations to be met by the Fund.
- (iii) Verify that the amounts received by the Fund are consistent with the sums due pursuant to the information provided by the Originator and the Loan Servicer in relation to the Loan Agreements from which such Receivables derive. If necessary, it must take actions in and out of court that are necessary or appropriate protect the rights of the Fund and of the Noteholders and other financial creditors of the Fund.
- (iv) Apply the Available Funds to pay its obligations, in accordance with the Deed of Incorporation and this Prospectus.
- (v) Extend, amend or modify the agreements signed by the Fund to allow the operation of the Fund according to the Deed of Incorporation, this Prospectus and applicable legal provisions, provided that approval is obtained from the relevant authorities, the Rating Agencies are notified, and there is no harm to the interests of the Noteholders and the other financial creditors of the Fund or negative effect on the rating of the Rated Notes assigned by the Rating Agencies.
- (vi) Replace any counterparty under the Transaction Documents, following the terms established in the Deed of Incorporation and this Prospectus, in accordance with applicable legal provisions, once the necessary approvals have been obtained and any required notice is provided to the Rating Agencies.
- (vii) Make the decision to liquidate the Fund in accordance with the applicable laws and regulations and subject to the provisions of the Deed of Incorporation;

- (viii) If the Loan Servicer is in breach of any of its obligations under the Loan Servicing Agreement, to take the appropriate measures to ensure the proper servicing thereof, without prejudice to the obligations of the Management Company pursuant to the Loan Servicing Agreement and to the obligations and responsibilities of the Management Company pursuant to Art.26.1.b) and 30.4 of Act 5/2015.
- (ix) Provide appropriate instructions to the Paying Agent in relation to the Treasury Account.
- (x) Instruct the Paying Agent on the payments to be made to the Noteholders and to any other entities to which payments should be made.
- (xi) Determine and make payments of principal and interest from the Subordinated Loan for Initial Expenses.
- (xii) Designate and replace the auditor, if necessary, with the prior approval of the CNMV, if required.
- (xiii) Prepare and forward the information reasonably requested by the Rating Agencies, the CNMV or other supervisory body.
- (xiv) Prepare and submit to the relevant authorities all the documents and information required in accordance with CNMV rules and prepare and forward to the Noteholders the legally required information.
- (xv) Make appropriate decisions related to the Fund's liquidation, including the decision on Early Liquidation of the Fund and acceleration of the Notes. Also make appropriate decisions in the event of the cancellation of the Fund's incorporation.
- (xvi) Determine the principal and interest payable to the Notes on each Payment Date.
- (xvii) Provide to the Noteholders, the CNMV and the Rating Agencies any information and notices provided by applicable law.

The Management Company must make all necessary documentation and information available to the public in accordance with the Deed of Incorporation and this Prospectus.

### **3.7.1.2. Resignation and replacement of the Management Company**

The Management Company will be replaced in the management and legal representation of the Fund in accordance with articles 32 and 33 of Law 5/2015 as set out below and in accordance with subsequent legal provisions that may be established.

In the case of resignation of the Management Company:

- (i) The Management Company may resign from its function when it so deems appropriate, provided that in such case it will request its replacement through a written request to the CNMV, which shall reflect the appointment of the replacement management company. This request will include the confirmation from the new management company declaring its intention to accept such function and requesting the relevant approval.
- (ii) Under no circumstance may the Management Company resign from duties unless all requirements and formalities have been complied with in order for its substitute to assume its duties.
- (iii) The Management Company will pay all expenses resulting from the replacement, which in no case may be attributable to the Fund.

- (iv) The replacement must be published within a period of 15 calendar days in two (2) national newspapers and in the bulletin of the organised secondary market on which the Notes issued by the Fund are traded. The Management Company must also give notice of the replacement to the Rating Agencies.

In the case of replacement:

- (i) In the event that the Management Company is declared bankrupt pursuant to article 33 of Law 5/2015 or the authorisation thereof granted under article 27 of said law is revoked, it must find a management company to replace it in accordance with the procedure established in the previous paragraphs.
- (ii) In the case provided for in the preceding paragraph, if four (4) months have elapsed from the date of the event forcing the replacement and no new management company for the Fund willing to take over the management has been found, that will constitute an event of Early Liquidation of the Fund and repayment of the Notes issued thereby.

The Management Company undertakes to execute all public and private documents required for its replacement by the other management company in accordance with rules set forth in the paragraphs preceding this section. The replacement management company must be subrogated in the rights and obligations of the Management Company in relation to the Deed of Incorporation and this Prospectus. Furthermore, the Management Company must deliver to the replacement management company all documents and accounting and electronic records that it holds in relation to the Fund.

#### **3.7.1.3. Subcontracting**

The Management Company is authorised to subcontract or delegate to well-known and established third parties any of the services of management and legal representation of the Fund in accordance with the Deed of Incorporation and this Prospectus, provided that the subcontractor or delegate has waived its right to bring any action for liability against the Fund. In any event, this subcontracting or delegation of any service (i) may not entail any additional cost or expense for the Fund, (ii) must be legally possible, (iii) may not negatively affect the ratings assigned to the Rated Notes by the Rating Agencies, and (iv) will be notified to the CNMV, the prior approval of which must be obtained if legally required. Notwithstanding any subcontract or delegation, the Management Company will not be exonerated or released from any of the responsibilities assumed under the Deed of Incorporation or the Prospectus and that are legally attributable thereto or enforceable against it.

#### **3.7.1.4. Remuneration of the Management Company**

The Management Company will receive an initial fee, and on each Payment Date, beginning on the First Payment Date, a periodical fee accrued daily and equal to a fixed amount and a variable amount calculated based on the Outstanding Principal Balance of the Notes on the immediately prior Payment Date. This fee is gross and includes any direct or indirect tax or withholding to which it might be subject.

The Fund will pay all reasonable expenses (including any indirect taxes thereon) incurred by the Management Company in relation to the taking of all legal and out-of-court actions necessary to best defend the rights of the Noteholders and other financial creditors of the Fund.

In the event of the replacement of the Management Company pursuant to section 3.7.1.2 of the Additional Building Block, the payments mentioned in this section may be modified

as a result of the choice of the new management company subject to the prior agreement with the Originator on the new conditions.

#### **3.7.1.5. Meeting of Creditors**

Pursuant to the provisions of Article 26 of Law 5/2015, the Management Company will act with utmost diligence and transparency in defence of the best interests of the Noteholders and financial creditors of the Fund.

Additionally, the Meeting of Creditors will be established upon and by virtue of the Deed of Incorporation and will remain in force and in effect until repayment of the Notes in full or cancellation of the Fund. The provisions relating to the Meeting of Creditors are contained in the Rules.

The Rules of the Meeting of Creditors are included in section 4.11 of the Securities Note.

#### **3.7.2 Servicing and custody of the Loans**

The assets of the Fund are comprised of Receivables derived from Mortgage Loans and Non-Mortgage Loans.

Pursuant to section 3.3.1 of the Additional Building Block, Receivables derived from Mortgage Loans will be assigned by means of the Fund's subscription of the Mortgage Transfer Certificates issued by Cajamar. Pursuant to article 26.3 of Royal Decree 716/2009, Cajamar will retain the servicing and custody of the Mortgage Loans from which the Receivables acquired by the Fund derive.

Pursuant to article 26.1.b) of Law 5/2015, the Management Company is entrusted with the servicing of the Non-Mortgage Loans from which the Receivables acquired by the Fund derive, although it will delegate such obligation to the Loan Servicer.

In this regard, for purposes of the servicing and management activities for the Loans (both Mortgage and Non-Mortgage), the Management Company will sign the Loan Servicing Agreement with Cajamar. The Loan Servicer will assume the relevant commitments to the Management Company and the Fund until the total cancellation of the Loans or until the Fund is cancelled or liquidated, as applicable, and will take all actions required to ensure the effectiveness and success of the Loans upon the terms set forth in the Loan Servicing Agreement and as summarised below.

The Loan Servicer will accept the mandate and undertakes to service, manage and hold in custody the Non-Mortgage Loans, and to service, manage and hold in custody the Mortgage Loans pursuant to the terms set forth in the Servicing Agreement and which are summarised in this section 3.7.2, and, if applicable, will comply with the Management Company's instructions in relation thereto. The Loan Servicer undertakes to indemnify the Management Company and the Fund for any breach of its obligations assumed in the Servicing Agreement.

The Loan Servicer may take any necessary or appropriate action within the limitations set forth in this section and the Deed of Incorporation.

To the extent allowed by applicable law, the mandate to the Loan Servicer may be revoked if the Management Company becomes aware of any breach by the Loan Servicer of the obligations set out in the Fund's Deed of Incorporation, in the Loan Servicing Agreement or in the Prospectus or the occurrence of events that, in its opinion, entail harm or risk to the Fund's financial structure or the rights and interests of the Noteholders, including, among others, declarations of insolvency, intervention by the Bank of Spain or the liquidation of the Loan Servicer or a winding up or resolution procedure under the terms established in Law 11/2015. If permitted by applicable law, the Management Company may (i) replace the Loan Servicer, or (ii) ask the Loan Servicer to subcontract or delegate the performance of said duties to a person that, in the opinion of the Management Company, has sufficient technical ability to perform them, or (iii) replace the Loan

Servicer by the Back-Up Servicer in accordance with the Back-Up Servicing Agreement, provided that the Rating Agencies are notified and this does not adversely affect the rating given thereby to the Rated Notes. All of the above is without prejudice to article 26.1.b) and article 30.4 of Law 5/2015 in relation to the Management Company's servicing and management of the Fund's assets. The replacement of the Loan Servicer will take place in accordance with the terms and conditions provided under the Deed of Incorporation, the Loan Servicing Agreement and the Back-Up Servicing Agreement, which are mainly described in section 3.7.2.3 of the Additional Building Block.

The Loan Servicer will pay all direct or indirect taxes, withholdings or expenses derived, incurred or that it is subject to or that it has to apply to the custody and servicing and management of the Loans from which the Receivables assigned to the Fund derive, without prejudice to its right to be reimbursed by the Debtors or the Fund.

In consideration of the custody, servicing and collection management of the Loans from which the Receivables derive, the Loan Servicer will receive a fee, to be accrued daily and paid on each Payment Date, of 0.015% of the annual Outstanding Balance of the Receivables on the immediately preceding Payment Date. This fee will be understood as a gross fee, i.e., including any direct or indirect tax or withholding to which it might be subject. The fee will be paid by the Fund in accordance with the Priority of Payments and the Liquidation Priority of Payment set forth in sections 3.4.6.3 and 3.4.6.4 of the Additional Building Block.

### **3.7.2.1 General undertakings of the Loan Servicer**

The Loan Servicer undertakes to carry out the following, by way of example and not limitation:

- (i) Undertake any actions necessary to guarantee the success of the Loans and the Receivables arising therefrom, whether in court or out-of court.
- (ii) Undertake any actions necessary to maintain or enforce the guarantees and obligations of the Loans from which the Receivables derive.
- (iii) Take into consideration the rights of the Noteholders in their relations with the Debtors and in the exercise of any discretionary power deriving from the implementation of the services set out in the Loan Servicing Agreement, the Deed of Incorporation and in this Prospectus.
- (iv) Comply with all the reasonable requests made by the Management Company in accordance with the Loan Servicing Agreement, the Deed of Incorporation and this Prospectus.
- (v) Carry out all actions required to maintain in full force the licenses, approvals, authorisations and consents that might be necessary or appropriate in relation to the performance of its services.
- (vi) Have available the equipment and personnel sufficient to carry out all its obligations.

The Loan Servicer will not be responsible for the debts of the Management Company or the Fund, related to the Notes, of the obligations of any Debtor under any Loan, without prejudice to the responsibilities assumed thereby in the Deed of Incorporation as Originator of the Receivables acquired by the Fund.

Specifically, the Loan Servicer is not responsible for any loss, liability, claim or expense that the Fund has experienced or incurred by the Management Company or by the Fund as a result of the servicing, unless such losses, liabilities, claims, expenses or damages are the result of negligence or a breach by the Loan Servicer or any breach thereby of its obligations, in which case the Loan Servicer will be required to indemnify the Fund or the Management Company for the damages and losses suffered (and proven) as a result of such negligence or breach.

In any event, the Fund, through the Management Company, will be entitled to all legal actions to which it is entitled against the Loan Servicer in case of a breach of its obligations under the agreements signed with the Management Company.

The Loan Servicer assumes the obligation to indemnify the Fund or its Management Company for any damage, loss or expense they may have incurred as a result of the Loan Servicer's breach of its servicing, management and information obligations in relation to the Loans from which the Receivables assigned to the Fund derive, and for the custody of the documents in which they are formalised.

Neither the Noteholders nor any other creditor of the Fund will be entitled to bring action against the Loan Servicer, as only the Management Company, as representative of the Fund owning the Receivables, will have the right to said action.

### **3.7.2.2. Servicing of the Loans**

#### **3.7.2.2.1 General**

The Loan Servicer will dedicate the same amount of time and attention and use the same level of expertise, care, diligence and available means when servicing the Loans as it would dedicate and exercise when servicing other loans with similar characteristics to the Loans and which receivables have not been assigned to the Fund and, in any event, will exercise a reasonable level of expertise, care and diligence in the provision of the services.

The Loan Servicer is authorised to modify the Loan servicing criteria described in the Deed of Incorporation and the Loan Servicing Agreement (hereon, "**Servicing Criteria**") provided such modifications are legally permitted, do not impair the servicing of the Loans, the Management Company and the Rating Agencies are notified and the rating of the Rated Notes is not adversely affected in any way; alternatively, the Servicing Criteria may be modified provided that Noteholders and other creditors of the Fund have given explicit consent to such modifications through an agreement of the Meeting of Creditors in accordance with section 4.11 of the Securities Note.

Specifically, the Loan Servicer will engage in the activities described below, among others:

- (i) Service and manage the Loans from which the Receivables derive in accordance with its current Servicing Criteria and the service quality standards and good commercial practices applied for the servicing of its own loans, dedicating the same time and attention and level of care, diligence and means as those it would apply when servicing its own loans.
- (ii) Maintain all the public deeds (*escrituras*), agreements, documents and files related to the Loans that it services and any other Ancillary Rights, as well as any documents relevant thereto, under safe custody, and to not abandon the possession, custody or control thereof without the prior written consent of the Management Company, on behalf of the Fund, unless (i) it is in favour of a subcontractor or delegate appointed in accordance with the provisions of the Loan Servicing Agreement and provided it is permitted by any applicable law, or (ii) it is necessary to allow the Loan Servicer to commence proceedings for the enforcement thereof.
- (iii) Carry out the relevant actions in accordance with the Servicing Criteria and the service quality standards and good commercial practices applied for the servicing of its own loans, to ensure that all payments due by the Debtors or third parties, such as guarantors or insurance companies, pursuant to the Loan Agreements or any other Ancillary Rights, are collected, in accordance with the terms and conditions of their agreements, on the appropriate dates, with the Loan Servicer being required to take any action necessary for the effectiveness and correct performance of the Receivables arising from the Loans.



Notwithstanding the foregoing, if the Management Company considers it necessary for the best protection of the interests of the Noteholders, and, in any case, upon occurrence of a Loan Servicer replacement event, in the event of declaration of insolvency of the Originator, of the Loan Servicer, or in case of revocation of any of their authorisations to operate as a credit entity in Spain or if any of them is affected by a resolution process under the terms established in Law 11/2015, it will, among other things, instruct the Loan Servicer to notify each Debtor and any insurance companies and guarantors of the assignment of the Receivables to the Fund and instruct them to pay the amounts directly into the Treasury Account or into the account established for such purposes as defined in section 3.4.4.1 and 3.4.5 of the Additional Building Block.

- **Actions to be taken in case of default**

In the event payments default by the Debtors, the Loan Servicer will take the actions and measures that it would normally take if it continued to own the Receivables in accordance with the Servicing Criteria and good banking practices and, provided that the exercise of such discretionary powers does not negatively affect the management of the Fund or the rating assigned to the Rated Notes by the Rating Agencies. Any legal action that reasonable may be considered necessary by the Loan Servicer in order to claim and collect the amounts due from the Debtors are also included in this mandate.

For such purposes, the Loan Servicer shall carry out any legal action that it considers necessary in order to claim and collect the amounts due by the Debtors.

The Loan Servicer must advance any expenses necessary to carry out these actions, without prejudice to its right to be reimbursed by the Debtors or by the Fund. This includes all legal actions that the Loan Servicer considers necessary to claim and collect the amounts owed by the Debtors.

The Loan Servicer will monitor the Loans in strict accordance with the rules set out in Bank of Spain Circular 6/2008 or the regulations that replace it from time to time, in such a way that doubtful risks deriving from customer arrears are handled automatically and doubtful risks deriving from other reasons other than customer arrears are processed manually.

Set forth below is a description of the monitoring and control procedures that Cajamar, as Loan Servicer, will apply pursuant to the Loan Servicing Agreement to be executed on the Date of Incorporation:

- Cajamar's Control General Management is responsible for the control of the appropriate segmentation, internal rating, accounting classification and hedging of credit exposure, in addition to the identification and special monitoring of the debtors that should be classified as sub-standard risk.
- The Debt Recovery Area is responsible for non compliance management. The objective is to identify defaults, understand the reasons and assess the best amicable solution possible, resolving the situation in the shortest possible time.

The main controls to be implemented, among other policies, are the following:

- a) Information, tracking and control of the Loan repayments due the following month. This tracking aims to identify and control the loan repayments coming due the following month. It is implemented using the information provided by the branches about the outlook for payment of their Loans and, from then on, they are appropriately tracked until they are paid. This action is currently applied to repayments in excess of 150,000 Euros.

- b) Information, tracking and control of overdrafts and over-limits. Tracking and a weekly control of the overdrafts and over limits for transactions in excess of 60,000 Euros that are more than 15 days old. Branches report the expected date for the regularisation of transactions in this situation, and the tracking begins from that moment until regularisation thereof.
  - c) Control of repayments more than 15 days past due. Carried out weekly, for outstanding repayments in excess of 60,000 Euros.
  - d) Information, tracking and control of the monthly projection of arrears. At the beginning of each month, Debtors that would be in arrears at the end of the month if they did not regularise the outstanding payment are tracked. Information is requested from the branches regarding regularisation estimates.
  - e) If the default is not regularised in an amicable way, recovery via the courts commences. From the 120<sup>th</sup> day of default the file is automatically assigned to a company that manages these situations (LAFORMATA SERVICIOS Y GESTIONES, S.L., under the trade name HAYA). From then onwards, the legal recovery actions begin once there has been an analysis of solvency, guarantees and document management of the file. The Loan Servicer may decide to assign a file to HAYA before the 120 days of default. In the event of insolvency of the Debtor, HAYA may assign the file to another external recovery company.
- Tracking defaulted Loans. The main actions carried out, among other policies, are the following:
- Information, tracking and control of the Loans due. Performed based on the aging of the default of each Debtor:
    - Tranche 1:** matured Loans that at the end of the current month are more than 30 days in arrears with an Outstanding Balance  $\geq$  6,000 Euros.
    - Tranche 2:** matured Loans that at the end of the current month are more than 60 days in arrears with an Outstanding Balance  $\geq$  6,000 Euros.
    - Tranche 3:** matured Loans that at the end of the current month are more than 90 days in arrears and will become “doubtful” with an Outstanding Balance  $\geq$  6,000 Euros.
  - Management begins at the branch, where the reports requested are completed in the application for managing Irregular Assets (GIREC) in coordination with Risk Managers and Area Directors of the Territorial Offices.
  - This report includes the credit policy to be followed with such Debtors, reporting on the possibilities and estimated dates of regularisation. Such Area Directors of the Territorial Offices then begin the tracking and control of the Debtors that are considered a concern.
  - In addition, an automated process takes place daily in which the following Default Alerts are issued:
    - Default Alert 6 days after each unpaid instalment – to the Loan holders.
    - Default Alert 40 days after the first unpaid instalment – to the Loan holders/Loan co-holders and guarantors under the relevant Loan.

- Default Alert repeat 60 days after the first unpaid instalment – to the Loan holders/Loan co-holders and guarantors under the relevant Loan.
- Cajamar has also established similar criteria for credits, factoring, leasing, guarantees, confirming and credit cards. As none of these are included in the Preliminary Portfolio, such criteria are not included in the current description of tracking processes.
- Information, tracking and control of transactions in arrears. Files past due for over 120 days, are entrusted pre-litigation and litigation to HAYA. Cajamar tracks and controls HAYA's management and issues the relevant instructions.
- Use of recovery companies. Since the Pre-Litigation and Litigation Management Service was outsourced in 2014, HAYA selects the external company to which to entrust the recovery files. The external companies working with HAYA are currently ESCO, LINDORFF, GESIF and MRG. The first three work at a national level and the last one only in Almería. Cajamar sets the criteria for these companies, establishing as a general criteria the following for transactions that do not exceed 60,000 Euros of exposure, regardless of their solvency, unless any of the participants in the arrears risk management believes that a court claim is necessary. In addition, it also entrust those Loans in which the solvency study carried out by HAYA identifies that the chances of recovery through the courts are few or non-existent.

#### **Court actions**

The Loan Servicer is responsible to carry out the appropriate in-court and out-of-court actions against Debtors that are in breach of their payment obligations under any Loan Agreement from which the Receivables assigned to the Fund derive. Such actions must follow legal enforcement procedures set out in article 517 *et seq.* of the Civil Procedure Act or the corresponding summary proceeding (*procedimiento declarativo*). If this is not possible, the Loan Servicer will initiate the appropriate in-court or out-of-court procedures. Specifically, the Loan Servicer undertakes to:

- (i) carry out any in-court or out-of-court action of the Fund against the Debtor, in its own name and on behalf of the Management Company, as the Fund's legal representative; and
- (ii) carry out any necessary or appropriate acts for the full effectiveness of such actions.

Furthermore, the Management Company, in the name and behalf of the Fund, may also participate with the same rights as the Loan Servicer in any in-court or out-of-court claim (summary or enforcement) commenced thereby to claim any amounts due.

For purposes of the foregoing and the provisions of article 581.2 and article 686.2 of the Civil Procedure Act, and when necessary, the Management Company, by virtue of the Deed of Incorporation, will give a power-of-attorney to the Loan Servicer as broad and as sufficient as required by law in order for the Loan Servicer, acting through any of its authorised representatives with sufficient powers for such purposes, may, in the name and on behalf of the Fund use any in-court or out-of-court means to claim the payment of any amounts due under the Loans and to exercise any actions and other powers required for the exercise of its duties as Loan Servicer. These powers may be expanded or modified through another public deed if necessary.

In any event, and in relation to the Mortgage Loans, the Management Company, in the name of the Fund, will be the one to exercise all the powers described in article 31 of Royal Decree 716/2009. To this end, the Loan Servicer authorises the Management Company to request, in the name of the Fund, the payment from the Debtors of the Mortgage Loans, all without prejudice to all other faculties corresponding to the Fund pursuant to the provisions of article 31 of Royal Decree 716/2009.

In general, the Loan Servicer must carry out any appropriate legal claim (declarative, enforcement or otherwise) in connection with the Receivables if a Debtor is in breach of its payment obligations under the relevant Loan Agreement for a period of six (6) months (or the minimum applicable legal term, if greater) and it neither resumes payments nor reaches an agreement with the Loan Servicer, with the consent of the Management Company, or reaches a repayment plan commitment from the Debtor satisfactory to the interests of the Fund. In any event, the Loan Servicer must immediately proceed to initiate the legal claim if the Management Company, on behalf of the Fund, and after an analysis of the specific circumstances of the case, so deems appropriate.

If six (6) months have elapsed from the oldest payment default (or the minimum legal term applicable, if greater), without the Debtor resuming its payments due under the relevant Loan Agreement or without reaching an agreement with the Loan Servicer to restructure the debt of any amounts due in such satisfactory manner that to the best opinion of the Loan Servicer it secures the interests of the Fund, the Loan Servicer has not commenced an enforcement, declared or other proceeding or repurchased the Receivable from the Fund pursuant to the provisions of section 2.2.9 of the Additional Building Block without sufficient justification, the Management Company, in the name of the Fund, may instruct the Loan Servicer to proceed with in-court or out-of-court proceedings to claim all of the debt, and in the absence of a sufficiently justified reason not to proceed with the claim, may directly initiate any proceedings vis-à-vis the Debtor in accordance with article 31 of Royal Decree 716/2009, without prejudice to the liability of the Loan Servicer that may arise in this case.

In the event that the Loan Servicer halts a proceeding without sufficient reason, the Management Company, in the name of the Fund, may continue with any action already taken by the Loan Servicer if so allowed and subject to the applicable law. Specifically, in relation to the Mortgage Transfer Certificates when insufficiently justified interruption by the Originator of any claim against a delinquent Debtor, the Management Company (as Fund representative) may, if appropriate, subrogate to the position of the Loan Servicer and continue with the legal process.

In any event, the Management Company may, upon the terms provided by applicable law, request as repayment of its credit the awarding of the real estate property, movable property or rights being repossessed, through any of the procedures initiated to demand the fulfilment of the obligations of the Debtors under the Loans from which the Receivables assigned to the Fund derive.

Once in-court or out-of-court claim procedures have been commenced by the Loan Servicer against the delinquent Debtor, the Loan Servicer must protect the interests of the Fund under any circumstance, taking the actions that cause the least harm to the Fund in the course of such procedures.

The Loan Servicer undertakes to timely notify the Management Company any out-of-court claims made against any Debtors. The Loan Servicer also undertakes to report on a monthly basis the status of all in-court or out-of-court actions commenced against the Debtors (from the filing of the complaint, request for enforcement, court request for payment, defences by the Debtor, commencement of the recovery and conclusion of the process), as well as any other circumstances that affect the collection of the amounts due and outstanding from the Loans from which the Receivables derive. Further, the Loan Servicer will provide the Management Company with all the documentation requested thereby in relation to the Loans and the Receivables arising therefrom, and in particular, the specific documentation necessary for the Management Company to commence or continue, in each case, any in-court or out-of-court actions.

Specifically, the Loan Servicer undertakes to notify the Management Company of the places, dates and conditions of the auctions of the real estate or movable property or rights within five days following the notice of the court decision ordering the holding of the auction so that the

Management Company can adopt the measures it deems appropriate and instruct the Loan Servicer in this regard sufficiently in advance.

The Loan Servicer undertakes to attend the auctions, but shall follow the instructions from the Management Company, such that it will only bid or request the award of the property in favour of the Fund in strict compliance with the instructions received from the Management Company. In the absence of instructions, the Loan Servicer will act, based on the specific circumstances of the case, in the manner it deems appropriate subject to identical procedures for the other loans in its portfolio, and always acting in the best interests of the Fund. Notwithstanding the foregoing, the Management Company may at any time give specific instructions that differ from the foregoing procedures of the Loan Servicer.

In the event that real estate or movable property or rights of any kind are awarded to the Fund, the Management Company will sell, lease, dispose of or cash them as soon as possible under market conditions.

The duties of the Loan Servicer include the servicing of those properties while owned by the Fund and the conduction of said sale, lease, disposal or cash. Specifically, the Loan Servicer undertakes to apply to these properties the same measures and procedures it applies to any repossessed property resulting from the foreclosure of loans equivalent to those being securitised, and to compile all documentation required for the sale, lease, disposal or cash (including court documentation and any instrument of sale) and send it to the Management Company), and to coordinate the sale, lease, disposal or cash of the property or right with the public notary participating therein. Additionally, and in relation to the properties awarded to the Fund as a consequence of the enforcement of the security securing the Loans, or via any other procedure, the Loan Servicer undertakes to (i) find a real estate broker and take all actions required to sell the real property (if the Loan Servicer does not have its own real estate or similar department); and (ii) carry out all procedures that are necessary or appropriate with the Property Register in relation to the sale of the real estate property. The Loan Servicer undertake to inform the Management Company, in the monthly report together with the information related with the Loans and the Receivables, any detail regarding the properties repossessed by the Fund, relevant administration events, bids to purchase any of such properties and relevant actions in process to sell such properties.

The Loan Servicer will enjoy a right of first refusal to purchase the properties and rights awarded to the Fund for a period of ten (10) Business Days after the date on which the Management Company gives notice to the Loan Servicer of its intention to transfer the property or right or, if applicable, from the date on which the Loan Servicer has agreed to sell the property or right to a third party. This right means that the Loan Servicer may acquire the property or rights on the same terms as were offered by the relevant third party to the Management Company.

#### **3.7.2.2.2 Subrogations and modifications to the Loans**

The Loan Servicer will only be authorised to allow subrogations in the event that the credit characteristics of the new debtor are similar to the existing Debtor and that they conform to the criteria in section 2.2.7 of the Additional Building Block, provided that they do not in any way negatively affect the rating given to the Rated Notes by the Rating Agencies, nor do negatively affect the payments to the Fund, and are communicated to the Management Company and from the Management Company to the Rating Agencies. For the avoidance of doubts, subrogations in the portfolio shall only be permitted at the request of the Debtors.

Additionally, the Loan Servicer is authorised on behalf of the Fund to agree with the Debtors (upon Debtors' request), on changes in the interest rates, final maturity and grace periods of the Loans in accordance with its standard banking practices and provided that the conditions established in this section are verified.

Any expenses arising from such subrogations or amendments shall be entirely paid by the Debtor or the new debtor, unless otherwise provided by law.

### **Interest Rate modifications**

The Loan Servicer must ensure when renegotiating the interest rate of the Loans that the new conditions reflect market interest rates and are not different from those the Loan Servicer is then applying in the renegotiation or the granting of its own fixed or variable-rate non-securitised loans. In any event, the Loan Servicer may not turn fixed-rate loans into floating-rate loans, unless legally required.

In any event, the Loan Servicer may only amend loans in accordance with the following restrictions:

- Fixed-rate Loans: on the Disbursement Date, the weighted average of the fixed-rate Loans interest will be calculated, and the difference between that figure and the weighted average rate of the Notes on that date will be calculated. The rate resulting from the amendment minus the weighted average rate of the Notes on the amendment date may not be less than 50% of the above difference calculated on the Disbursement Date. For the avoidance of doubt, fixed-rate Loans includes also Fixed-revisable Loans.
- Floating-rate Loans: the Loans that after an amendment have a EURIBOR-base rate may not have a margin less than 1%.

### **Modifications to the final maturity**

Pursuant to the provisions of the Loan Servicing Agreement, the Loan Servicer may, on behalf of the Fund, change the final maturity date of the Loans, provided that the new final maturity date of the Loan is no more than 42 months prior to the Final Date (22 April 2037), thus no Loan could mature on a date later than 22 October 2033.

### **Amount of the Loan**

In no case will the Loan Servicer be authorised to renegotiate on behalf of the Fund an increase in the Outstanding Balance of the Receivables related to the relevant Loans.

### **Grace periods**

Pursuant to the Loan Servicing Agreement, the Loan Servicer will be authorised to renegotiate on behalf of the Fund principal grace periods of up to 12 months on the Performing Receivables. The total amount of the sum of the Outstanding Balance of the Receivables on the Date of Incorporation that have been amended may not exceed 2% of the Outstanding Balance of the Receivables on the Date of Incorporation.

The expenses arising from the modification of a Loan must be paid by the Originator or the Debtor, and in no case will be assumed by the Fund.

The total amount of the Outstanding Balance of the Receivables amended, as described above (final redemption, interest rate and grace period) may not exceed 7.5% of the Initial Balance of the Receivables on the Date of Incorporation.

The Management Company, on behalf of the Fund, can at any given time and throughout the life of the Fund, cancel or suspend the Loan Servicer's power to agree with the Debtor on the modification of the Loans according to the above conditions, if such actions damage the interests of the Fund and the Noteholders and might negatively affect the rating assigned to the Rated Notes by the Rating Agencies.

Amendments in the terms of a Loan Agreement will not cause any failure of the relevant Loan or the relevant Receivable with the misrepresentation representations and warranties provided by the Originator in section 2.2.8. of the Additional Building Block and in the Deed of

Incorporation. In the event that, despite the above, the Receivable ultimately assigned fails to comply with such representations and warranties, the procedure described in section 2.2.9 of the Additional Building Block related to the cure of any hidden defects will apply.

Neither the Loan Servicer nor the Originator are authorised to modify Loan agreement conditions beyond the limitations defined above, at any time during the life of the Fund. Upon the breach of these limitations, the Fund, through the Management Company, is entitled to (i) claim the corresponding compensation for damages, and (ii) request the replacement of or repurchase for the affected Receivables; all without prejudice to the provisions of the Loan Servicing Agreement for breach of the Loan Servicer's obligations.

Pursuant to the provisions of article 4 of Royal Decree 716/2009, the Originator, in respect of the Mortgage Loans it services, may not voluntarily cancel the mortgages related to the Mortgage Transfer Certificates without the consent of the Management Company for reasons other than their payment, waive them or forgive in part or in full the relevant Mortgage Loan nor, in general, take any action that decreases the rank, legal effectiveness or financial value of the mortgages or the Mortgage Loans, except for the authorised modifications mentioned in this section. Along these lines, the Originator may not grant additional mortgage loans with the same rank as the mortgages securing the Mortgage Loans.

The Loan Servicer will properly notify the Management Company of the new terms of the Loans resulting from any amendment of any Loan Agreements from which the Receivables assigned to the Fund derive. In turn, the Management Company will notify the Rating Agencies in its regular report of any changes to the assigned portfolio in accordance with this section.

Cajamar has adhered to the modifications of the Code of Good Practice passed by Law 1/2013 and modified by Law 25/2015 and Royal Decree-Act 5/2017. As a consequence, to the extent that the Management Company recognises and agrees that Cajamar has adhered to the modifications of such Code, the Fund may be affected by the measures established therein (as they are applicable to the entire loan portfolio of Cajamar), which could result in longer enforcement proceedings and the loss of value of the Mortgage Loans secured by a home.

Modifications to the Loans from which the Receivables assigned to the Fund derive regulated in this section will be included in the detailed report that the Loan Servicer shall deliver to the Management Company within the first five (5) Business Days of each month, pursuant to the provisions of section 3.4.5 of the Additional Building Block.

Under no circumstance may the Loan Servicer decide to modify the terms of the Loan from which the Receivables assigned to the Fund derive without the prior request from the Debtor. The Loan Servicer must always act in the best interests of the Fund in relation to modifications.

#### **Damage insurances of the properties mortgaged**

The Loan Servicer shall not adopt nor shall fail to adopt any measure that may result in (i) the cancellation of any damage or fire insurance policy of the real estate properties mortgaged nor in (ii) a decrease in the amounts to be paid in case of any claim thereunder. The Loan Servicer shall apply the due diligence and, in any case, exercise the rights provided under the insurance policies or the Mortgage Loans, in order to maintain such insurance policies (or any other insurance policy granting similar coverage) in full force and effect, in relation to each Mortgage Loan and the relevant real estate property.

In case of claim, the Loan Servicer shall coordinate the actions aimed at collecting the indemnities deriving from the damages and fire insurance policies of the real estate properties, in accordance with the terms and conditions of the Loan Mortgages and the said insurance policies. The Loan Servicer shall pay to the Fund, if applicable, all the amounts corresponding to principal and interests assigned to the Fund.

### 3.7.2.3. Replacement of the Loan Servicer

The Management Company, on behalf of the Fund, will arrange the duties of servicing the Loans from which the Receivables assigned to the Fund derive. The Management Company will also decide on the replacement of the entities responsible for such duties, acting exclusively in the best interest of the Noteholders and the creditors of the Fund. In any event, this replacement will be subject to the limitations established by applicable laws.

In consideration of the importance of the consequences that an impairment or interruption of the servicing of the Loans shall have to the interests of the Noteholders and the creditors of the Fund, the Loan Servicing Agreement, the Back-Up Servicing Agreement and the Deed of Incorporation govern the mechanisms for the monitoring and control thereof, as well as a procedure that seeks to minimize the risk of interruption of such services and the replacement of the Loan Servicer when applicable. These mechanisms are described below.

#### Commitments of the Management Company

The Management Company will assume the following duties, among others:

- Monitoring of the proper servicing of the Loans from which the Receivables assigned to the Fund derive. This shall be performed by the individual monthly control of the information on each Loan sent by the Loan Servicer.
- Making available sufficient information necessary for the full exercise of all duties of servicing the Receivables assigned to the Fund by the Management Company itself or by a third party other than the initial Loan Servicer. As regards personal data, this obligation is subject to Organic Law 15/1999 of 13 December on the Protection of Personal Data or such legal provision as replaces it (the “**Data Protection Act**”), the regulations in further implementation thereof, and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the “**General Data Protection Regulation**” and, together with the Data Protection Act and rules in implementation thereof, the “**Data Protection Rules**”).
- Obligation to have verified technical capacity to transfer information regarding the Loans from which the Receivables assigned to the Fund derive to third parties with experience in loan servicing functions.
- Promote, and if applicable execute the replacement of the Loan Servicer under the terms established in the Loan Servicing Agreement, the Back-Up Servicing Agreement, the Deed of Incorporation and this Prospectus.

#### Commitments of the Loan Servicer

The responsibilities assumed by the Loan Servicer in the Loan Servicing Agreement include the following commitments:

- Make available to the Management Company all the information related to the Loans from which the Receivables assigned to the Fund derive allowing it to engage in the individual monitoring and control of each of them. This information must be sufficient to enable experienced third parties to carry out the servicing of the Loans.
- On the Date of Incorporation, the Loan Servicer, as assignor of the Receivables, will have record of the personal data required to issue orders of collection to the relevant Debtors (hereinafter, the “**Personal Data Register**” or “**PDR**”). The Loan Servicer will communicate this Personal Data Register to the Management Company with an encrypted file, as representative of the assignee of the Receivables, on the Date of Incorporation, and which



Password will be deposited with a Notary. The disclosure thereof is limited by the Data Protection Act.

- The Loan Servicer also undertakes to annually update the information contained in the PDR in January of each year and will provide the Management Company, upon its request, with an updated PDR, encrypted with the same password deposited with the Notary on the Date of Incorporation.
- In the event of the replacement of the Loan Servicer, to actively collaborate with the Management Company and the new Loan Servicer in the replacement process.
- To execute all legal acts and contracts in which the Loan Servicer must participate for the effective transfer of duties to the new servicer of the Loans.
- Cajamar shall promptly (but in any event within 5 Business Days) notify Finsolutia of a downgrading of Cajamar by Fitch equal or under B+.

### **Servicer Alert Events**

The Management Company, in its work of monitoring and control of the Loans and of the Receivables assigned to the Fund, will be in a position to detect the breach of the diligence level required of the Loan Servicer and the potential occurrence of a Service Alert Event. The Management Company will identify whether the nature of the deterioration in the servicing of the Loans from which the Receivables assigned to the Fund derive might give rise to the need to replace the Loan Servicer. If such need is confirmed, the Management Company will give notice of this circumstance to:

- The Loan Servicer itself.
- The CNMV, as supervisor of the Fund.
- The European Central Bank, using the Simple Supervisory Mechanism (SSM), as supervisor of the Loan Servicer.
- The creditors of the Fund, through a notice of Significant Event (*Hecho Relevante*).
- The insolvency administrator for the Loan Servicer, if applicable.
- The Rating Agencies.
- The Back-Up Servicer.

A “**Servicer Alert Event**” will be: (i) the interruption of the flow of regular information from the Loan Servicer; and (ii) a deterioration in the content thereof. In any event and regardless of the reasons that the Management Company finds give rise to the commencement of the procedure for possible replacement, a Service Alert Event will also be deemed to arise for: (iii) the deterioration of the solvency of the Loan Servicer, measured by the failure to maintain the required capital pursuant to applicable law for a period of six (6) months, and (iv) the declaration of insolvency of the Loan Servicer.

In the event of a Servicer Alert Event: (i) the Management Company will first notify the Loan Servicer, which will have a period of thirty (30) Business Days to assess and, if applicable, cure the Servicer Alert Event; and (ii) secondly, if the Service Alert Event is not duly cured, the Management Company will so inform:

- The CNMV, as supervisor of the Fund.
- The European Central Bank, using the Simple Supervisory Mechanism (SSM), as supervisor of the Loan Servicer.
- The creditors of the Fund, through a notice of Significant Event (*Hecho Relevante*).

- The insolvency administrator for the Loan Servicer, if applicable.
- The Rating Agencies.
- The Back-Up Servicer.

The abovementioned notification to be made by the Management Company due to the occurrence of a Servicer Alert Event not cured within thirty (30) Business Days shall be referred to as the “**Servicer Alert Notification**”.

#### **Before the replacement of the Loan Servicer**

Upon the occurrence or a Service Alert Event not cured in the abovementioned period of time:

- The Management Company will ask for the password deposited with the notary.
- The Management Company will carry out tests issuing Loan payment bills to the Debtors and will subject this process to external audit it considers appropriate to guarantee the accuracy thereof.
- The Management Company will notify the Back-Up Servicer the replacement of the Loan Servicer in the servicing of the Loans in accordance with the Loan Servicing Agreement and the Back-Up Servicing Agreement, specifying the date on which the replacement should be effective (the “**Replacement Effective Date**”). In case the replacement of the Loan Servicer by the Back-Up Servicer is not possible for any reason, the Management Company will select an entity that may ultimately perform the servicing of the Loans. To this end, it will address the entities supervised by the Bank of Spain and included in its official Registers, in the following order of preference:
  1. Banks and credit cooperatives, incorporated in Spain.
  2. Branches of EU credit entities with a permanent establishment in Spain.
  3. Branches of non-EU credit entities with a permanent establishment in Spain.
  4. Credit institutions (*establecimientos financieros de crédito*), incorporated as public limited companies (*sociedades anónimas*) in Spain.
  5. Only if none of the above can be appointed, other type of entities.

To designate the new Loan Servicer, the Management Company will take into consideration: (i) experience in the servicing of loans; (ii) experience in the management of delinquent and non-performing assets; (iii) experience in the management of defaulted assets; (iv) presence in the territory; (v) solvency; (vi) quality of information technology and control systems and mechanisms; and (vii) cost. The Management Company may request expert reports (paid by the Fund) to conclude the decision making process.

#### **Specific Loan Servicer replacement situations**

In any event, the replacement of the Loan Servicer must be justified by:

- i. Breach of the obligations to service the Loans from which the Receivables assigned to the Fund derive, verified by the Management Company.
- ii. A corporate, administrative or legal decision to liquidate or wind-up the Loan Servicer.
- iii. The extinction of the Loan Servicer due to any other circumstance.
- iv. The occurrence of events related to the Loan Servicer or the performance of its duties that, in the opinion of the Management Company, entail harm or risk to the financial structure of the Fund or to the rights and interests of the Noteholders.
- v. The Loan Servicer enters in a resolution process as per Law 11/2015.

Upon occurrence of any of the events indicated in paragraphs (i) to (v) above, if permitted by law, the Management Company may (i) revoke the appointment of Cajamar as Loan Servicer and (ii) replace Cajamar as Loan Servicer by Finsolutia.

On the other hand, if the Servicer Alert Notification has been given, and if permitted by law, the Management Company shall (i) revoke the appointment of Cajamar as Loan Servicer and (i) adopt the actions contemplated in the Deed of Incorporation, in the Loan Servicer Agreement and in the Back-Up Servicing Agreement to replace the Loan Servicer.

In case the replacement of the Loan Servicer by the Back-Up Servicer is not possible for any reason, the Management Company will select an entity that may ultimately perform the servicing of the Loans in accordance with the Loan Servicing Agreement.

The Management Company shall notify the Back-Up Servicer (or any entity replacing the Loan Servicer) that the replacement of the Loan Servicer in the servicing of the Loans will take place in accordance with the Loan Servicing Agreement and the Back-Up Servicing Agreement and it shall inform about the Replacement Effective Date.

The Management Company, the Loan Servicer and, when applicable, the Back-Up Servicer will cooperate and will make their best efforts to achieve such replacement within the Loan Servicer Replacement Term from the date on which the Management Company notifies the occurrence of any event that shall result in the replacement of the Loan Servicer.

By virtue of the Back-Up Servicing Agreement, Finsolutia undertakes to carry out the functions of the Loan Servicer if its replacement is effectively made and to assume the functions of the replaced Loan Servicer once the relevant authorities have been consulted, provided that the Rating Agencies are notified and this does not adversely affect the rating given to the Rated Notes.

To this end, if the Bank of Spain, the insolvency court or the insolvency administrators consider it necessary, Finsolutia and the Management Company will coordinate with them the replacement of the Loan Servicer. For this purpose, and only if it is necessary for the effective replacement of the Loan Servicer, Finsolutia and the Management Company, on behalf of the Fund, will enter into a loan servicing agreement in similar terms to those included in the Loan Servicing Agreement and those described in sections 3.4.5 and 3.7.2 of the Additional Building Block at the time the Loan Servicer is replaced and in any case no later than on the dates indicated under the Loan Servicer Replacement Term definition.

The Back-Up Servicing Agreement will be cancelled in the first of the following dates: (i) the Legal Maturity Date, (ii) the Liquidation Date of the Fund or (iii) the date on which the long term debt rating of the Originator, acting as Loan Servicer, is equal or higher than BBB- by DBRS or BBB- by Fitch. In any event, from the date of replacement of the Originator as Loan Servicer, Finsolutia will deposit into the Treasury Account (or the account designated by the Management Company) the proceeds received from the Debtors in connection with the Receivables with the same periodicity and terms as established for the Originator when acting as Loan Servicer.

Notwithstanding the above, and if permitted by law, the Originator may request its replacement in its role as Loan Servicer. The Management Company will authorise its replacement as long as Finsolutia is the one assuming such role and the rating of the Notes are not negatively affected. If Finsolutia does not assume the servicing of the Loans, the Originator shall find an entity to replace it, without additional cost to the Fund and provided that the Rating Agencies are notified and this does not adversely affect the rating given to the Rated Notes.

In any event, in case of replacement of the Loan Servicer (both mandatory or voluntary replacement), the replaced Loan Servicer will provide the new loan servicer all necessary information in order to properly carry out its functions, and the new loan servicer will undertake

to provide the Management Company with at least the same information reported by the replaced Loan Servicer when acting as such and in accordance with the Deed of Incorporation. The replacement of the Loan Servicer will be notified to the Rating Agencies and the CNMV.

#### **Contingency plan to replace the Loan Servicer**

Once the Management Company has made the decision to replace the Loan Servicer, the following processes will take place:

- a) Formalisation of a new servicing agreement with the new loan servicer only if it is necessary or subrogation of the existing Loan Servicing Agreement by the new loan servicer. The execution of the new servicing agreement or the subrogation of the existing Loan Servicing Agreement shall take place at the time the Loan Servicer is replaced and in any case no later than on the dates indicated under the Loan Servicer Replacement Term definition.
- b) Activation of the information recovery procedure necessary for the servicing of the Loans from which the Receivables assigned to the Fund derive. This includes:
  - Transfers of databases and documents of the Loans from which the Receivables assigned to the Fund derive that are under the control of the Loan Servicer.
  - Recovery of the PDR file generated by the Loan Servicer.
  - Providing the new Loan Servicer with all the data available to the Management Company regarding the Loans and the Receivables derived therefrom assigned to the Fund.
- c) Activation of the process of giving notice of the assignment to the relevant Debtors and insurance companies and guarantors as well as the process of updating the instructions for payment thereby into the account designated for that purposes. This process will be implemented upon the terms set forth in the Deed of Incorporation and in this Prospectus. Pursuant to the provisions of section 3.3.7 of this Additional Building Block, said notice shall include a statement that the payments due by the Debtors on the Loans from which the Receivables assigned to the Fund derive shall only be effective if made on their behalf into the Treasury Account or the account designated by the Management Company for such purpose.
- d) Notification of the replacement decision to all parties involved, including the CNMV and the Rating Agencies. The replacement shall not take effect if this adversely affects the rating of the Rated Notes.

In any event, if the replacement process of the Loan Servicer takes longer than nine (9) months to conclude, the Management Company may consider this circumstance as Early Liquidation of the Fund, under the terms described in section 4.4.3.1 of the Registration Document.

#### **Subcontracting of the servicing of the Loans**

The Loan Servicer may subcontract or delegate to third parties with proven capacity and solvency the provision of any of the services that are currently provided directly to the Debtors, provided that this is legally permitted and (i) there is prior written consent from the Management Company, (ii) it does not adversely affect the rating of the Rated Notes by the Rating Agencies, and provided that (iii) the subcontractor or delegate has waived the exercise of any action claiming liability against the Fund. In any event, this subcontracting or delegation may not entail any extra costs or expenses for the Fund or the Management Company. However, in the case of subcontract or delegation, the Loan Servicer will not be exempted or released from any of the liabilities assumed in its position as such. Notice of any subcontracting will be provided by the Management Company to the CNMV, and must have the prior approval thereof if legally required.

**3.8. Name and address and brief description of any swap counterparties and any providers of other material forms of credit/liquidity enhancement or accounts**

Cajamar is the provider of the Subordinated Loan for Initial Expenses, pursuant to sections 3.4.3 of the Additional Building Block.

Cajamar is the provider of the Subordinated Loan for the Commingling Reserve, pursuant to sections 3.4.3 of the Additional Building Block.

Santander is the Paying Agent and the provider of the Treasury Account, pursuant to sections 3.4.7 and 3.4.4 of the Additional Building Block.

**4. POST-ISSUANCE REPORTING**

The Management Company will publish the information related to the Fund, its assets and liabilities contained in these sections, in the media generally accepted by the market to ensure appropriate dissemination thereof in time and content, unless another method is provided by law, regulation or this Prospectus.

The information referred to in this section will be available on the website of the Management Company: [www.imtitulizacion.com](http://www.imtitulizacion.com).

The Management Company will make available to the public all the documentation and information required by the Deed of Incorporation and this Prospectus.

The information referred to in this section is published without prejudice to any other information for which the dissemination, publication or availability to third parties is required of the Management Company on behalf of the Fund for any reason. In any event, this information will comply with Circular 2/2016 or rush legal provisions as may replace it, as well as the other requirements imposed by the CNMV for said purpose.

**4.1 Notification of the principal and interest amounts due to the Noteholders**

The payment of interest and repayment of the principal of the Notes will be published using channels generally accepted by the market that ensure appropriate dissemination of the information in time and content.

The dates for notifying the Noteholders will be the second Business Day immediately prior to each Payment Date.

**4.2 Periodical information**

Notifications due to the Noteholders resulting from the above sections and to be made by the Management Company on behalf of the Fund will be carried out as follows:

- The Management Company will issue a quarterly report including the following information:
  - The Outstanding Balance of the Receivables.
  - The repayment rate experienced by the Receivables.
  - The default rate of the Receivables.
  - The Outstanding Balance of the Receivables that have become Non-Performing Receivables during the previous month.
  - The accumulated Outstanding Balance since the start of the Receivable transactions that are Non-Performing Receivables.
  - The remaining term of the Receivables portfolio.

- The average interest rate of the Receivables portfolio.
- The balances of the accounts of the Fund.
- Additionally, in the 7 Business Days following each Payment Date, and in addition to the abovementioned quarterly information, the Management Company will issue a report with the following information:
  - The Outstanding Balance of the Notes before and after the payment corresponding to the Payment Date of the current month;
  - The repayment of principal of the Notes.
  - The percentage of Notes pending maturity;
  - The interest accrued by the Notes;
  - If applicable, the principal balance not paid to the Noteholders due to the lack of funds;
  - If applicable, amounts of interest that correspond to the Notes accrued, due and not paid on previous Payment Dates.

Pursuant to article 35 of Law 5/2015, the Management Company will present the annual report to the CNMV for recording in the relevant register within 4 months of the end of the preceding financial year. Likewise, quarterly reports will be sent to the CNMV within the two months following the end of the calendar quarter in question, in order for it to include them in the relevant register.

Article 22 of Regulation EU 2017/2402 establishes a number of requirements for the transparency of a securitisation transaction. Despite the fact that on the date of registration of the Prospectus this Regulation has not yet entered into force, it is the decision of the Originator and the Management Company to conform to the provisions thereof. Therefore, the Management Company will publish on its website the information required by article 22.5, whenever possible according to the nature of each requirement, and the Originator undertakes to meet with the rest of article 22 once it becomes effective.

The Board of Directors of the Management Company has designated PWC as auditor of the Fund. The Board of Directors of the Management Company will notify the CNMV of any change in the designation of the auditors.

#### **4.3 Obligations to give notice of significant events**

The Management Company, in representation of the Fund, undertakes to give immediate written notice to the CNMV, the Rating Agencies and the Noteholders of the occurrence of any significant event, during the life of the Fund, related to the Receivables, the Notes, the Fund or the Management Company itself, which may affect the trading of the Notes, and specifically, of the amount due to the Noteholders on each Payment Date, both for principal and interest, and in general, of any relevant changes in the assets or liabilities of the Fund. Said notice will be provided through any means that ensures the appropriate dissemination of the information, including the website of the Management Company.

#### **4.4 Reporting to the CNMV**

The Management Company will inform the CNMV of notices or information, whether regular or extraordinary provided pursuant to the provisions of the preceding sections, in addition to any information, regardless of the above, that is required by the CNMV or applicable legal provisions at any time.

#### **4.5 Reporting to the Rating Agencies**

The Management Company will provide the Rating Agencies with regular information on the status of the Fund and the performance of the Receivables so that they may monitor the ratings of the Rated Notes and any special notices. It will also use its best efforts to provide such information when reasonably requested to do so and, in any case, when there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company, or in the interested parties.

#### **4.6 Notification procedure**

Pursuant to the provisions of the preceding sections, ordinary regular notices will be published in the daily bulletin of the AIAF or through any other medium that replaces it in the future or that shares similar characteristics.

#### **4.7 Public information pursuant to Regulation EU 2017/2402**

Once Regulation EU 2017/2402 becomes effective, the Fund, through the Management Company, is designated as the entity entrusted with providing the Noteholders with the information described in article 7 thereof, including information that must be forwarded to the corresponding securitisation register.

Madrid, on 13 December 2018

José Antonio Trujillo del Valle  
InterMoney Titulización, S.G.F.T., S.A.  
*Chairman*



## DEFINITIONS

In order to properly interpret this Prospectus, capitalised terms will be understood in accordance with the definitions given for each one below, unless they are expressly given another meaning and also according to the definition which was attributed thereto as defined terms in this Prospectus. Terms that are not expressly defined will be understood in their natural and obvious meanings in accordance with general usage. Terms in singular include the plural and vice-versa to the extent that the text so requires.

**“Additional Building Block”** means the Additional Building Block to the Securities Note regarding the issuance of Notes prepared in accordance with Annex VIII of Regulation (EC) No 809/2004, approved by the CNMV on 3 July 2018.

**“Agency and Financial Services Agreement”** means the agency and financial services agreement to be entered into by the Management Company, for and on behalf of the Fund, and the Paying Agent.

**“AIFMR”** means the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

**“AIAF”** means AIAF Fixed-Income Market (AIAF Mercado de Renta Fija, S.A.), the securities exchange for fixed-income securities located in Madrid on which the Notes are expected to be listed.

**“Ancillary Rights”** means any and all present or future rights arising from the Loans (i) including but not limited to any compensation deriving from insurance policies, payments made by potential guarantors, payments derived from foreclosures or insolvency proceeding and any right that, in connection with any guarantee or security interest (including, without limitation, pledges and/or mortgages) and according to article 1,528 of the Spanish Civil Code, may correspond to the Originator in relation with the Loans, but (ii) excluding claim fees for failure of payments, subrogation fees, repayment or early termination fees as well as any other fee or disbursement (*suplido*) corresponding to the Originator.

**“Arranger”** means Santander.

**“Available Funds”** means the amounts which the Fund will applied on each Payment Date to the payments, established in section 3.4.6.1 of the Additional Building Block.

**“Available Funds for Liquidation”** means the amounts which the Fund will applied on the Liquidation Date to the payments, established in section 3.4.6.4 of the Additional Building Block.

**“Back-Up Servicer”** means Finsolutia Spain, S.L.U.

**“Back-Up Servicing Agreement”** means the agreement signed by the Management Company and the Back-Up Servicer on the Date of Incorporation regulating the terms and conditions of the replacement of the Loan Servicer by the Back-Up Servicer.

**“Basel IV”** means the reform of the Basel III standards approved by Basel Committee on Banking Supervision in December 2017.

**“BCC”** means Banco de Crédito Social Cooperativo, S.A.

**“BMR”** means the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

**“Business Day”** means those days those that are not (i) a holiday in the city of Madrid; or (ii) a holiday according to the TARGET2 calendar (Trans European Automated Real-Time Gross Settlement Express Transfer System). According to the technical application 1/2008 of the Bank of Spain’s General Directorate of Transactions, Markets and Payment Systems, TARGET2 operates every day except Saturdays, Sundays,

New Year's Day, Good Friday and Easter Monday (according to the ECB calendar), and May 1<sup>st</sup>, Christmas Day and December 26<sup>th</sup>.

**"Buyback Value"** means at any time (i) for any Receivables that are Performing Receivables, par value, and (ii) for any Non-Performing Receivables, par value less the value of the specific provisions of these Loans on the balance sheet of the Originator at that time (as confirmed by the Originator to the Management Company).

**"Call Options"** means the Clean-up Call Option, the Regulatory Change Call Option and the Tax Change Call Option.

**"Capital Companies Act"** means the Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Act ("*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital.*").

**"Treasury Account"** means the account to be opened in the name of the Fund by the Management Company at Santander, the operation of which will be covered by the Agency and Financial Services Agreement.

**"Civil Code"** means the Civil Code published by virtue of the Royal Decree of 24 July 1889 and the other preparatory provisions.

**"Civil Procedure Act"** or **"Law 1/2000"** means Law 1/2000, 7 January, of civil procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*).

**"Cajamar"** means Cajamar Caja Rural, Sociedad Cooperativa de Crédito.

**"Circular 2/2016"** means CNMV Circular 2/2016 of 20 April, on accounting standards, annual accounts, public accounts and confidential statistical information statements of securitisation funds, as amended.

**"Class"** ("*Clase*") means each class of Notes.

**"Class A Notes"** means the securitisation notes issued against the Fund in the total nominal amount of SIX HUNDRED TWO MILLION SEVEN HUNDRED THOUSAND EUROS (€602,700,000), made up of SIX THOUSAND TWENTY SEVEN (6,027) notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

**"Class B Notes"** means the securitisation notes issued against the Fund in the total nominal amount of TWO HUNDRED TWENTY SIX MILLION FOUR HUNDRED THOUSAND EUROS (€226,400,000), made up of TWO THOUSAND TWO HUNDRED AND SIXTY FOUR (2,264) notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

**"Class C Notes"** means the securitisation notes issued against the Fund in the total nominal amount of SIXTY FOUR MILLIONS THREE HUNDRED THOUSAND EUROS (€64,300,000), made up of SIX HUNDRED FORTY THREE (643) notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

**"Class D Notes"** means the securitisation notes issued against the Fund in the total nominal amount of FIFTY NINE MILLION SIX HUNDRED THOUSAND EUROS (€59,600,000), made up of FIVE HUNDRED NINETY SIX (596) notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

**"Class E Notes"** means the securitisation notes issued against the Fund in the total nominal amount of NINETEEN MILLION ONE HUNDRED THOUSAND EUROS (€19,100,000), made up of ONE HUNDRED NINETY ONE (191) notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

**"Class E Redemption Amount"** means a constant instalment equal to €2,387,500 plus, if applicable, the addition of all the shortfalls in the payment of such amount in any previous Payment Date.

**"Class E Target Amortisation Amount"** means an amount equal to:

- (iii) the Reserve Fund in the previous period minus the Required Reserve Amount in the current Payment Date, or
- (iv) Zero (0), if (a) the Reserve Fund had not been funded up to the Required Reserve Amount on the immediately previous Payment Date or (b) the Outstanding Balance of the Non-Performing Receivables divided by the Outstanding Balance of all the Receivables on the Date of Incorporation is greater than 4.50%.

**“Clean-up Call Option”** or **“Clean-up Call”** means the option of the Originator to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) if at any time, the aggregate Outstanding Balance of the Receivables less non-principal collections applied to reduce principal balance, falls below 10% of the aggregate Outstanding Balance thereof on the Date of Incorporation, in accordance with section 4.4.3.2 of the Registration Document.

**“CNMV”** means the National Securities Market Commission of Spain (*Comisión Nacional del Mercado de Valores*).

**“Collection Adjustment Date”** means the 20<sup>th</sup> of each month or the immediately preceding Business Day. On such date, the Management Company and the Loan Servicer will adjust the amounts effectively deposited into the Treasury Account (or the account that replaces it) during the Collection Period corresponding to the calendar month immediately prior to the specific Collection Adjustment Date, to those amounts that should have been deposited in accordance with each of the Loan Agreements corresponding to the Loans from which the Receivables assigned to the Fund derive. Exceptionally, the first Collection Adjustment Date will be on 20 January 2019.

**“Collection Period”** means each calendar month from the Date of Incorporation until the liquidation of the Fund. Exceptionally, the first Collection Period will begin on the Date of Incorporation and end on 31 December 2018.

**“Commingling Reserve”** means any amount credited to the Treasury Account in accordance with section 3.4.2.3 of the Additional Building Block.

**“Commingling Reserve Event”** means:

- (i) Failure by the Servicer to transfer collections of the Loans to the Fund, if this failure is not cured in a period of five (5) Business Days;
- (ii) Insolvency of the Servicer, if it results in any disruption of the payments to be made to the Fund; or
- (iii) Upon the Servicer being replaced by the Back-Up Servicer, if it results in any disruption of the payments to be made to the Fund.

**“CPR”** means Constant Annual Pre-Payment Rate.

**“CRR”** means Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

**“Date of Incorporation”** means the day on which the Deed of Incorporation is authorised. The Date of Incorporation is scheduled for 14 December 2018.

**“DBRS”** means DBRS Ratings Limited.

**“DBRS Criteria”** (*“Criterios DBRS”*) means the provisions of the Legal Criteria for European Structured Finance Transactions document published by DBRS in September 2018.

**“Defaulted Receivable”** means at any time, any Receivable that (i) has instalments pending payment for twelve (12) or more months, or (ii) whose debt, in the opinion of Cajamar has been deemed as not

recoverable by the Loan Servicer in line with their credit and collection policies. **“Delinquent Receivable”** means at any time, any Receivable which is ninety (90) days or more in arrears and is not a Defaulted Receivable.

**“Debtors”** means the individuals or companies to which Cajamar has provided the Loans from which the securitised Receivables derive.

**“Deed of Incorporation”** means the public deed of incorporation of the Fund, Cajamar’s assignment of the Receivables and the Fund’s issue of the Notes.

**“Disbursement Date”** means 20 December 2018.

**“Draft Real Estate Credit Contract Law”** means draft law on real estate credit contracts (*Anteproyecto de Ley de Contratos de Crédito Inmobiliario*) which would amend the Spanish Mortgage Law.

**“Early Liquidation”** means the liquidation of the Fund and, thus, the prepayment of the issue of Notes on a date prior to the Legal Maturity Date, in accordance with the cases and procedure set out in section 4.4.3 of the Registration Document.

**“Early Redemption”** means the redemption of the Notes on a date prior to the Final Maturity Date of the Notes in the event of Early Liquidation of the Fund in accordance with the requirements set forth in section 4.4.3 of the Registration Document.

**“Early Redemption Date”** means the date on which the Early Redemption takes place.

**“ECB”** means the European Central Bank.

**“EEA”** means the European Economic Area, constituted under the Agreement on the European Economic Area, which includes the Member States of the European Union and the EFTA States (Iceland, Lichtenstein and Norway).

**“ESMA”** means the European Securities and Markets Authority.

**“Eurosysteem Eligible Collateral”** means a collateral that is eligible for Eurosysteem monetary policy and intra-day credit operations.

**“Extraordinary Expenses”** associated with the liquidation of the Fund, those derived from the preparation and modification of the Deed of Incorporation and the Transaction Documents, and those derived from additional agreements, expenses necessary to carry out the foreclosure of the Receivables and any recovery actions related, expenses from extraordinary audits and legal advice requested, and in general, any extraordinary expense paid by the Fund or the Management Company, on its behalf.

**“FATCA”** means Foreign Account Tax Compliance Act enacted in the United States of America.

**“FFI”** means Foreign Financial Institution.

**“Final Maturity Date of the Loans”** means the last date of maturity of the Loans included in the Preliminary Portfolio, i.e., 10 August 2033, or, if this is not a Business Day, the immediately following Business Day.

**“Final Maturity Date of the Notes”** means the last Payment Date of the Notes, i.e., 22 April 2037, or, if this is not a Business Day, the immediately following Business Day.

**“Finsolutia”** means FINSOLUTIA SPAIN, S.L.U.

**“First Payment Date”** means 22 April 2019.

**“First Interest Accrual Period”** means the period that will begin on the Disbursement Date (included) and will end on the First Payment Date, 22 April 2019 (excluded), or if such is not a Business Day, the immediately following Business Day.

**“FITCH”**, means FITCH Ratings España, S.A.U.

“**Fitch Criteria**” means the provisions of the Legal Criteria for European Structured Finance Transactions document published by Fitch in 28 August 2008.

“**Fixed-revisable Loans**” means fixed interest rate Loans subject to modifications in the applicable rate according to cross selling relationship with Cajamar.

“**Fund**” means IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN.

“**General Data Protection Regulation**” means Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

“**Guideline**” means the Guideline of the European Central Bank of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14) as amended and applicable at any particular time.

“**Iberclear**” means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores.

“**ICO**” means Instituto de Crédito Oficial E.P.E.

“**IGA**” means the Intergovernmental Agreement between the United States of America and the Kingdom of Spain to Improve International Tax Compliance and to Implement FATCA.

“**Initial Balance of the Notes**” means the total amount of the Note issue, that is to say, €972,100,000.00 Euros.

“**Initial Expenses**” means the expenses of the incorporation of the Fund and issuance of the Notes which are expected to be those included in section 6 of the Securities Note and which will be paid against the Subordinated Loan for Initial Expenses.

“**Initial Reserve Fund**” means the Reserve Fund created on the Disbursement Date in an amount equal to NINETEEN MILLION ONE HUNDRED THOUSAND EUROS (€19,100,000.00).

“**Insolvency Act**” means Law 22/2003 of 9 July of Insolvency (*Ley 22/2003, de 9 de julio, Concursal*).

“**Interest Accrual Period**” means each of the periods into which the issue of the Notes is divided, and includes the days actually elapsed between each Payment Date, including the initial Payment Date of the corresponding period in each Interest Accrual Period and excluding the final Payment Date of the corresponding period.

“**Interest Rate**” means, on each Interest Accrual Period, the amount calculated in section 4.8 of the Securities Note.

“**IRR**” means the Internal Rate of Return for the Noteholders.

“**Issue Date**” means 14 December 2018.

“**Issuer**” means IM BCC CAPITAL 1, FONDO DE TITULIZACIÓN.

“**Issue or Note Issue**” means the securitisation note issue issued from the Fund totalling € 972,100,000.00, comprised of 9,721 Notes of 100,000 Euros each and pooled in Class A to Class E Notes.

“**Law 22/2003**” or “**Insolvency Act**” means Law 22/2003 of 9 July on Insolvency.

“**Law 2/1981**” or “**Mortgage Market Law**” means the Law 2/1981 of 25 March on regulation of the mortgage market and other rules of the mortgage and financial systems.

“**Law 1/2013**” means Law 1/2013, of 14 May, on measures to strengthen the protections for mortgage debtors, debt restructuring and social rent, as amended by Law 25/2015.

“**Law 5/2015**” means Law 5/2015 of 27 April on the Promotion of Enterprise Funding.

“**Law 25/2015**” means Law 25/2015, of 28 July, on the second-chance mechanism, reduction of financial burden and other social measures as amended by Royal Decree 5/2017 of 17 March, consists of four Sections that introduce a set of measures that could affect the Mortgage Loans.

“**Lead Manager**” means Santander.

“**Legal Maturity Date**” means 22 April 2037.

“**Liquidation Date**” means the Legal Maturity Date or any time at which the Early Liquidation takes place according to sections 4.4.3 and 4.4.4 of the Registration Document

“**Liquidation Priority of Payments**” means the order of priority of the payment or deduction obligations of the Fund as regards the application of the Available Funds for Liquidation.

“**Loan Agreement**” means the agreements regulating the terms and conditions of the Loans entered into by and between Cajamar and the Debtors.

“**Loan Servicer**” means Cajamar Caja Rural, Sociedad Cooperativa de Crédito.

“**Loan Servicer Replacement Term**” means the following periods of time in which the Back-Up Servicer must be ready to assume the role and functions of the Loan Servicer:

- i) The Back-Up Servicer must be ready to assume the functions of the Loan Servicer within three (3) months at any point in time while Cajamar is rated higher than B- by Fitch; and
- ii) The Back-Up Servicer must be ready to assume the functions of the Loan Servicer within one (1) month at any point in time if Cajamar is rated at or lower than B- by Fitch. However, this one (1) month period will only apply if Cajamar has notified the Back-Up Servicer the downgrading of Cajamar by Fitch equal or under B+ in accordance with section “**Commitments of the Loan Servicer**” at least three (3) months in advance to the date on which the Back-Up Servicer must be ready to assume the functions of Loan Servicer. In the absence of the prior notification within the referred deadline, the period for the substitution of the Loan Servicer will be three (3) months (notwithstanding the rating assigned by Fitch to Cajamar may be equal to or below B-).

“**Loan Servicing Agreement**” means the agreement signed by the Management Company and the Loan Servicer on the Date of Incorporation regulating the servicing of the Loans from which the Receivables derive.

“**Loans**” means each of the loans included in the Preliminary Portfolio that Cajamar has granted to small and medium sized businesses located in Spain and to self-employed individuals, in order to finance their business activities and from which the Receivables assigned or susceptible of being assigned to the Fund originate.

“**LTV Ratio**” means “Loan-to-Value”, i.e., the ratio between the outstanding balance and the appraisal of each Mortgage Loan.

“**Management Company**” means InterMoney Titulización, S.G.F.T., S.A.

“**Management, Placement and Subscription Agreement**” means the management, placement and subscription agreement to be entered into by the Management Company, for and on behalf of the Fund, the Lead Managers, ICO and Cajamar.

“**Meeting of Creditors**” means the meeting of the Noteholders, and the Subordinated Loan Provider that shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Fund.

“**MIFID**” means Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and

Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

“**MIFID II**” means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

“**Mortgage Loans**” means the Loans secured by a mortgage guarantee.

“**Mortgage Transfer Certificates**” or “**MTC**” means the mortgage transfer certificates to be issued by Cajamar regarding the Mortgage Loans in accordance with the provisions of section 3.3 of the Additional Building Block.

“**Multiple Title**” means the security instrument representing the MTCs issued by Cajamar on the Mortgage Loans.

“**Non-Defaulted Receivable**” means, at any time, any Receivable that is not considered as a Defaulted Receivable.

“**Non-Delinquent Receivable**” means, at any time, any Receivable that is not considered as a Delinquent Receivable.

“**Non-Mortgage Loans**” means the Loans which are not secured by a mortgage guarantee.

“**Non-Performing Receivable**” means, at any time, any receivable that is considered a Defaulted Receivable or a Delinquent Receivable.

“**Non-principal collections applied to reduce principal balance**” means any collections arising from the Loans other than principal repayments of the Loans, i.e., collections from interest and any return on the Treasury Account, used to cover any negative deficiency on each Payment Date between (i) principal collections and (ii) the amount of the Notes to be redeemed on such Payment Date.

“**Notes**” means Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes.

“**Noteholders**” means holders of the Notes.

“**Ordinary Expenses**” means any necessary expenses for its normal operation, which are accrued or that might be accrued in the future, including, without limitations, the periodical fees of the Management Company mentioned in section 3.7.1 of the Additional Building Block (including those accrued by any replacements thereof), the fee of the Paying Agent, the Servicing Fee and any other cost related to any claim on court or out-of-court of the Loans or their foreclosure, the maintenance and administration of any repossessed property by the Fund, the Rating Agencies’ fees for monitoring and maintaining the rating of the Rated Notes, the expenses derived from the book-entry registry of the Notes for the representation thereof as book-entries, the annual accounts auditing expenses, expenses derived from the amortisation of the Notes and the expenses derived from the advertising and notifications related to the Fund and/or the Notes, expenses derived from the European Data Warehouse platform, the expenses derived from supervision and inspection by the CNMV, expenses derived from Personal Data Register updating, expenses derived from the renewal of the LEI code and the expenses derived from obtaining electronic certificates for the Fund.

“**Originator**” means Cajamar Caja Rural, Sociedad Cooperativa de Crédito.

“**Other Creditors**” means the Subordinated Loan Provider.

“**Outstanding Balance of the Receivables**” means at any time and with respect to any Receivable the principal amounts due and uncollected together with the principal amounts of the Receivables not yet due.

“**Outstanding Balance of the Class A Notes**” means, on each day, the principal amount of the Class A Notes upon issue less the aggregate amount of all principal payments on the Class A Notes that have been repaid on or prior to such date.

**“Outstanding Balance of the Class B Notes”** means, on each day, the principal amount of the Class B Notes upon issue less the aggregate amount of all principal payments on the Class B Notes that have been repaid on or prior to such date.

**“Outstanding Balance of the Class C Notes”** means, on each day, the principal amount of the Class C Notes upon issue less the aggregate amount of all principal payments on the Class C Notes that have been repaid on or prior to such date.

**“Outstanding Balance of the Class D Notes”** means, on each day, the principal amount of the Class D Notes upon issue less the aggregate amount of all principal payments on the Class D Notes that have been repaid on or prior to such date.

**“Outstanding Balance of the Class E Notes”** means, on each day, the principal amount of the Class E Notes upon issue less the aggregate amount of all principal payments on the Class E Notes that have been repaid on or prior to such date.

**“Outstanding Balance of the Notes”** means, on any Payment Date the principal amount of the aggregate of Class A, Class B, Class C, Class D and Class E Notes upon issue less the aggregate amount of principal payments made on such Notes on or prior to such date.

**“Outstanding Balance not Due of the Receivables”** means at any time and with respect to any Receivable the principal amounts not due and uncollected.

**“Paying Agent”** means Santander.

**“Payment Date”** means the 22<sup>th</sup> day of January, April, July and October of each year, or, if any of such dates is not a Business Day, the Business Day immediately thereafter.

**“Performing Receivable”** means, at any time, any receivable that is considered a Non-Defaulted Receivable and a Non-Delinquent Receivable.

**“Personal Data Register”** or **“PDR”** means the records of personal data required to issue orders of collection to the relevant Debtors which has been generated by the Loan Servicer in accordance with the Servicing Agreement.

**“Preliminary Portfolio”** means the Originator’s loan portfolio audited on 11 November 2018, from which the Loans that will originate the Receivables assigned to the Fund will be extracted, in accordance with section 2.2 of the Additional Building Block.

**“Portfolio”** means the Originator’s loan portfolio from which the Receivables derive at any given time.

**“PRIIPS REGULATION”** means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products.

**“Priority of Payments”** means the order of priority for the application of the payment or deduction obligations of the Fund, both as regards the application of the Available Funds.

**“Pro-Rata Amortisation Ratio”** means for each Class of Notes, the percentage that results from the following ratio: the Outstanding Balance of the relevant Class of Notes (except Class E Notes) divided by the sum of the Outstanding Balance of the Class A to D Notes, and calculated for each period using the balances before the application of the Priority of Payments for which it will be applied.

**“Pro-Rata Target Amortisation Amount”** for each Class of Notes, means an amount equal to the Target Amortisation Amount multiplied by the Pro-Rata Amortisation Ratio of each Class of Notes.

**“Prospectus”** means, collectively, the table of contents, the document describing the risk factors, the Registration Document, the Securities Note, the Additional Building Block and the document containing the definitions.

**“PWC”** means Pricewaterhousecoopers Auditores, S.L.



“**Rated Notes**” means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

“**Rating Agencies**” or individually, “**Rating Agency**” means Fitch or DBRS.

“**Receivables**” means the credit rights arising from the Loans provided by Cajamar and which are being assigned to the Fund.

The “**Required Commingling Reserve Amount**” means:

1. On the Disbursement Date, €900,000, and
2. after the Disbursement Date an amount equal to the higher of: (i) €900,000 multiplied by the ratio which results of dividing the current balance of Class A Notes and the initial balance of Class A Notes; and (ii) the 50% of the Required Commingling Reserve Amount on the Disbursement Date. Notwithstanding the above, once Class A Notes are amortised in full, the Required Commingling Reserve Amount will be zero.

“**Regional Law 6/2015**” means the regional law of the Region of Murcia 6/2015, of 24 March, on Housing in the Region of Murcia (“*Ley 6/2015, de 24 de marzo, de la Vivienda de la Región de Murcia*”).

“**Regional Law 2/2017**” means regional Law of the Valencian Community 2/2017, of 3 February, for the social function of the housing of the Valencian Community (“*Ley 2/2017, de 3 de febrero, por la función social de la vivienda de la Comunitat Valenciana*”).

“**Registration Document**” (“*Documento de Registro*”) means the Registration Document, prepared in accordance with Annex VII of Regulation (EC) No 809/2004 and approved by the CNMV on 3 July 2018.

“**Regulation 1606/2002**” means Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

“**Regulation 575/2013**” means Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

“**Regulation 809/2004**” means the Commission Regulation (EC) No 809/2004 of 29 April 2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended from time to time.

“**Regulation EU 2017/2402**” means the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

“**Regulatory Change Call Option**” means the option of the Originator to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) if a Regulatory Change Event occurs, in accordance with section 4.4.3.2 of the Registration Document.

“**Regulatory Change Event**” means (a) any enactment or implementation, addendum or amendment, or change in a law, regulation, regulatory technical standard, rule, policy or guideline of any competent national, European or international body (including the European Central Bank, the Bank of Spain, or any other competent national, European or international supervisory or regulatory body), or the application or official interpretation of, or the point of view expressed by the competent body in relation to said law, regulation, rule, policy or guideline, with effects from or after the Date of Incorporation, or (b) a notification or communication of any other type from the competent regulatory or supervisor authority to the Originator in relation to the transactions described in the Transaction Documents, on or after the Date of Incorporation, in relation to such law, regulation, regulatory technical standard, rule, policy or guideline in force on the Date of Incorporation or that will come into force on or after such date, that, in any of the above cases, and in the reasonable opinion of the Originator, may have a material adverse effect on the

rate of return on the Originator's capital, or materially increases the cost or materially decreases the profits of the Originator in the transactions described in the Transaction Documents.

For explanatory purposes, the declaration of a Regulatory Change Event shall not be excluded due to the fact that prior to the Date of Incorporation: (a) the Regulatory Change Event is: (i) announced or contained in any proposal (both draft and final version) for a change in laws, regulations, regulatory technical standard, policies, applicable regulations or guidelines (including, without limitation, any agreement, procedure, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by the Kingdom of Spain or the European Union; (ii) included in any law or regulation adopted and/or published but whose effectiveness or application is postponed, in whole or in part, beyond the Date of Incorporation; or (iii) expressed in any statement of a competent authority in experts' meetings or other discussions in relation to such Regulatory Change Event; or (b) the competent authority has issued any notice, any decision, or expressed any opinion in relation to any individual transaction, other than this transaction. In this sense, such proposals, statements, notifications or opinions shall not be taken into consideration in evaluating the rate of return on the capital of the Originator or increase in cost or reduction in profits for the Originator of the transaction referred to in the Transaction Documents immediately after the Date of Incorporation.

**"Replacement Effective Date"** means the date in which the replacement of the Loan Servicer in the servicing of the Loans in accordance with the Loan Servicing Agreement and the Back-Up Servicing Agreement will take place.

**"Required Reserve Amount"** means the minimum Reserve Fund amount in accordance with the provisions of section 3.4.2.2 of the Additional Building Block.

**"Reserve Fund"** means the reserve fund to be funded by the Management Company, in representation and on behalf of the Fund, in accordance with the provisions of section 3.4.2 of the Additional Building Block.

**"RMBS"** means residential mortgage-backed securities.

**"Royal Decree 716/2009"** means Royal Decree 716/2009 of 24 April implementing certain aspects of Law 2/1981 of 25 March on regulation of the mortgage market and other rules of the mortgage and financial systems.

**"Rules"** or the **"Rules for the Meeting of Creditors"** means the rules applicable to the Meeting of Creditors.

**"Santander"** means Banco Santander, S.A.

**"Securities Market Act"** means Royal Decree-law 4/2015 of 23 October approving the restated text of the Spanish securities market act Real (*Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*).

**"Securities Note"** means the Securities Note regarding the issuance of Notes prepared in accordance with Annex XIII of Regulation (EC) No 809/2004, approved by the CNMV on 3 July 2018.

**"Spanish Commercial Code"** means means the Commercial Code published by virtue of the Royal Decree of 22 August 1885.

**"Spanish Mortgage Law"** means the Decree of 8 February 1946 by virtue of which the mortgage law is approved (as modified from time to time).

**"Servicer Alert Event"** means (i) the interruption of the flow of regular information from the Loan Servicer; and (ii) a deterioration in the content thereof. In any event and regardless of the reasons that the Management Company finds give rise to the commencement of the procedure for possible replacement, a Service Alert Event will also be deemed to arise for: (iii) the deterioration of the solvency of the Loan Servicer, measured by the failure to maintain the required capital pursuant to applicable law for a period of six (6) months, and (iv) the declaration of insolvency of the Loan Servicer.

“**Servicer Alert Notification**” means the notification to be made by the Management Company due to the occurrence of a Servicer Alert Event not cured within thirty (30) Business Days.

“**Servicing Criteria**” means the servicing criteria for the Loans described in section 3.7.2.2. of the Additional Building Block.

“**Servicing Fee**” means the consideration to be paid to the Loan Servicer according to the Loan Servicing Agreement.

“**SME**” means small and medium sized companies.

“**STS Regulation**” means the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

“**Subordinated Loan for the Commingling Reserve**” means the loan formalised pursuant to the Subordinated Loan for the Commingling Reserve Agreement defined below.

“**Subordinated Loan for the Commingling Reserve Agreement**” means the commercial subordinated loan agreement signed by the Management Company, on behalf of the Fund, and Cajamar to cover the Commingling Reserve, on the Date of Incorporation of the Fund.

“**Subordinated Loan for Initial Expenses**” means the loan formalised pursuant to the Subordinated Loan for Initial Expenses Agreement defined below.

“**Subordinated Loan for Initial Expenses Agreement**” means the commercial subordinated loan agreement signed by the Management Company, on behalf of the Fund, and Cajamar, to pay the initial expenses of the Fund, on the Date of Incorporation of the Fund.

“**Subordinated Loan Provider**” means Cajamar.

“**Subordination Event**” means, after application of the Priority of Payments on a relevant Payment Date, if any of the following triggers below is in breach:

- A. the sum of:
  - i. Target Amortisation Amount plus
  - ii. the Required Reserve Amount **minus** the Reserve Fund amount at the end of the period;Divided by:
  - iii. The Outstanding Balance of the Performing Receivables is equal to or greater than:
    - a. From the Date of Incorporation until four Payment Dates after the Date of Incorporation, 1.25%;
    - b. From four Payment Dates until eight Payment Dates, 2.25%;
    - c. From eight Payment Dates until twelve Payment Dates, 3.00%;
    - d. From twelve Payment Dates until sixteen Payment Dates, 4.00%;
    - e. From sixteen Payment Dates onwards, 4.50%.

For the avoidance of doubts, once the trigger above is in breach, amortization of the notes will remain sequential until Final Maturity Date.

- B. The aggregate Outstanding Balance of the Receivables less non-principal collections applied to reduce principal balance, falls below 10% of the aggregate Outstanding Balance of Receivables thereof on the Date of Incorporation.

For the avoidance of doubts, once the trigger above is in breach, amortization of the Notes will remain sequential until Final Maturity Date.

- C. The sum of the aggregate Outstanding Balance of the Performing Receivables to the top 10 borrower groups is equal or greater than 10% the aggregate Outstanding Balance of the Performing Receivables.

For the avoidance of doubts, once the trigger above is in breach, a Subordination Event will occur and amortization of the notes will remain sequential until Final Maturity Date.

- D. The Reserve Fund amount is lower than 50% of the Required Reserve Amount.

For the avoidance of doubts, once the trigger “D” above is in breach, amortization of the Notes will remain sequential. However if after application of the Priority of Payments on any Payment Date thereafter, the Reserve Fund amount is greater than 50% of the Required Reserve Amount, this Subordination Event will no longer be considered in breach and the transaction might switch back to pro-rata amortisation to the extent that no other Subordination Event occurs, or has occurred.

“**Subscribers**” means Cajamar and ICO.

“**Subscription Period**” means 19 December 2018 from 9:00 a.m. to 12:00 p.m.

“**Target Amortisation Amount**” means the difference between (i) the Outstanding Balance of Classes A to D Notes and (ii) the Outstanding Balance of the Performing Receivables.

“**Tax Change Call Option**” means the option of the Originator to repurchase at its own discretion all outstanding Receivables and hence instruct the Management Company to carry out an Early Liquidation and an Early Redemption of the Notes in whole (but not in part) if a Tax Change Event occurs, in accordance with section 4.4.3.2 of the Registration Document.

“**Tax Change Event**” means any event whereby the Fund, at any time, is required by law to make withholdings or deductions on payments to be carried out under the Notes; as well as any present or future taxes, withholdings or charges, whatever their nature, that are determined by any applicable legal system or any country with competent jurisdiction or by or on behalf a subdivision political or government agency with authority to establish taxes.

“**Transaction Documents**” means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Management, Placement and Subscription Agreement; (iii) the Subordinated Loan Agreement for Initial Expenses; (iv) Subordinated Loan for the Commingling Reserve; (v) the Agency and Financial Services Agreement; (vi) the Loan Servicing Agreement; (vii) the Back-Up Servicing Agreement; and (viii) any other documents executed from time to time after the Date of Incorporation in connection with the Fund and designated as such by the relevant parties.

“**Treasury Account**” means, in accordance with the Agency and Financial Services Agreement, the account where all payments due to the Fund will be deposited and from which all payments due by the Fund will be made, in accordance with the instructions of the Management Company.

“**UCITS**” means Undertakings for Collective Investment in Transferable Securities.

“**V.A.T.**” means Value Added Tax.

“**Variable Fee**” means the difference between (i) all proceeds derived from the Receivables plus the interest accrued under the Treasury Account and any other return that might correspond to the Fund; minus (ii) all items ranking senior to the Variable Fee in accordance with the Priority of Payments and the Liquidation Priority of Payments.