

LISTING PARTICULARS

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa")

*(incorporated as a Savings Bank (Caja de Ahorros)
in the Kingdom of Spain)*

EUR 1,000,000,000 4.75% Cédulas Hipotecarias due 2018 (the "Cédulas Hipotecarias")

comprising an initial tranche of
EUR 750,000,000 4.75% Cédulas Hipotecarias due 2018 (the "21st Cédulas Hipotecarias")
issued 31 October 2003 (the "Initial Settlement Date")
Issue Price: 99.532%

and a further tranche of
EUR 250,000,000 4.75% Cédulas Hipotecarias due 2018 (the "23rd Cédulas Hipotecarias")
issued 4 February 2004
(the "Further Settlement Date")
(the 23rd Cédulas Hipotecarias being fungible with the 21st Cédulas Hipotecarias)
Issue Price: 101.086%

The Cédulas Hipotecarias are listed on the AIAF Fixed Income Market (*Mercado AIAF de Renta Fija*) (the "AIAF") and application has been made to list the Cédulas Hipotecarias on the Luxembourg Stock Exchange.

The 21st Cédulas Hipotecarias have been bearing interest from 31 October 2003.

ABN AMRO BANK N.V.
InverCaixa Valores, S.V., S.A.

Barclays Bank PLC
Société Générale, Sucursal en España

3 March 2005

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IMPORTANT NOTICES

The Issuer has prepared the following Spanish language documents in relation to the Cédulas Hipotecarias: a *folleto continuado*, registered with the *Comisión Nacional de Mercado de Valores* ("CNMV") on 8 April 2003; a *programa de emisión de valores de renta fija simple* ("*Programa de Renta Fija*") registered with the CNMV on 7 October 2003; an *información complementaria* registered with the CNMV on 21 October 2003; and a *comunicación* dated 23 October 2003; an *información complementaria* registered with the CNMV on 27 January 2004; and a *comunicación* dated 28 January 2004, (together, the "Spanish Prospectuses"). Copies of the Spanish Prospectuses may be obtained on request from the Issuer, the Listing Agent or from the CNMV.

These Listing Particulars have been prepared for the purpose of the listing of the Cédulas Hipotecarias on the Luxembourg Stock Exchange and contain a summary of certain sections of the Spanish Prospectuses. The Issuer accepts responsibility for the information contained in this document and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

No representation or warranty is made or implied by the 21st Underwriters and Dealers (as defined in "Subscription and Sale of the 21st Cédulas Hipotecarias"), or the 23rd Underwriters and Dealers (as defined in "Subscription and Sale of the 23rd Cédulas Hipotecarias") (together, the "Underwriters and Dealers") or any of their respective affiliates, and neither the Underwriters and Dealers nor any of their respective affiliates makes any representation, warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars.

No person has been authorised to give any information or make any representation in connection with the offering of the Cédulas Hipotecarias other than as contained in these Listing Particulars and, if given or made, any such information or representation should not be relied upon as having been authorised by the Issuer.

Neither the deliver of these Listing Particulars nor the offering, sale or delivery of any Cédula Hipotecaria shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of these Listing Particulars.

These Listing Particulars do not constitute an offer of, or an invitation to subscribe for or purchase, any Cédulas Hipotecarias.

The distribution of these Listing Particulars and the offering, sale and delivery of Cédulas Hipotecarias in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Underwriters and Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Cédulas Hipotecarias and on distribution of these Listing Particulars and other offering material relating to the Cédulas Hipotecarias, see "Subscription and Sale of the 21st Cédulas Hipotecarias" and "Subscription and Sale of the 23rd Cédulas Hipotecarias".

In these Listing Particulars, unless otherwise specified, references to "EUR" or "Euro" are to the single currency introduced at the start of the Third Stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, these Listing Particulars:

1. the unconsolidated annual financial statements of the Issuer and the consolidated financial statements of the Group for the years ended 31 December 2000, 2001, 2002, 2003;
2. all amendments and supplements to these Listing Particulars prepared by the Issuer from time to time.

The Issuer will, at the specified offices of the Luxembourg Paying Agent, provide, free of charge, upon oral and written request, a copy of the Listing Particulars (and any document incorporated by reference in these Listing Particulars).

DESCRIPTION OF THE CÉDULAS HIPOTECARIAS

1. Form, Denomination and Status

- (a) *Form and Denomination.* The Cédulas Hipotecarias will be in book entry (registered) form and in the denomination of EUR 100,000. The Issuer will not issue definitive notes at any time.
- (b) *Status and Security.* The principal and interest on the Cédulas Hipotecarias are secured by a mortgage over all eligible mortgages registered from time to time in favour of the Issuer, pursuant to Article 12 of *Ley 2/1981, de 25 de marzo, del Mercado Hipotecario* (the "Mortgage Market Law"). Pursuant to Article 14 of the Mortgage Market Law, holders of Cédulas Hipotecarias are specially privileged creditors (*acreedores singularmente privilegiados*) and will rank in accordance with paragraph 3 of Article 1923 of the Civil Code (*Código Civil*) before any other creditors in relation to all eligible mortgages registered in favour of the Issuer. However, it must be highlighted that from 1 September 2004, Law 22/2003 (*Ley Concursal*) dated 9 July 2003 ("Law 22/2003") regulating all insolvency procedures in Spain shall enter into force. Law 22/2003 inserts a new paragraph into said Article 14 pursuant to which in a situation of insolvency (*concurso*), as defined in Law 22/2003, holders of Cédulas Hipotecarias shall be recognised as having the benefit of privileged credits (*créditos con privilegio especial*) (paragraph 1 of section 1 of Article 90 of Law 22/2003). (See "Legal and Regulatory Background" for further information).

2. Register and Transfers

- (a) *Register.* The *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.* ("IBERCLEAR") will maintain the accounting register relating to the book entries of the Cédulas Hipotecarias. All entries and transfers in favour of holders will be made in accordance with the applicable rules established by IBERCLEAR.
- (b) *Transfers.* The 21st Cédulas Hipotecarias and the 23rd Cédulas Hipotecarias are freely transferable and have been accepted for clearance (31 October 2003 and 4 February 2004 respectively) through Euroclear and Clearstream, Luxembourg.

3. Issue Price and Nominal Amount

- (a) *21st Cédulas Hipotecarias.* The issue price is 99.532% of the nominal amount. The nominal amount is Euros 750,000,000.
- (b) *23rd Cédulas Hipotecarias.* The issue price is 101.086% of the nominal amount. The nominal amount is Euros 250,000,000 plus accrued interest since 31 October 2003.

4. Interest

The 21st Cédulas Hipotecarias bear interest from the Initial Settlement Date at the rate of 4.75% per annum (the "Interest Rate").

The amount of interest payable shall be calculated in accordance with the following formula:

$$C = \frac{N * i * d}{36,500}$$

where:

C = gross coupon amount

N = nominal amount

d = number of days elapsed

i = Interest Rate

except that in the case of a leap year, the denominator will be 36,600, that is, in each year the actual number of days elapsed will be counted. For such purpose, the denominator 36,600 will be applied to that part of the period of interest accrual which corresponds to a leap year, such that, if the interest period does not coincide with a non-leap year, the denominator will be: (a) with respect to the number of days elapsed in a non-leap year, 36,500 and (b) with respect to the number of days elapsed in a leap year, 36,600.

Interest will be payable annually on each anniversary of the Initial Settlement Date during the tenor of the Cédulas Hipotecarias, up to and including the due date for redemption of the Cédulas Hipotecarias (the maturity date) being 31st October 2018. The first coupon in respect of the Cédulas Hipotecarias in relation to the period from (and including) 31 October 2003 to (but excluding) 31 October 2004 was paid on 31 October 2004 and the amount of interest payable under the first coupon was settled on the basis of a full annual payment.

If the relevant interest payment date is not a business day, the interest payment will be made on the next succeeding business day and no additional interest will be payable as a result of such delay.

As used herein, "business day" means such days as are determined by the European Central Bank for the operation of the Target System (Trans-European Automated Real-Time Gross-Settlement Express Transfer System), other than a Saturday, Sunday or a day which is not a business day in Madrid.

5. Redemption

- (a) *Redemption Price:* The Cédulas Hipotecarias will be redeemed at par on 31 October 2018, being the 15th anniversary of the Initial Settlement Date. If an early redemption of the Cédulas Hipotecarias occurs (as described in sub-paragraph (b) below) by reducing the nominal amount of the Cédulas Hipotecarias and by pre-paying the corresponding nominal reduction to the holders, the Cédulas Hipotecarias will be finally redeemed at the nominal amount which remains following such reduction.
- (b) *Early Redemption:* Neither the Issuer nor the holders may redeem the Cédulas Hipotecarias early except in the circumstances permitted by law, as described below.

In accordance with Article 59 of *Real Decreto 685/1982 de 17 de marzo* as amended by *Real Decreto 1289/1991 de 2 de agosto* the amount of Cédulas Hipotecarias issued by

the Issuer and which remain outstanding may not exceed 90% of a computation base made up of the sum of all un-repaid eligible mortgage loans of the Issuer. If such ratio is exceeded, the Issuer must re-establish the ratio using any of the methods permitted under Article 60 of *Real Decreto 685/1982 de 17 de marzo* as amended by *Real Decreto 1289/1991 de 2 de agosto* including the redemption of Cédulas Hipotecarias by such amount as is necessary to re-establish the ratio. If this method is elected by the Issuer, the Issuer shall carry out the redemption by reducing the nominal amount of each Cédula Hipotecaria pro-rata and by re-paying such corresponding reduction to the holders. If a partial early redemption of the Cédulas Hipotecarias occurs, the Issuer shall immediately notify the CNMV and holders by publishing the same in a newspaper having general circulation in Spain. In addition, so long as the Cédulas Hipotecarias are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, the Issuer shall immediately notify the Luxembourg Stock Exchange and notices to holders will also be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wört*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe.

6. Payments

Payments of interest and principal on redemption will be made in accordance with the rules and common practices of the AIAF and, accordingly, such payments shall be channelled through the participant entities of IBERCLEAR with which subscribers of the Cédulas Hipotecarias maintain their accounts. Payments shall be made in Euro.

7. Notices

Any notices to holders will be: (a) published in a newspaper having general circulation in Spain; and (b) published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wört*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall notify the CNMV and the Luxembourg Stock Exchange of any notices to holders and of the content of such notices.

8. Prescription

Claims for principal and interest shall become void unless the relevant Cédulas Hipotecarias are presented for payment within three years of the date of their redemption.

9. Governing Law and Jurisdiction

The Cédulas Hipotecarias are governed by Spanish law. The courts of Barcelona (*Juzgados y Tribunales de la ciudad de Barcelona*) shall have jurisdiction to settle any dispute arising from or connected with the Cédulas Hipotecarias.

USE OF PROCEEDS

The net proceeds of the issue of the 21st Cédulas Hipotecarias and the 23rd Cédulas Hipotecarias, amounting to a minimum of Euro 748,090,000 and Euro 248,900,000 respectively after deduction of the cost of registering the Cédulas Hipotecarias in IBERCLEAR and the CNMV, the cost of listing on the AIAF and the Luxembourg Stock Exchange, the combined management and underwriting commission, notary costs, the cost of obtaining a rating from Moody's, prorata costs for the production of the *Programa de Renta Fija* and other formalisation costs, shall be used by the Group for its general corporate and financial purposes.

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa")

Introduction

Caixa d'Estalvis i Pensions de Barcelona ("la Caixa") carries out its operations under the laws of the Kingdom of Spain, and is regulated and controlled by the Bank of Spain. "la Caixa" was established on July 27, 1990 by the merger of Caja de Ahorros y Monte de Piedad de Barcelona, founded in 1844, with Caja de Pensiones para la Vejez y de Ahorros de Cataluña y Baleares, founded in 1904.

The institution is registered with number 1 in the Register of Catalan Savings Banks of the Financial Policy Branch of the Department of Economy and Finance of the Generalitat of Catalonia and in the Mercantile Register of Barcelona with number 3003 (volume 20397, folio 1, sheet n.B-5614). It is also registered with number 2100 in the Bank of Spain's Special Register of General Savings Banks.

The "la Caixa" Group is the third largest Spanish banking group in terms of total assets. As of December 31, 2003, consolidated total assets amounted to Euro 116,107 million (132,036 million as of September 30, 2004) and income after tax attributable to the Group reached Euro 840 billion. During the first nine months of 2004, the "la Caixa" Group obtained an attributed income of 766 million euros, up by 16.5% from 2003.

Unlike banks, savings banks have no capital stock and, by the same token, no shareholders. Pursuant to Bank of Spain regulations, "la Caixa" allocates its net surplus to set up reserves, in order to provide greater security for the funds managed, and to fund its Community Projects. Encouraging savings and investment are, along with community projects, the essential purpose of "la Caixa", whose basic aims include most notably the funding and maintenance of social, welfare and cultural activities.

Computable equity of the "la Caixa" Group, obtained by applying current international regulations, totalled Euro 11,539 million as of December 31, 2003 and represent a BIS capital ratio of 13.3%, an estimated surplus of Euro 4,584 million. Primary, or Tier 1 capital, totalled Euro 7,566 million representing 8.7% of risk-weighted assets, and core capital represented 5.3%.

Business

The "la Caixa" Group's Banking Business is based on a multi-channel management strategy which, in a culture of innovation, allows for the effective use of the most advanced technologies and employee training in order to offer a personalized advice service to customers, thus establishing a quality-based relationship that represents a differentiating factor. This service commitment is achieved, among other ways, through greater physical proximity to customer, using the traditional branch arrangement as the basis for this relationship and complementing it with other services. The Group therefore continued with its selective plan to expand the number of branches outside Catalonia and the Balearic Islands (the expansion zone) during 2003, a plan which began more than ten years ago and which is reaching its conclusion. As of September 30, 2004 the "la Caixa" Group had more than 9.1 million customers and a distribution network of

4,778 branches, more than half of which are located in the expansion zone. At that date, "la Caixa" Group had a workforce of 24,709 employees.

At the end of 2003, the banking group was made up of "la Caixa", CaixaBank France (with a stake holding 100%), Société Monégasque de Banque Privée (36.7%), Crèdit Andorrà (46.3%), CaixaBank Andorra (100%) and CaixaBank B.Privée (Suisse) (100%).

The "la Caixa" Group carries out its insurance activities, basically, through subsidiaries of the holding company Caifor, the result of a strategic alliance between "la Caixa" and the Fortis Group. At the end of 2003, the Group held Euro 14,168 million in net level premium reserves, through mainly VidaCaixa and CaixaVida, which are focused on life insurance. SegurCaixa, a 40% owned company, is specialized in homeowners' insurance. In addition, "la Caixa" held 0.8% of the stock capital of Fortis.

Banco de Europa and its subsidiaries carry out specialized financial transactions such as consumer finance and renting. The joint investment in these parabanking activities increased up to Euro 594 million as of December 31, 2003. The "la Caixa" Group's activities in the area of brokerage and mutual fund management are carried out, basically, by InverCaixa Valores SV and InverCaixa Gestión, a mutual fund manager, created through the merger of two fund Underwriters and Dealers, GesCaixa and InverCaixa Gestión, in 2001, with total managed assets of Euro 14,320 million.

The "la Caixa" Group has continued its traditional policy of investing in different sectors of the economy (highly solvent corporations with a leading position in strategic industries such as banks, real estate, utilities, energy and telecommunications), with the aim of diversifying its source of income while always following criteria of security, stability and profitability, and with participation in the management. These investments have a sound track record of income and major growth prospects. The high quality of the Group's investments provided substantial returns and an accumulation of substantial unrealised capital gains which for listed securities was Euro 4,929 million at the end of September 2004 (at the end of 2003: Euro 3,959 million).

Main developments in 2003

The volume of banking business (total customer funds plus lending) increased by Euro 35,174 million in 2003 (+20.7%) reaching Euro 205,411 million, with particularly notable growth in on balance sheet customer funds managed and mortgage lending, including securized amounts. Total customer funds of the "la Caixa" Group (customer deposits net of transfers, preferred securities, subordinated bonds, debentures, mutual funds, pension funds, insurance, portfolio management and others) increased by 20.2% during the year to reach Euro 126,281 million at the end of 2003. Lendings, including securized amounts, increased by Euro 13,962 million, a year-on-year growth of 21.4%, to reach Euro 79,130 million, with rises concentrated in mortgage-backed loans, which grew by 24.7%.

The most significant change occurred in the Group during 2003, was the acquisition of 20% of the share capital of Caprabo. This operation falls within the strategy for making development capital investments in companies, a strategy which began in 2001. In addition, holdings have been acquired in Gas Natural and Abertis, the group that resulted from the merger of Acesa and Aurea, increasing the Group's holdings in these companies to 32.3% and 17% respectively. As

regards disposals, mention should be made of the sale of 39.9% of Saba to Acesa and 2.8% of Banco Popular de Puerto Rico.

In addition, approval was given in 2003 for the initiative to create a social holding company that would use investments in business and companies to complement the "la Caixa" social programme, thus strengthening its commitment to cover the basic requirements of society from financial standpoint. The development of a series of residential premises for let at accessible prices, the financing of micro-loans and support for the development of new businesses form some of the basic ways in which this new activity will evolve.

(For the detail of subsidiaries, please see ANNEX 1)

Main developments during the first nine months of 2004

During the first nine months of 2004, the volume of banking business (total customer funds plus lending) increased by Euro 31,895 million (+16.3%) reaching Euro 227,464 million, with particularly notable growth in on balance sheet customer funds managed and mortgage lending, including secured amounts. At this same date, total customer funds of the "la Caixa" Group (customer deposits net of transfers, preferred securities, subordinated bonds, debentures, mutual funds, pension funds, insurance, portfolio management and others) increased by 16.1% to reach Euro 139,217 million. Lendings, including secured amounts, increased by Euro 12,603 million, a year-on-year growth of 16.7%, to reach Euro 88,247 million, with rises concentrated in mortgage-backed loans, which grew by 21.6%.

As regards changes to "la Caixa" Group's investment portfolio during the first nine months of 2004, special mention should be made of the purchase of 1.5% of Telefonica, bringing the Group's shareholding to 5.0%, the increased holding in Gas Natural to 34.5% (+2.2%), the increased holding in Abertis to 19.9% (+2.9%) and the increased holding in Port Aventura to 80.5% (+37%). Elsewhere, the "la Caixa" Group underwrote the share capital increase made by Banco Sabadell for its purchase of Banco Atlántico. Total investments made by the Group during 2004 amount to 1,555 million euros.

Management

The governing bodies of Spanish savings banks are regulated by Law 31/1985, on regulation of the basic standards for governing bodies of savings banks, by various, subsequent implementing regulations, by autonomous legislation and by its own bylaws. "la Caixa" has its registered offices in the Autonomous Community of Catalonia, and accordingly is subject to the regulations issued by the Generalitat of Catalonia for savings banks, which are governed by Law 15/1985 and Legislative Decree 1/1994, approving Laws 15/1985, 6/1989 and 13/1993, as amended.

The governing bodies of "la Caixa" are made up of the General Assembly, the Board of Directors and the Control Committee. The Board of Directors appoints an Executive Committee from among its members, as well as a Community Projects Commission.

The General Assembly is the highest governing and decision-making body of "la Caixa". It is made up of 160 members representing depositors (58), the founding entities and community-interest institutions (48), local authorities (34) and the employees (20).

The functions of the Board of Directors include most notably the government, management, administration and representation of the Institution. It is made up of 21 members appointed by the General Assembly in proportional representation of the various constituent groups. The Executive Committee is the permanent representative body of the Board of Directors and is made up of the Chairman, the two Deputy-Chairmen and four Board members, appointed by the Board from each of the different sectors represented in the General Assembly. The Community Projects Commission's function includes the management and administration of the Community Projects and is made up of the Chairman and eight Board members, appointed by the Board.

The Control Committee's function is to ensure that the Board of Directors acts in accordance with the general guidelines set by the General Assembly, with the aims of the institution and with legislation. This committee is made up of nine people elected by the General Assembly in proportion to the sectors represented.

The members of the Board of Directors of "la Caixa" as of December 31, 2003, are set forth below, with a description of their current post and the year when they took over such posts. The registered address of all the members of the Board of Directors is: Avenida Diagonal, 621-629 - 08028 Barcelona.

Name	Position	Year appointed
Ricardo Fornesa Ribó	Chairman	2003
Salvador Gabarró Serra	1 st Deputy Chairman	2003
Jorge Mercader Miró	2 nd Deputy Chairman	2003
Ramón Balagueró Gañet	Director	2003
M ^a Amparo Camarasa Carrasco	Director	2003
M ^a Isabel Gabarró Miquel	Director	1990
Manuel García Biel	Director	1999
Javier Godó Muntañola	Director	2003
M ^a Begoña Gortázar Rotaache	Director	2001
Jaime Iglesias Sitjes	Director	2003
Miquel Noguer Planas	Director	1999
Rosa Novell Bové	Director	2001
Justo Novella Martínez	Director	2003
Vicente Oller Compañ	Director	2003
Montserrat Orriols Peitivi	Director	2001
Magín Pallarés Morgades	Director	2003
Antoni Pié Mestre	Director	2001
Manuel Raventós Negra	Director	1990
Lucas Tomás Munar	Director	2003
Francisco Tutzó Bennasar	Director	2003
Josep Francesc Zaragoza Alba	Director	2003
Alejandro García-Bragado Dalmau	Secretary	2003

None of the directors perform any activities outside the institution that are significantly related to the activities of "la Caixa".

The members of the Board of Directors of "la Caixa" who are also board members of listed companies are as follows:

- Sr. Ricardo Fornesa Ribó:
 - Sociedad General de Aguas de Barcelona, S.A. (Chairman)
 - Inmobiliaria Colonial, S.A. (Chairman)
 - Repsol YPF, S.A. (Deputy Chairman)
- Sr. Salvador Gabarró Serra:
 - Gas Natural, S.D.G., S.A. (Chairman)
- Sr. Jordi Mercader Miró:
 - Albertis Infraestructuras, S.A.
 - Sociedad General de Aguas de Barcelona, S.A. (2nd Deputy Chairman)
 - Inmobiliaria Colonial, S.A.
 - Repsol YPF, S.A.
- Sra. María Isabel Gabarró Miquel:
 - Abertis Infraestructuras, S.A.
 - Inmobiliaria Colonial, S.A.
- Sr. Miguel Noguer Planas:
 - Sociedad General de Aguas de Barcelona, S.A.
- Manuel Raventós Negra:
 - Sociedad General de Aguas de Barcelona, S.A.

The executive officers holding top management positions in the institution as of 21 December 2004 are the following: Chief Executive Officer, Senior Executive Vice-Presidents, Executive Vice-Presidents, and Senior Vice-Presidents.

- Presidents and Chief Executive Officers:
 - Isidro Fainé Casas
 - Antonio Brufau Niubó
- Senior Executive Vice-Presidents:
 - Antonio Massanell Lavilla
 - Tomás Muniesa Arantegui

- Executive Vice-Presidents:

Fernando Ramírez Mazarredo

Julio Lage González

- Senior Vice-Presidents:

Antoni Vila Bertrán

Jesús Escolano Cebolla

Sebastià Sastre Papiol

Jaime Lanaspa Gatnau

Alejandro García-Bragado Dalmau

Luís Rullan Colom

José Francisco Conrado de Villalonga

Capitalization and Indebtedness of the Group

The capitalization and indebtedness of the "la Caixa" Group based on the interim unaudited accounts as at 30 September 2004 and the audited consolidated financial statements as of 31 December 2003 and 2002, is set out below:

	31 December 2003 (Thousands of Euros)	31 December 2002 (Thousands of Euros)
Long-term debt	17,897,958	9,190,974
Subordinated debt	3,217,757	3,217,757
Bonds and debentures outstanding	14,680,201	5,973,217
Minority interests	3,403,236	3,400,747
Total equity attributable to the Group	5,865,818	5,607,880
Reserves	5,199,371	5,083,055
"la Caixa" endowment fund	3,006	3,006
Income (net of allocation to Community Projects Fund)	663,441	521,819
Total capitalization and indebtedness	27,167,012	18,199,601

	30 September 2004 (Thousands of Euros)
Long-term debt	18,066,072
Subordinated debt	3,217,757
Bonds and debentures outstanding	14,848,315
Minority interests	3,409,985
Total equity attributable to the Group	6,643,850
Reserves	5,875,112
"la Caixa" endowment fund	3,006
Income	765,732
Total capitalization and indebtedness	28,119,907

The capitalization and indebtedness of the "la Caixa" Group as at 30 September 2004 includes the issue of the Cédulas Hipotecarias. Since 30 September 2004, there has been no material change in the capitalisation and indebtedness of the Group.

(For more detail about bonds and debentures at end-December 2003, please see ANNEX 2)

Capitalization and Indebtedness of "la Caixa"

The capitalization and indebtedness of the "la Caixa" based on the interim unaudited accounts as at September 30 2004 and the audited financial statements as of 31 December 2003 and 2002, is set out below:

	31 December 2003 (Thousands of Euros)	31 December 2002 (Thousands of Euros)
Long-term debt	16,494,893	11,440,974
Subordinated debt	3,217,757	3,217,757
Preference shares	3,000,000	3,000,000
Bonds and debentures outstanding	10,277,136	5,223,217
Total equity	4,603,181	4,427,351
Reserves	4,306,958	3,980,244
"la Caixa" endowment fund	3,006	3,006
Income (net of allocation to Community Projects Fund)	293,217	444,101
Total capitalization and indebtedness	21,098,074	15,868,325

	30 September 2004 (Thousands of Euros)
Long-term debt	17,127,760
Subordinated debt	3,217,757
Preference shares	3,000,000
Bonds and debentures outstanding	10,910,003
Total equity	4,944,373
Reserves	4,600,175
"la Caixa" endowment fund	3,006
Income	341,192
Total capitalization and indebtedness	22,072,133

There has been no material change in the capitalisation and indebtedness of "la Caixa" since 30 September 2004.

CONSOLIDATED FINANCIAL STATEMENTS

The tables appearing on the following pages set out in summary form certain income statement and balance sheet information of the "la Caixa" Group. Such information has been derived from the unpublished unaudited interim accounts as of 30 September 2004 and the published audited consolidated financial statements as of 30 December 2003 and 2002.

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa") AND COMPANIES COMPRISING THE "la Caixa" GROUP

Consolidated Balance Sheets as of 31 December 2003 and 2002

	(Thousands of Euros)	
ASSETS	2003	2002
CASH ON HAND AND DEPOSITS AT CENTRAL BANKS	2,211,932	1,554,657
GOVERNMENT DEBT SECURITIES	3,802,701	5,106,164
DUE FROM CREDIT INSTITUTIONS	10,286,079	10,094,935
LOANS AND CREDITS	74,013,169	61,434,532
INVESTMENT SECURITIES:	15,324,682	14,385,154
Debentures and other fixed-income securities	6,524,234	5,537,414
Common stocks and other equity securities	1,054,184	790,035
Investments in non-Group companies	6,260,402	6,662,132
Investments in Group companies	1,485,862	1,395,573
FIXED AND OTHER NONCURRENT ASSETS:	4,385,988	4,405,803
Intangible assets	104,169	98,571
Consolidation goodwill	1,683,829	1,785,856
Property and equipment	2,597,991	2,521,376
OTHER ASSETS	3,565,295	3,842,443
ACCRUAL ACCOUNTS	2,185,261	1,880,061
LOSSES AT CONSOLIDATED COMPANIES	332,022	316,198
TOTAL ASSETS	116,107,130	103,019,947
MEMORANDUM ACCOUNTS	38,255,805	32,835,159

	(Thousands of Euros)	
LIABILITIES	2003	2002
DUE TO CREDIT INSTITUTIONS	9,553,938	12,824,615
CUSTOMER FUNDS:	87,996,251	71,493,335
Customer deposits	73,316,050	65,520,118
Marketable debt securities	14,680,201	5,973,217
OTHER LIABILITIES	2,560,282	3,403,527
ACCRUAL ACCOUNTS	2,239,481	1,984,197
PROVISIONS FOR CONTINGENCIES AND EXPENSES	603,125	446,010
CONSOLIDATED INCOME FOR THE YEAR:	998,661	847,500
Group	840,441	682,740
Minority interests	158,220	164,760
SUBORDINATED DEBT	3,217,757	3,217,757
MINORITY INTERESTS	3,403,236	3,400,747
ENDOWMENT FUND	3,006	3,006
RESERVES	3,695,254	3,476,393
RESERVES AT CONSOLIDATED COMPANIES	1,836,139	1,922,860
TOTAL LIABILITIES	116,107,130	103,019,947

**CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa") AND COMPANIES
COMPRISING THE "la Caixa" GROUP**

**Consolidated statements of income
for the years ended 31 December 2003 and 2002**

	(Thousands of Euros)	
	2003	2002
INTEREST INCOME	3,887,959	3,981,864
INTEREST EXPENSE	(1,843,533)	(2,125,588)
INCOME FROM EQUITY SECURITIES	362,332	286,025
NET INTEREST INCOME	2,406,758	2,142,301
FEES (net)	938,234	899,456
BASIC INCOME	3,344,992	3,041,757
GAINS ON FINANCIAL TRANSACTIONS	100,413	68,540
GROSS OPERATING INCOME	3,445,405	3,110,297
OTHER OPERATING INCOME AND EXPENSE	6,407	8,222
PERSONNEL EXPENSES	(1,442,964)	(1,344,447)
OTHER ADMINISTRATIVE EXPENSES	(659,537)	(623,630)
DEPRECIATION, AMORTIZATION AND WRITEDOWN OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	(251,899)	(253,182)
NET OPERATING INCOME	1,097,412	897,260
PROFIT ACCOUNTED FOR BY EQUITY METHOD	823,714	678,455
CORRECTION FOR DIVIDENDS	(313,337)	(241,020)
DEPRECIATION OF GOODWILL	(178,009)	(166,708)
BUSINESS INCOME	1,429,780	1,167,987
GAINS ON GROUP TRANSACTIONS	1,743	1,454
WRITEOFFS AND CREDIT LOSS PROVISIONS (net)	(351,555)	(299,974)
WRITEDOWN OF LONG-TERM INVESTMENTS (net)	(30,371)	(337,925)
OTHER PROVISIONS AND EXTRAORDINARY INCOME/(LOSSES)	(53,527)	(518,064)
INCOME BEFORE TAXES	996,070	13,478
INCOME AND OTHER TAXES	2,591	834,022
INCOME FOR THE YEAR	998,661	847,500
INCOME ATTRIBUTED TO MINORITY INTERESTS	158,220	164,760
INCOME ATTRIBUTED TO THE GROUP	840,441	682,740

NON-CONSOLIDATED FINANCIAL STATEMENTS

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa")

Balance Sheets as of 31 December 2003 and 2002

	(Thousands of Euros)	
ASSETS	2003	2002
CASH ON HAND AND ON DEPOSIT AT CENTRAL BANKS	2,105,745	1,430,519
GOVERNMENT DEBT SECURITIES	3,801,359	5,104,624
DUE FROM CREDIT ENTITIES	9,722,655	10,440,413
LOANS AND CREDITS	71,640,729	57,775,478
DEBENTURES AND OTHER FIXED-INCOME SECURITIES	6,069,101	5,139,154
COMMON STOCKS AND OTHER EQUITY SECURITIES	237,043	448,553
INVESTMENTS IN NON-GROUP COMPANIES	16,910	21,001
INVESTMENTS IN GROUP COMPANIES	8,395,808	8,308,405
INTANGIBLE ASSETS	78,059	73,991
PROPERTY AND EQUIPMENT	2,095,381	2,066,450
SUBSCRIBED CAPITAL	-	-
OTHER ASSETS	3,132,934	3,343,202
ACCRUAL ACCOUNTS	2,278,290	1,693,281
LOSSES AT CONSOLIDATED COMPANIES	-	-
TOTAL ASSETS	109,574,014	95,845,071
MEMORANDUM ACCOUNTS	38,001,693	34,372,042

(Thousands of Euros)		
LIABILITIES	2003	2002
DUE TO CREDIT INSTITUTIONS	9,594,417	12,746,380
CUSTOMER DEPOSITS	73,540,366	61,751,169
MARKETABLE DEBT SECURITIES	10,277,136	5,223,217
OTHER LIABILITIES	2,476,912	3,173,639
ACCRUAL ACCOUNTS	2,151,414	1,800,722
PROVISIONS FOR CONTINGENCIES AND EXPENSES	535,703	343,783
FUND FOR GENERAL BANKING RISKS	128	132
INCOME FOR THE YEAR	470,217	605,022
SUBORDINATED DEBT	6,217,757	6,217,757
ENDOWMENT FUND	3,006	3,006
SHARE PREMIUM	-	-
RESERVES	4,306,958	3,980,244
REVALUATION RESERVES	-	-
RESULTS FROM PREVIOUS YEARS	-	-
TOTAL LIABILITIES	<u>109,574,014</u>	<u>95,845,071</u>

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa")

Statements of income for the years ended 31 December 2003 and 2002

	(Thousands of Euros)	
	2003	2002
INTEREST INCOME	3,693,967	3,725,013
INTEREST EXPENSE	(1,887,962)	(2,113,977)
INCOME FROM EQUITY SECURITIES	358,550	49,669
NET INTEREST INCOME	2,164,555	1,660,705
FEES RECEIVED	961,616	931,678
FEES PAID	(167,755)	(164,879)
GAINS ON FINANCIAL TRANSACTIONS	53,143	56,769
GROSS OPERATING INCOME	3,011,559	2,484,273
OTHER OPERATING INCOME	319	3,097
GENERAL ADMINISTRATIVE EXPENSES	(1,908,124)	(1,786,332)
DEPRECIATION, AMORTIZATION AND WRITEDOWN OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	(235,753)	(235,816)
OTHER OPERATING EXPENSES	(23,737)	(19,893)
NET OPERATING INCOME	844,264	445,329
WRITEOFFS AND CREDIT LOSS PROVISIONS (net)	(332,083)	(274,507)
WRITEDOWN OF LONG-TERM INVESTMENTS (net)	79,720	(122,400)
PROVISIONS TO THE FUND FOR GENERAL BANKING RISKS	-	-
EXTRAORDINARY INCOME	74,526	68,394
EXTRAORDINARY LOSSES	(193,660)	(183,402)
INCOME BEFORE TAXES ⁽¹⁾	472,767	(66,586)
INCOME TAX ⁽²⁾	1,389	671,865
OTHER TAXES	(3,939)	(257)
INCOME FOR THE YEAR	470,217	605,022

CONSOLIDATED FINANCIAL STATEMENTS

⁽¹⁾ In 2002, the Income Before Taxes of "la Caixa" is heavily impacted by the extraordinary reduction for an amount of 375 million euros in dividends from some subsidiaries, and the registration of extraordinary write-downs of the portfolio of long-term holdings, due to the provisions made in keeping with the conservative policy of the Group.

⁽²⁾ In 2002, the Income Tax of "la Caixa" includes an extraordinary repayment of 538 million euros for prior taxes arising from the process of shifting pension commitments for employees outside, a process begun in 2000 and ended in 2002.

**CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa") AND COMPANIES
COMPRISING THE "la Caixa" GROUP**

**Unaudited Consolidated Balance Sheets
as of 30 September 2004 and 2003**

	(Thousands of Euros)	
ASSETS	30 September 2004	30 September 2003
CASH ON HAND AND DEPOSITS AT CENTRAL BANKS	1,406,477	1,460,630
GOVERNMENT DEBT SECURITIES	2,241,998	3,556,956
DUE FROM CREDIT INSTITUTIONS	14,400,472	9,003,237
LOANS AND CREDITS	87,293,119	70,914,723
INVESTMENT SECURITIES:	16,019,152	14,910,020
Debentures and other fixed-income securities	5,247,681	6,013,531
Common stocks and other equity securities	1,148,367	625,990
Investments in non-Group companies	8,014,148	6,824,142
Investments in Group companies	1,608,956	1,446,357
FIXED AND OTHER NONCURRENT ASSETS:	4,491,676	4,419,965
Intangible assets	88,006	96,403
Consolidation goodwill	1,787,811	1,718,900
Property and equipment	2,615,859	2,604,663
OTHER ASSETS	3,516,790	3,522,669
ACCRUAL ACCOUNTS	2,405,716	2,143,565
LOSSES AT CONSOLIDATED COMPANIES	260,173	284,363
TOTAL ASSETS	132,035,573	110,216,128
MEMORANDUM ACCOUNTS	40,272,692	34,936,652

(Thousands of Euros)		
LIABILITIES	30 September 2004	30 September 2003
DUE TO CREDIT INSTITUTIONS	10,847,405	8,747,765
CUSTOMER FUNDS:	101,492,166	82,743,459
Customer deposits	86,643,851	70,735,952
Marketable debt securities	14,848,315	12,007,507
OTHER LIABILITIES	2,816,338	2,776,968
ACCRUAL ACCOUNTS	2,668,882	2,327,073
PROVISIONS FOR CONTINGENCIES AND EXPENSES	560,585	394,729
CONSOLIDATED INCOME FOR THE YEAR:	884,164	769,413
Group	765,732	657,268
Minority interests	118,432	112,145
SUBORDINATED DEBT	3,217,757	3,217,757
MINORITY INTERESTS	3,409,985	3,404,648
ENDOWMENT FUND	3,006	3,006
RESERVES	3,759,259	3,798,764
RESERVES AT CONSOLIDATED COMPANIES	2,376,026	2,032,546
TOTAL LIABILITIES	132,035,573	110,216,128

**CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa") AND COMPANIES
COMPRISING THE "la Caixa" GROUP**

**Unaudited Consolidated statements of income
as of 30 September 2004 and 2003**

	(Thousands of Euros)	
	30 September 2004	30 September 2003
INTEREST INCOME	2,886,937	2,952,897
INTEREST EXPENSE	(1,297,475)	(1,437,342)
INCOME FROM EQUITY SECURITIES	313,566	224,539
NET INTEREST INCOME	1,903,028	1,740,094
FEES (net)	800,001	679,108
BASIC INCOME	2,703,029	2,419,202
GAINS ON FINANCIAL TRANSACTIONS	81,136	70,130
GROSS OPERATING INCOME	2,784,165	2,489,332
PERSONNEL EXPENSES	(1,129,898)	(1,072,640)
OTHER ADMINISTRATIVE EXPENSES	(533,251)	(494,484)
DEPRECIATION, AMORTIZATION AND WRITEDOWN OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	(182,529)	(190,721)
NET OPERATING INCOME	938,487	731,487
PROFIT ACCOUNTED FOR BY EQUITY METHOD	751,244	631,774
CORRECTION FOR DIVIDENDS	(279,130)	(180,065)
DEPRECIATION OF GOODWILL	(134,668)	(130,114)
BUSINESS INCOME	1,275,933	1,053,082
GAINS ON GROUP TRANSACTIONS	(2)	1,529
WRITEOFFS AND CREDIT LOSS PROVISIONS (net)	(263,869)	(257,494)
WRITEDOWN OF LONG-TERM INVESTMENTS (net)	43	(69,900)
OTHER PROVISIONS AND EXTRAORDINARY INCOME/(LOSSES)	(106,318)	32,245
INCOME BEFORE TAXES	905,787	759,462
INCOME AND OTHER TAXES	(21,624)	9,952
INCOME FOR THE YEAR	884,163	769,414
INCOME ATTRIBUTED TO MINORITY INTERESTS	118,431	112,146
INCOME ATTRIBUTED TO THE GROUP	765,732	657,268

NON-CONSOLIDATED FINANCIAL STATEMENTS

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa")

Unaudited Balance Sheets as of 30 September 2004 and 2003

	(Thousands of Euros)	
ASSETS	30 September 2004	30 September 2003
CASH ON HAND AND ON DEPOSIT AT CENTRAL BANKS	1,304,997	1,366,756
GOVERNMENT DEBT SECURITIES	2,241,587	3,555,560
DUE FROM CREDIT ENTITIES	14,142,203	8,262,514
LOANS AND CREDITS	85,268,566	68,744,751
DEBENTURES AND OTHER FIXED-INCOME SECURITIES	4,937,834	5,539,393
COMMON STOCKS AND OTHER EQUITY SECURITIES	241,057	234,823
INVESTMENTS IN NON-GROUP COMPANIES	934,175	21,874
INVESTMENTS IN GROUP COMPANIES	8,431,124	8,420,059
INTANGIBLE ASSETS	64,043	71,734
PROPERTY AND EQUIPMENT	2,064,243	2,088,196
SUBSCRIBED CAPITAL	-	-
OTHER ASSETS	2,980,118	3,066,486
ACCRUAL ACCOUNTS	2,462,549	2,124,588
LOSSES AT CONSOLIDATED COMPANIES	-	-
TOTAL ASSETS	125,072,496	103,496,734
MEMORANDUM ACCOUNTS	40,387,463	36,331,844

(Thousands of Euros)

LIABILITIES	30 September 2004	30 September 2003
DUE TO CREDIT INSTITUTIONS	10,717,708	8,832,277
CUSTOMER DEPOSITS	86,664,154	69,917,113
MARKETABLE DEBT SECURITIES	10,910,003	8,625,442
OTHER LIABILITIES	2,523,257	2,639,791
ACCRUAL ACCOUNTS	2,595,582	2,237,131
PROVISIONS FOR CONTINGENCIES AND EXPENSES	499,534	338,571
FUND FOR GENERAL BANKING RISKS	128	132
INCOME FOR THE YEAR	341,192	261,169
SUBORDINATED DEBT	6,217,757	6,217,757
ENDOWMENT FUND	3,006	3,006
SHARE PREMIUM	-	-
RESERVES	4,600,175	4,424,345
REVALUATION RESERVES	-	-
RESULTS FROM PREVIOUS YEARS	-	-
TOTAL LIABILITIES	125,072,496	103,496,734

CAIXA D'ESTALVIS I PENSIONS DE BARCELONA ("la Caixa")

Unaudited Statements of income as of 31 September 2004 and 2003

	(Thousands of Euros)	
	30 September 2004	30 September 2003
INTEREST INCOME	2,740,213	2,796,806
INTEREST EXPENSE	(1,335,506)	(1,455,167)
INCOME FROM EQUITY SECURITIES	244,295	122,038
NET INTEREST INCOME	1,649,002	1,463,677
FEES RECEIVED	800,601	702,315
FEES PAID	(127,871)	(121,513)
GAINS ON FINANCIAL TRANSACTIONS	31,515	54,450
GROSS OPERATING INCOME	2,353,247	2,098,929
OTHER OPERATING INCOME	129	255
PERSONNEL EXPENSES	(1,049,243)	(997,224)
OTHER ADMINISTRATIVE EXPENSES	(458,138)	(436,922)
DEPRECIATION, AMORTIZATION AND WRITEDOWN OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	(167,057)	(176,200)
OTHER OPERATING EXPENSES	(21,410)	(18,085)
NET OPERATING INCOME	657,528	471,753
GAINS/LOSSES ON GROUP TRANSACTIONS	-	36
WRITEOFFS AND CREDIT LOSS PROVISIONS (net)	(250,708)	(244,836)
WRITEDOWN OF LONG-TERM INVESTMENTS (net)	31,168	115,595
PROVISIONS TO THE FUND FOR GENERAL BANKING RISKS	-	-
EXTRAORDINARY INCOME	46,654	55,415
EXTRAORDINARY LOSSES	(143,217)	(105,137)
INCOME BEFORE TAXES	341,425	292,826
INCOME AND OTHER TAXES	(233)	(31,657)
INCOME FOR THE YEAR	341,192	261,169

TAXATION

The following is a brief summary of the Spanish tax regime applicable to investments in the Cédulas Hipotecarias. Only the current legislation and the general aspects which may affect investors have been taken into account in the preparation of this summary.

Each prospective investor in the Cédulas Hipotecarias should carry out an exhaustive examination of the applicable tax regime, in the light of the specific circumstances which apply to them and the regulations in force at the time of receiving and filing any tax return in relation to income or gain relating to the Cédulas Hipotecarias.

1. Investors Resident in Spain

- (a) *Personal Income Tax and Corporation Tax.* The income that may accrue to holders of the Cédulas who are resident in Spain for tax purposes will be subject to the regime for the explicit yields of freed-up capital of Royal Legislative Decree 3/2004 dated 5 March approving the consolidated text of the Personal Income Tax and other Tax Regulations (hereinafter, "RD Law 3/2004") and the Royal Decree 4/2004 dated 5 March approving the consolidated text of the Corporation Tax Law (hereinafter, "RD Law 4/2004").

In accordance with Article 23.2 of RD Law 3/2004, yields obtained from the assignment of one's own capital to third parties shall be considered freed-up capital, as well as considerations of any kind, the interest and any other kind of payment agreed as remuneration for said assignment, as well as those derived from the transfer, refund, redemption, exchange or conversion of any kind of assets representing the securing and use of other capital.

In particular, with regard to Personal Income Tax and Corporation Tax, the amount of the coupons and the difference between the subscription or acquisition value and the transfer, refund or redemption value will be deemed yield from freed-up capital.

With regard to the withholding regime applicable to yields from freed-up capital, the current legislation is contained in Spanish Royal Decree 1775/2004 dated 30 July, which approves the Personal Income Tax Regulations, and in Spanish Royal Decree 1777/2004, dated 30 July, which approves the Corporation Tax Regulations.

Pursuant to the aforementioned legislation, it is necessary to distinguish between the tax regime derived from the collection of coupons of instruments with an explicit yield, and that which corresponds to the yields derived from the transfer or redemption of the aforementioned instruments.

- (i) *Coupons.* Yields obtained by individuals which correspond to the coupons of the Cédulas Hipotecarias will be subject to a withholding of 15%. If the beneficiary of the coupon is a Corporate Taxpayer, the yields of the coupons will not be subject to withholding, provided that they are securities represented by book entries and traded on an official secondary Spanish securities market.
- (ii) *Transfer and redemption of instruments.* Yields obtained by individuals or legal entities, as a result of the transfer or redemption of the Cédulas Hipotecarias are not subject to withholding regardless of whether the beneficiary is an individual

or a legal entity, provided that they are securities represented by book entries and traded on an official secondary Spanish securities market. However if the beneficiary of the yield is an individual, a withholding will be applied to that part of the price of the transfer of the Cédulas Hipotecarias which corresponds to the accrued interest at the time the transfer takes place, within the 30 day period prior to the collection of the coupon, to any of the following persons or entities:

- a non-resident on Spanish territory or Corporation Tax taxpayer
 - when the acquirer is not subject to withholding for the explicit yields derived from the transferred instruments.
- (b) *Wealth Tax.* The individuals who acquire the *Cédulas*, who are obliged to present Wealth Tax returns, must declare the securities which they possess on 31 December each year at the average trading value of the same in the fourth quarter.
- (c) *Inheritance and Gift Tax.* The transfer of Cédulas Hipotecarias due to death or a gift in favour of individuals is subject to the general rules of Inheritance and Gift Tax as regards the acquirer, and to those of Income Tax as regards the individual making the gift. In the event of a free transfer in favour of a Corporation Tax taxpayer, the income which is added to the taxable base will be taxed in accordance with the regulations of such tax.

2. Investors Not Resident in Spain

- (a) *Non-resident Income Tax.* Income received by the holders in respect of the Cédulas Hipotecarias, whether individuals or legal entities, who are not resident in Spain for tax purposes, will be subject to the provisions of the following legislation: Spanish Royal Legislative Decree 5/2004 dated 5 March approving the consolidated text of Non-resident Income Tax Law (hereinafter, "**RD Law 5/2004**"), without prejudice to any applicable Double Taxation Treaties signed by Spain and the relevant state.

Pursuant to RD Law 5/2004, the interest and other yields referred to in Article 23.2 of RD Law 3/2004 paid by entities resident in Spanish territory to persons or entities not resident in Spain which act without a permanent establishment, are subject to taxation under Non-resident Income Tax (hereinafter, "**NRIT**"), at the general rate of taxation of 15% on its total amount.

However, pursuant to aforementioned Article 14.1.C of RD Law 5/2004, the yields of these instruments, both for the collection of the coupon and the difference between the transfer, refund or redemption price and the acquisition cost, are exempt from taxation in Spain when obtained by individuals or legal entities resident in other Member States of the European Union, which do not operate in Spain by means of a permanent establishment nor through a territory classified as a tax haven according to the provisions of Spanish Royal Decree 1080/1991, dated 5 July.

Where yields are obtained by individuals or legal entities not resident in another Member State of the European Union, the taxation is as follows:

- (i) Collection of Coupons

Yields which correspond to coupons are subject to taxation in Spain, applying the current withholding rate, 15%, unless under any applicable Double Taxation Treaty a reduced rate of withholding applies.

(ii) Transfer, refund and redemption of the instruments

Yields obtained from the transfer, refund, redemption of the Cédulas Hipotecarias, calculated as the difference between the transfer, refund or redemption value of the same and their subscription amount, are generally subject to taxation in Spain, with a withholding being applied at the current rate, 15%, or at the reduced rate set forth in any applicable Double Taxation Treaty.

However, yields obtained from the transfer, refund or redemption of Cédulas Hipotecarias are exempt from withholding provided that the relevant instruments are represented by book entries and are traded on an official secondary Spanish securities market. However, despite the fact that the paying entity is under no obligation to make withholding on such yields, the non-resident investor is subject to taxation in Spain for such yields at the current rate at the time, presently 15%, save for what is referred below.

If such yields are derived from transfers made on official secondary Spanish securities markets and are obtained by an individual or a legal entity resident in a country with which Spain has signed a Double Taxation Treaty, with an information exchange clause, such yields will be exempt from taxation in Spain. If the Treaty does not include such a clause, the yield will be subject to taxation in Spain, at any reduced rate established therein.

Non-residents who are entitled to the application of a tax exemption or reduced withholding rate must certify their tax residence by delivering to the Issuer, prior to the date of payment, a certificate of tax residence issued by the tax authorities in the country of residence. Such certificates are valid for one year from their date of issue.

- (b) *Wealth Tax.* Individuals pay Wealth Tax in Spain at rates between 0.2% and 2.5% in relation to the goods or rights which are located, may be exercised or must be complied with in Spanish territory on 31 December each year. Securities traded on organised markets are assessed at the average trading price for the fourth quarter of each year, given that the exemption in Article 4.7 of Spanish Law 19/1991, dated 6 June, governing Wealth Tax, does not apply.
- (c) *Inheritance and Gift Tax.* Transfers of goods or rights which are located, may be exercised or must be complied with in Spain due to death or gifts to individuals, are taxable in Spain at the beneficiary's address, regardless of the place of residence of the transferor and the beneficiary, at a variable rate of between 0% and 81.6%.

The free transfer for *inter vivos* acts may be subject to Non-resident Income Tax, without prejudice to the provisions of any applicable treaty.

SUBSCRIPTION AND SALE OF THE 21ST CÉDULAS HIPOTECARIAS

ABN AMRO Bank N.V., Sucursal en España, Barclays Bank PLC, InverCaixa Valores, S.V., S.A., and Société Générale, Sucursal en España (the "21st Underwriters and Dealers" and each a "21st Underwriter and Dealer"), in an underwriting and dealer agreement dated 17 October 2003 (the "21st Underwriting and Dealer Agreement") and made between them and the Issuer, have upon the terms and subject to the conditions contained therein severally agreed to underwrite or place the issue of the 21st Cédulas Hipotecarias at the Issue Price less a combined management and underwriting commission of 0.20% of the nominal amount of the 21st Cédulas Hipotecarias. The nominal amount of 21st Cédulas Hipotecarias underwritten by each of the 21st Underwriters and Dealers are as follows:

<i>21st Underwriters and Dealers</i>	<i>Nominal amount underwritten</i>
ABN AMRO Bank N.V., Sucursal en España	EUR 187,500,000
Barclays Bank PLC	EUR 187,500,000
InverCaixa Valores, S.V., S.A.	EUR 187,500,000
Société Générale, Sucursal en España	EUR 187,500,000

Selling Restrictions

The 21st Underwriters and Dealers shall abstain from carrying out any activity which could be interpreted as directed selling efforts in the United States of America in accordance with Regulation S under the United States Securities Act of 1933. In particular, each 21st Underwriter and Dealer declares that it shall only offer and sell the securities the subject of the issue outside the United States of America, in conformance with the contents of Rule 903 of Regulation S under the United States Securities Act of 1933. In addition, they will abstain from carrying out promotional, placing or intermediary activities in any other country or in respect of nationals or residents of any other country where such activities are prohibited or limited without complying with the requirements established by the local applicable legislation. The 21st Underwriters and Dealers will indemnify the Issuer and the other 21st Underwriters and Dealers from the consequences of failing to comply with this obligation.

SUBSCRIPTION AND SALE OF THE 23RD CÉDULAS HIPOTECARIAS

ABN AMRO Bank N.V., Sucursal en España, Barclays Bank PLC, InverCaixa Valores, S.V., S.A., and Société Générale, Sucursal en España (the "23rd Underwriters and Dealers" and each a "23rd Underwriter and Dealer"), in an underwriting and dealer agreement dated 23 January 2004 (the "23rd Underwriting and Dealer Agreement") and made between them and the Issuer, have upon the terms and subject to the conditions contained therein severally agreed to underwrite or place the issue of the 23rd Cédulas Hipotecarias at the Issue Price less a combined management and underwriting commission of 0.20% of the nominal amount of the 23rd Cédulas Hipotecarias. The nominal amount of 23rd Cédulas Hipotecarias underwritten by each of the 23rd Underwriters and Dealers are as follows:

<i>23rd Underwriters and Dealers</i>	<i>Nominal amount underwritten</i>
ABN AMRO Bank N.V., Sucursal en España	EUR 62,500,000
Barclays Bank PLC	EUR 62,500,000
InverCaixa Valores, S.V., S.A.	EUR 62,500,000
Société Générale, Sucursal en España	EUR 62,500,000

Selling Restrictions

The 23rd Underwriters and Dealers shall abstain from carrying out any activity which could be interpreted as directed selling efforts in the United States of America in accordance with Regulation S under the United States Securities Act of 1933. In particular, each 23rd Underwriter and Dealer declares that it shall only offer and sell the securities the subject of the issue outside the United States of America, in conformance with the contents of Rule 903 of Regulation S under the United States Securities Act of 1933. In addition, they will abstain from carrying out promotional, placing or intermediary activities in any other country or in respect of nationals or residents of any other country where such activities are prohibited or limited without complying with the requirements established by the local applicable legislation. The 23rd Underwriters and Dealers will indemnify the Issuer and the other 23rd Underwriters and Dealers from the consequences of failing to comply with this obligation.

PRICE QUOTATIONS OF THE 21ST CÉDULAS HIPOTECARIAS

Liquidity Entities

ABN AMRO Bank N.V., Sucursal en España, Barclays Bank PLC, InverCaixa Valores, S.V., S.A., and Société Générale, Sucursal en España (the "21st Liquidity Entities" and each a "21st Liquidity Entity"), by means of a liquidity agreement signed with the Issuer on 17 October 2003 (the "21st Liquidity Agreement"), undertake to provide liquidity to the holders of the 21st Cédulas Hipotecarias.

Liquidity Commitment

Each 21st Liquidity Entity has undertaken to offer liquidity to the holders of the 21st Cédulas Hipotecarias in the following manner:

- (a) By quoting the purchase and sale prices of the 21st Cédulas Hipotecarias, using the means of communication referred to below, during each session of trading, in accordance with the following rules:
 - (i) Each 21st Liquidity Entity shall quote purchase and sale prices of the 21st Cédulas Hipotecarias, which shall be valid for nominal amounts of up to EUR 15 million daily, with reference to the total purchase and sale prices quoted daily by each 21st Liquidity Entity.
 - (ii) The quotation of prices offered by the 21st Liquidity Entities shall at all times reflect the existing situation of liquidity in the market. The quotation of sale prices shall be subject to the availability of securities in the market. The 21st Liquidity Entities do not guarantee that it is possible to locate securities to satisfy demand, either in their own portfolios or in that of other entities. However, each 21st Liquidity Entity undertakes to use its best endeavours to act with the usual level of diligence in the markets for such purposes.
 - (iii) Prices quoted by each 21st Liquidity Entity shall be calculated according to existing market conditions at all times, taking into account the profitability of the issue, the state of the market for *cédulas hipotecarias* and the fixed-income markets in general, as well as other financial markets. Each 21st Liquidity Entity is entitled to decide on the purchase and sale prices quoted by it and to modify either or both if it deems fit.

Purchase and sale prices quoted by each 21st Liquidity Entity may vary, taking into account the residual maturity of the Issue, within a band which shall not exceed the differential price established below, provided that market conditions allow prices to be within such band.

Time to maturity	Differential
Greater than or equal to 8 years	10 basis points
Greater than or equal to 6 years and less than 7 years	8 basis points
Greater than or equal to 3 years and less than 6 years	6 basis points
Less than 3 years	5 basis points

- (b) By quoting the purchase and sale prices of transactions with a repurchase agreement ("Repos") over the 21st Cédulas Hipotecarias, using the means of communication referred to below, throughout each negotiation session, in accordance with the following rules:
- (i) Each 21st Liquidity Entity shall quote purchase and sale prices of Repos, which shall be valid for nominal amounts of up to EUR 15 million daily, with reference to the total purchase and sale prices quoted daily by each 21st Liquidity Entity.
 - (ii) The quotation of prices offered by the 21st Liquidity Entities shall at all times reflect the existing situation of liquidity in the market. The quotation of sale prices shall be subject to the availability of securities in the market. The 21st Liquidity Entities do not guarantee that it is possible to locate securities to satisfy demand, either in their own portfolios or in that of other entities. However, each 21st Liquidity Entity undertakes to use its best endeavours to act with the usual level of diligence in the markets for such purposes.
 - (iii) Prices quoted by each 21st Liquidity Entity shall be calculated according to existing market conditions at all times, taking into account the state of comparable monetary markets, the state of the market for *cédulas hipotecarias* and the fixed-income markets in general, as well as other financial markets. Each 21st Liquidity Entity is entitled to decide on the purchase and sale prices quoted by it and to modify either or both if it deems fit.
 - (iv) Each 21st Liquidity Entity shall quote prices for terms of one week, two weeks, three weeks and one month, of the same-day value and for value same day plus two days. The difference between the purchase and sale prices shall be a maximum of 25 basis points.

Each 21st Liquidity Entity shall be released from its obligations when faced with changes to the by-laws or the legal or economic circumstances of the Issuer which lead to a significant decrease in its solvency or ability to pay the obligations associated with the same. For these purposes, a decrease lower than three levels in the current credit rating of the Issuer shall not be considered a decrease in its solvency or ability to pay the obligations associated with the same.

Likewise, each 21st Liquidity Entity shall be released from their liquidity obligations in the event of any *force majeure* or extraordinary change in the circumstances of the financial markets which would render compliance with the 21st Liquidity Agreement exceptionally onerous, or if any changes occur which have a significant impact on the current legal circumstances which govern the operation of the sale and purchase of securities by the 21st Liquidity Entities or their usual operation as financial entities.

In any case, once such circumstances have ceased, the affected 21st Liquidity Entity shall be obliged to resume the fulfilment of its obligations in accordance with the provisions of the 21st Liquidity Agreement.

Further Information

Each 21st Liquidity Entity must quote and publish the prices of its securities on a daily basis, using at least one of the following methods:

- (i) by telephone;
- (ii) using its Reuters screen or using other means of communication approved by each of the 21st Liquidity Entities and the Issuer.

Each 21st Liquidity Entity shall publish, according to the frequency required depending on the volumes traded, and at least on a monthly basis, the volumes indicated, the average prices of the same, and their maturities either through the AIAF, the services of IBERCLEAR, the corresponding announcement in the press, as indicated in the paragraph above, or by any other means of communication agreed by the parties.

The 21st Liquidity Entities shall not receive any commission under the 21st Liquidity Agreement.

The liquidity commitment shall have the same duration as the life of the Issue, as from the date on which the securities are admitted for trading on the AIAF. Nonetheless, amortisation of the 21st Cédulas Hipotecarias according to the terms of issue will terminate the 21st Liquidity Agreement.

The Issuer may deem the liquidity commitment with any 21st Liquidity Entity terminated prior to its maturity and without any prior warning, in the event that the latter fails to fulfil the commitments undertaken under the 21st Liquidity Agreement. Similarly, the Issuer may deem the 21st Liquidity Agreement terminated with any 21st Liquidity Entity prior to its maturity whenever it so deems appropriate, provided that it gives the 21st Liquidity Entity at least 30 days' advance notice of the same. However, the Issuer shall not use this right to terminate if it has not previously arranged for a credit entity to substitute the 21st Liquidity Entity in all its duties. The appointment of a new 21st Liquidity Entity shall be notified to the CNMV.

Any 21st Liquidity Entity may terminate its liquidity commitment with the Issuer before its termination and without prior notification if the Issuer fails to comply with its obligations under the 21st Liquidity Agreement. In this case, the termination of the 21st Liquidity Agreement shall only be effective in respect of the 21st Liquidity Entity that terminates the 21st Liquidity Agreement and not in respect of the others. Nonetheless, the said 21st Liquidity Entity shall not be relieved from the duties assumed under the liquidity commitment until the Issuer has not

found another credit entity to substitute it. The Issuer is obliged to use its best endeavours in order to find, within a 30-day notice period, another credit entity prepared to assume the duties of the 21st Liquidity Entity as set forth in the 21st Liquidity Agreement. Upon the expiry of such notice period, if the Issuer has failed to arrange for a substitute for the 21st Liquidity Entity, the latter may suggest to the Issuer a credit entity to substitute it under the same terms as the liquidity commitment. The Issuer shall not be entitled to reject the suggested entity unless the latter lacks the necessary faculties to fulfil the agreed requirements. The appointment of the new 21st Liquidity Entity shall be notified to the CNMV.

The termination of the 21st Liquidity Agreement with any 21st Liquidity Entity and the substitution of said 21st Liquidity Entity shall be notified to the holders of 21st Cédulas Hipotecarias by means of an appropriate notice published in a nationally-distributed newspaper and in the Gazette for Listed Securities of the AIAF, and through communication to the CNMV and to IBERCLEAR.

PRICE QUOTATIONS OF THE 23RD CÉDULAS HIPOTECARIAS

Liquidity Entities

ABN AMRO Bank N.V., Sucursal en España, Barclays Bank PLC, InverCaixa Valores, S.V., S.A., and Société Générale, S.A. (the "23rd Liquidity Entities" and each a "23rd Liquidity Entity"), by means of a liquidity agreement signed with the Issuer on 23 January 2004 (the "23rd Liquidity Agreement"), undertake to provide liquidity to the holders of the 23rd Cédulas Hipotecarias.

Liquidity Commitment

Each 23rd Liquidity Entity has undertaken to offer liquidity to the holders of the 23rd Cédulas Hipotecarias in the following manner:

- (a) By quoting the purchase and sale prices of the 23rd Cédulas Hipotecarias, using the means of communication referred to below, during each session of trading, in accordance with the following rules:
 - (i) Each 23rd Liquidity Entity shall quote purchase and sale prices of the 23rd Cédulas Hipotecarias, which shall be valid for nominal amounts of up to EUR 15 million daily, with reference to the total purchase and sale prices quoted daily by each 20th Liquidity Entity.
 - (ii) The quotation of prices offered by the 23rd Liquidity Entities shall at all times reflect the existing situation of liquidity in the market. The quotation of sale prices shall be subject to the availability of securities in the market. The 23rd Liquidity Entities do not guarantee that it is possible to locate securities to satisfy demand, either in their own portfolios or in that of other entities. However, each 23rd Liquidity Entity undertakes to use its best endeavours to act with the usual level of diligence in the markets for such purposes.
 - (iii) Prices quoted by each 23rd Liquidity Entity shall be calculated according to existing market conditions at all times, taking into account the profitability of the issue, the state of the market for *cédulas hipotecarias* and the fixed-income markets in general, as well as other financial markets. Each 23rd Liquidity Entity is entitled to decide on the purchase and sale prices quoted by it and to modify either or both if it deems fit.

Purchase and sale prices quoted by each 23rd Liquidity Entity may vary, taking into account the residual maturity of the Issue, within a band which shall not exceed the differential price established below, provided that market conditions allow prices to be within such band.

Time to maturity	Differential
Greater than or equal to 8 years	10 basis points
Greater than or equal to 6 years and less than 7 years	8 basis points
Greater than or equal to 3 years and less than 6 years	6 basis points
Less than 3 years	5 basis points

- (b) By quoting the purchase and sale prices of transactions with a repurchase agreement ("Repos") over the 23rd Cédulas Hipotecarias, using the means of communication referred to below, throughout each negotiation session, in accordance with the following rules:
- (i) Each 23rd Liquidity Entity shall quote purchase and sale prices of Repos, which shall be valid for nominal amounts of up to EUR 15 million daily, with reference to the total purchase and sale prices quoted daily by each 23rd Liquidity Entity.
 - (ii) The quotation of prices offered by the 23rd Liquidity Entities shall at all times reflect the existing situation of liquidity in the market. The quotation of sale prices shall be subject to the availability of securities in the market. The 23rd Liquidity Entities do not guarantee that it is possible to locate securities to satisfy demand, either in their own portfolios or in that of other entities. However, each 23rd Liquidity Entity undertakes to use its best endeavours to act with the usual level of diligence in the markets for such purposes.
 - (iii) Prices quoted by each 23rd Liquidity Entity shall be calculated according to existing market conditions at all times, taking into account the state of comparable monetary markets, the state of the market for *cédulas hipotecarias* and the fixed-income markets in general, as well as other financial markets. Each 23rd Liquidity Entity is entitled to decide on the purchase and sale prices quoted by it and to modify either or both if it deems fit.
 - (iv) Each 23rd Liquidity Entity shall quote prices for terms of one week, two weeks, three weeks and one month, of the same-day value and for value same day plus two days. The difference between the purchase and sale prices shall be a maximum of 25 basis points.

Each 23rd Liquidity Entity shall be released from its obligations when faced with changes to the by-laws or the legal or economic circumstances of the Issuer which lead to a significant decrease in its solvency or ability to pay the obligations associated with the same. For these purposes, a decrease lower than three levels in the current credit rating of the Issuer shall not be considered a decrease in its solvency or ability to pay the obligations associated with the same.

Likewise, each 23rd Liquidity Entity shall be released from their liquidity obligations in the event of any *force majeure* or extraordinary change in the circumstances of the financial markets which would render compliance with the 23rd Liquidity Agreement exceptionally onerous, or if any changes occur which have a significant impact on the current legal circumstances which govern the operation of the sale and purchase of securities by the 23rd Liquidity Entities or their usual operation as financial entities.

In any case, once such circumstances have ceased, the affected 23rd Liquidity Entity shall be obliged to resume the fulfilment of its obligations in accordance with the provisions of the 23rd Liquidity Agreement.

Further Information

Each 23rd Liquidity Entity must quote and publish the prices of its securities on a daily basis, using its Reuters or Bloomberg screen, whilst also being able to use other means of communication approved by each of the 22nd Liquidity Entities and the Issuer.

Each 23rd Liquidity Entity shall publish, according to the frequency required depending on the volumes traded, and at least on a monthly basis, the volumes indicated, the average prices of the same, and their maturities either through the AIAF, the services of IBERCLEAR, the corresponding announcement in the press, as indicated in the paragraph above, or by any other means of communication agreed by the parties.

The 23rd Liquidity Entities shall not receive any commission under the 23rd Liquidity Agreement.

The liquidity commitment shall have the same duration as the life of the Issue, as from the date on which the securities are admitted for trading on the AIAF. Nonetheless, amortisation of the 23rd Cédulas Hipotecarias according to the terms of issue will terminate the 23rd Liquidity Agreement.

The Issuer may deem the liquidity commitment with any 23rd Liquidity Entity terminated prior to its maturity and without any prior warning, in the event that the latter fails to fulfil the commitments undertaken under the 23rd Liquidity Agreement. Similarly, the Issuer may deem the 23rd Liquidity Agreement terminated with any 23rd Liquidity Entity prior to its maturity whenever it so deems appropriate, provided that it gives the 23rd Liquidity Entity at least 30 days' advance notice of the same. However, the Issuer shall not use this right to terminate if it has not previously arranged for a credit entity to substitute the 23rd Liquidity Entity in all its duties. The appointment of a new 23rd Liquidity Entity shall be notified to the CNMV.

Any 23rd Liquidity Entity may terminate its liquidity commitment with the Issuer before its termination and without prior notification if the Issuer fails to comply with its obligations under the 23rd Liquidity Agreement. In this case, the termination of the 23rd Liquidity Agreement shall only be effective in respect of the 23rd Liquidity Entity that terminates the 23rd Liquidity Agreement and not in respect of the others. Nonetheless, the said 23rd Liquidity Entity shall not be relieved from the duties assumed under the liquidity commitment until the Issuer has not found another credit entity to substitute it. The Issuer is obliged to use its best endeavours in order to find, within a 30-day notice period, another credit entity prepared to assume the duties of the 23rd Liquidity Entity as set forth in the 23rd Liquidity Agreement. Upon the expiry of

such notice period, if the Issuer has failed to arrange for a substitute for the 23rd Liquidity Entity, the latter may suggest to the Issuer a credit entity to substitute it under the same terms as the liquidity commitment. The Issuer shall not be entitled to reject the suggested entity unless the latter lacks the necessary faculties to fulfil the agreed requirements. The appointment of the new 23rd Liquidity Entity shall be notified to the CNMV.

The termination of the 23rd Liquidity Agreement with any 23rd Liquidity Entity and the substitution of said 23rd Liquidity Entity shall be notified to the holders of 23rd Cédulas Hipotecarias by means of an appropriate notice published in a nationally-distributed newspaper and in the Gazette for Listed Securities of the AIAF, and through communication to the CNMV and to IBERCLEAR.

LEGAL AND REGULATORY BACKGROUND

Below is a summary of certain aspects of Spanish law relating to Cédulas Hipotecarias and does not purport to be exhaustive. The law relating to Cédulas Hipotecarias is set out in the the Mortgage Market Law and its subsequent regulations.

Spanish law grants holders of Cédulas Hipotecarias a preferential credit right against an issuer (Article 14 of the Mortgage Market Law). Such credit right is statutorily guaranteed by a charge over certain qualifying mortgages at any time registered in favour of the issuer of the Cédulas Hipotecarias. This does not preclude the general liability of the issuer for any and all debts arising from the issuance of such Cédulas Hipotecarias.

Spanish law permits only certain specified regulated entities to issue Cédulas Hipotecarias. These entities include savings banks such as the Issuer.

The mortgages which serve as collateral for the issue of Cédulas Hipotecarias must have been granted as security for the purpose of financing construction, restoration or acquisition of housing, urban development and social equipment or the construction of rural, tourist, industrial and commercial buildings or any other construction or activity (Article 4 of the Mortgage Market Law).

In addition, for a mortgage to serve as collateral, the mortgage and the loan which it secures must satisfy the following conditions. Loans must be secured by a first mortgage; each loan may not exceed, generally, 70% of the official valuation of property (other than residential property) or 80% of the official valuation of residential property; the mortgage must be granted over the whole of the property; the property must have been valued by an official valuation company or by the valuation services of the mortgagee; and the property over which the mortgage is created must be insured for an amount equal to the official valuation of the property.

Issuers may not issue Cédulas Hipotecarias exceeding 90% of a computation base made up of the sum of all unrepaid capital under all mortgage loans in the Issuer's portfolio that are suitable as coverage. In the event that issuers issue mortgage bonds or participations (*participaciones o bonos hipotecarios*), the mortgage loans linked to such bonds or participations will be excluded from the calculation of the 90%. If for any reason this ratio is exceeded, the issuer must re-establish the ratio by:

- (a) depositing cash or public funds (*fondos públicos*) with the Bank of Spain;
- (b) buying back Cédulas Hipotecarias;
- (c) granting new loans secured by mortgages or acquiring mortgage certificates suitable to act as coverage; or
- (d) redeeming Cédulas Hipotecarias.

A period of ten days is given to an issuer to re-establish the ratio by depositing cash or public funds. Subsequent to this, a period of four months is given in order to follow any of the options in (c) and (d) above.

Spanish law grants holders of Cédulas Hipotecarias a credit right against an issuer. Such credit right is statutorily guaranteed by a charge over all mortgages at any time registered in favour of

the issuer of the Cédulas Hipotecarias. This does not preclude the general liability of the issuer for any and all debts arising from the issuance of such Cédulas Hipotecarias.

The holders of Cédulas Hipotecarias may enforce their rights in summary proceedings against an issuer.

From 1 September 2004, Law 22/2003 regulating all insolvency procedures in Spain entered into force. Law 22/2003 inserted a new paragraph into Article 14 of the Mortgage Market Law, pursuant to which in a situation of insolvency (*concurso*), as defined in Law 22/2003, holders of Cédulas Hipotecarias shall be recognised as having the benefit of privileged credits (*créditos con privilegio especial*) (paragraph 1 of section 1 of Article 90 of Law 22/2003).

GENERAL INFORMATION

1. The issue of the 21st Cédulas Hipotecarias has been authorised by resolutions of the *Consejo de Administración* of the Issuer dated 25 September 2003 and 8 October 2003.
2. The issue of the 23rd Cédulas Hipotecarias has been authorised by resolutions of the *Consejo de Administración* of the Issuer dated 26 June 2003 and 20 November 2003
3. There are no legal or arbitration proceedings against or affecting the Issuer, any of its subsidiaries or any of their respective assets, nor is the Issuer aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Cédulas Hipotecarias.
4. There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer since 31 December 2003 that is material in the context of the issue of the Cédulas Hipotecarias.
5. For so long as any of the Cédulas Hipotecarias are outstanding, copies of the following documents may be obtained during normal business hours at the specified office of the Luxembourg Paying Agent:
 - (a) the most recent publicly available audited consolidated and unconsolidated annual financial statements of the Issuer beginning with the financial statements for the year ended 31 December 2000;
 - (b) 21st Underwriting and Dealer Agreement;
 - (c) 21st Liquidity Agreement;
 - (d) 23rd Underwriting and Dealer Agreement; and
 - (e) 23rd Liquidity Agreement

The Issuer does not publish consolidated or unconsolidated interim financial statements. The Issuer prepares unconsolidated interim financial statements for internal purposes, including the preparation of this Offering Circular.

6. In connection with the application for the Cédulas Hipotecarias to be listed on the Luxembourg Stock Exchange, copies of the Articles of Association of the Issuer and a legal notice relating to the Issuer of the Cédulas Hipotecarias will be deposited prior to listing with the *registre de commerce et des sociétés à Luxembourg* where such documents may be examined and copies obtained.
7. The Cédulas Hipotecarias have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is ES0414970196 and the common code is 017976257.

**ANNEX 1
SUBSIDIARIES**

	Total % held on 31 December 2003 (*)
1. Fully and proportionally consolidated companies	
Banco de Europa, SA	100.00
C3 Caixa Center, SA	100.00
Caifor, SA	50.00
Caixa Assurance, SNC	100.00
Caixa Capital Desarrollo, SCR, SA	100.00
Caixa Capital Risc, SGEGR, SA	100.00
Caixa Corp, SA	100.00
Caixa Finance, BV	100.00
Caixa Finance, Ltd	100.00
Caixa Gestión, SNC	100.00
Caixa Holding, SA	100.00
Caixa Inversiones 1, SIMCAV, SA	11.64
Caixa Investment Management, SAM	36.50
Caixa Preference, Ltd	100.00
CaixaBank Banque Privée (Suisse), SA	100.00
CaixaBank France, SA	100.00
CaixaBank, SA	100.00
CaixaRenting, SA	100.00
Catalunya de Valores, SGPS, UL	100.00
Corporación Hipotecaria Mutua, EFC, SA	70.00
Crédit Andorrà, SA	46.35
Crédit Initiatives, SA	46.35
Crédit Invest, SA	46.35
ECT MultiCaixa, SA	100.00
e-la Caixa, SA	100.00
EuroCaixa 1, SIM, SA	81.15
FinanciaCaixa 2, EFC, SA	100.00
Finconsum, EFC, SA	55.00
GDS-CUSA, SA	100.00
GestiCaixa, SGFT, SA	96.40
HipoteCaixa, EFC, SA	100.00
Hisusa-Holding de Infraestructuras de Servicios Urbanos, SA	49.00
Hodefi, SAS	100.00
InverCaixa Gestión, SGIIC, SA	100.00
InverCaixa Holding, SA	100.00
InverCaixaValores SV, SA	100.00
Inversiones Autopistas, S.L.	50.10
MediCaixa, SA	100.00
Molina 6, Inversiones y Valores, SA, Sociedad Unipersonal	100.00
Opafi, Omnium de Participation et Financement, SA	100.00
Patrigest, SA	46.35
Repinves, SA	41.40
Servicios Urbanos y Mantenimientos, SA	100.00
(*) Direct and Indirect	

	Total % held on 31 December 2003 (*)
Société Monégasque de Banque Privée, SAM	36.69
Sodemi, SAS	100.00
Tenedora de Vehículos, SA	65.00
2. Companies consolidated by the equity method	
4-D Neuroimaging, Inc	4.53
Abertis Infraestructuras, SA	16.98
AgenCaixa, SA	50.00
Banco BPI, SA	15.99
Banco de Sabadell, SA	15.00
Banco Itaú Holding Financeira, SA	3.09
Caixa Barcelona Seguros de Vida, SA de Seguros y Reaseguros	100.00
Caixa Capital, BV	100.00
Caixa Capital, Ltd	100.00
CaixaBank Vida, SA	99.86
Crédit Assegurances, SA	46.35
Deutsche Bank, AG	3.85
Edicions 62, SA	85.81
Endesa, SA	5.00
Esports de Neu Soldeu-Incles, SA	22.97
Foment Immobiliari Assequible I, SA	100.00
G.P.Comercial, SA	86.59
G.P. Resort, SA	91.22
Gas Natural, SDG, SA	32.33
GDS-Correduría de Seguros, SL	67.00
Hotel Caribe Resort, SL	60.00
Inforsistem, SA	25.00
Inmobiliaria Colonial, SA	47.90
Occidental Hotels Management, BV	30.37
Port Aventura, SA	43.04
Portellacalis, SL	60.00
PromoCaixa, SA	100.00
RentCaixa, SA de Seguros y Reaseguros	100.00
Repsol YPF, SA	12.50
SegurCaixa, SA de Seguros y Reaseguros	39.87
Servihabitat XXI, SA	100.00
Serviticket, SA	100.00
Sociedad General de Aguas de Barcelona, SA	23.08
Soteltur International, BV	50.00
Soteltur, SL	50.00
Subanuis, SL	60.00
Tecnología y Gestión Telefónica, SA	24.00
Telefónica Factoring do Brasil, Ltda	19.98
Telefónica Factoring, EFC, SA	20.00
Telefónica, SA	3.51
USPA Hotel Ventures I, SA	57.08
VidaCaixa, SA de Seguros y Reaseguros	60.00
3. Common stocks and other equity securities	
Bolsas y Mercados Españoles Sociedad Holding	5.52
(*) Direct and Indirect	

	Total % held on 31 December 2003 (*)
de Mercados y Sistemas Financieros, SA	
Caprabo, SA	20.00
Directo, Inc	1.30
Fortis	0.85
Panrico, SA	29.98
Suez, SA	1.54

(*) Direct and Indirect

ANNEX 2
MARKETABLE DEBT SECURITIES

1) Bonds and debentures outstanding

As of December 31, 2003, the consolidated Group had the following issues outstanding:

Issued by "la Caixa"

Issue				Settlement		
(Thousands of euros)						
Date issued	Series (*)	Face value	Nominal interest rate	Redemption date	Coupon payments	Unredeemed Amount
05.04.2001	14th CEPB	1,500,000	5.25%	05.04.2011	Annual	1,500,000
07.05.2001	15th CEPB	720,687	3.94%	07.05.2004	Quarterly	720,687
08.10.2001	16th CEPB	1,202,024	3.45%	08.10.2004	Quarterly	1,202,024
21.11.2002	17th CEPB	1,500,000	4.50%	21.11.2012	Annual	1,500,000
27.02.2003	18th CEPB	2,500,000	3.50%	04.03.2010	Annual	2,500,000
14.05.2003	19th CEPB	750,000	5.25%	05.04.2011	Annual	750,000
31.10.2003	20th CEPB	1,250,000	4.25%	31.10.2013	Annual	1,250,000
31.10.2003	21st CEPB	750,000	4.75%	31.10.2018	Annual	750,000
Total						10,172,711

(*) All issues relate to mortgage-backed bonds.

Issued by Caixa Finance, Ltd.

Issue				Settlement		
(Thousands of euros)						
Date issued	Series	Face value	Nominal interest rate	Redemption date	Coupon payments	Unredeemed Amount
20.02.2001	-	750,000	Eur/3m+0.10%	20.02.2004	Quarterly	750,000
Total						750,000

Issued by Caixa Finance, BV

Issue				Settlement		
(Thousands of euros)						
Date issued	Series	Face value	Nominal interest rate	Redemption date	Coupon payments	Unredeemed Amount
21.07.2003	-	1,000,000	Eur/3m+0.01%	21.07.2005	Quarterly	1,000,000
21.11.2003	-	1,000,000	Eur/3m+0.05%	21.11.2006	Quarterly	1,000,000
10.07.2003	-	750,000	Eur/3m+0.10%	10.07.2008	Quarterly	750,000
03.07.2003	-	847,600	0.25%	03.07.2006	Quarterly	847,600
Total						3,597,600
Total "la Caixa" Group						14,520,311

All the foregoing issues were placed on the Institutional Market, except for the 15th and 16th issues, which were placed with “la Caixa” customers. The securities issues by Caixa Finance, Ltd. and Caixa Finance, BV were launched as part of a medium-term eurobond issue program guaranteed by “la Caixa”. In addition, in 2003 Caixa Finance, BV issued Eur 847,600 thousand in bonds convertible into Endesa, SA common shares, also guaranteed by “la Caixa”. This issue of 16,952 bonds of Eur 50,000 each maturing on July 3, 2006 bears interest at 0.25% and the bondholders may exchange them for Endesa, SA common shares until maturity of the issue at a price of Eur 16 per share. This exchange would be made at a rate of 3,125 Endesa, SA common shares per bond. When they are exercised, Caixa Finance, BV may either deliver Endesa, SA common shares or the equivalent cash value.

In accordance with current legislation, "la Caixa" expressly provides the mortgages registered in its name as collateral for principal and interest on mortgage bond issues.

As of December 31, 2003, none of the associated and unconsolidated Group companies had acquired bonds and debentures outstanding issued by "la Caixa".

2) Promissory notes and other securities

The detail by term to maturity of the unamortized amount of promissory notes issued in euros as of December 31, 2003 is as follows:

	(Thousands of euros)		
	Issued by "la Caixa"	Crèdit Andorrà	Total
Up to 3 months	90,600	0	90,600
From 3 to 6 months	11,325	0	11,325
From 6 months to 1 year	2,500	55,465	57,965
Total	104,425	55,465	159,890

As of December 31, 2003, none of the associated and unconsolidated Group companies had acquired promissory notes and other securities issued by "la Caixa".

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