

D. José Antonio Trujillo, en su condición de apoderado de la sociedad Intermoney Titulización, Sociedad Gestora de Fondos de Titulización, S.A., con domicilio en Madrid, calle Príncipe de Vergara, 131 planta 3 y C.I.F.: A-83774885, en relación con la constitución de **“IM SABADELL PYME 11, FONDO DE TITULIZACIÓN”**, cuyo Folleto Informativo ha sido inscrito en los registros oficiales de la Comisión Nacional del Mercado de Valores el 14 de diciembre de 2017,

DECLARA

Que el contenido del Folleto Informativo de **“IM SABADELL PYME 11, FONDO DE TITULIZACIÓN”** que ha sido registrado por la Comisión Nacional del Mercado de Valores con fecha 14 de diciembre de 2017, coincide exactamente con el que se presenta adjunto a la presente declaración;

Y AUTORIZA

La difusión del texto del citado Folleto Informativo a través de la página de internet de la Comisión Nacional del Mercado de Valores.

Y para que conste a los efectos oportunos, expido la presente en Madrid, a 15 de diciembre de 2017.

José Antonio Trujillo del Valle
PRESIDENTE
InterMoney Titulización, S.G.F.T., S.A.

**LIST OF ERRATA IN THE PROSPECTUS FOR THE INCORPORATION OF IM SABADELL PYME 11,
FONDO DE TITULIZACIÓN**

The following errata was included in the Prospectus for the incorporation of the *Fondo “IM SABADELL PYME 11, FONDO DE TITULIZACIÓN”* managed by *InterMoney Titulización, Sociedad Gestora de Fondos de Titulización, S.A.*, and registered in the Official Registers of the *Comisión Nacional del Mercado de Valores* on 14 December 2017.

Words appearing in capital letters in this List of Errata and that are not specifically defined here, will have the meaning found in the Prospectus.

Page 109 of the Prospectus, last paragraph of section 3.4.4 of the Additional Building Block to the Securities Note (*“3.4.4 An indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment”*) included a mistake in relation to the base for the calculation of the return on the Treasury Account: instead of three hundred and sixty-five (365) days, it should have been three hundred and sixty (360) days.

In consideration of the above, the present document is a REQUEST for this List of Errata of the Prospectus for the incorporation of the *Fondo “IM SABADELL PYME 11, FONDO DE TITULIZACIÓN”* registered on 14 December 2017 to be accepted, registered and included in the Registers of the *Comisión Nacional del Mercado de Valores*.

Sincerely,

José Antonio Trujillo del Valle
Chairman
InterMoney Titulización, SGFT, S.A.

**IM SABADELL PYME 11, FONDO DE
TITULIZACIÓN
ISSUE PROSPECTUS
€ 1,900,000,000**

| CLASS | AMOUNT | INTEREST RATE | DBRS | MOODY'S |
|-------|---------------|----------------|----------------|-----------|
| A | 1,567,500,000 | EUR 3M + 0.75% | A (high) (sf) | Aa3 (sf) |
| B | 332,500,000 | EUR 3M + 0.90% | CCC (low) (sf) | Caa3 (sf) |

BACKED BY CREDIT RIGHTS DERIVING FROM SME LOANS ASSIGNED BY



BANCO DE SABADELL, S.A.

(incorporated with limited liability under the laws of the Kingdom of Spain)

DIRECTOR AND SUBSCRIBER

BANCO DE SABADELL, S.A.

Paying Agent

BANCO DE SABADELL, S.A.

Fund sponsored and managed by:



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This document is the information memorandum (the “**Prospectus**”) for IM SABADELL PYME 11, FONDO DE TITULIZACIÓN (the “**Fund**”) approved by and registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission, “**CNMV**”) on 14 December 2017, 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 which back up the issue (the “**Risk Factors**”);
2. A registration document for the securities, drawn up in accordance with Annex VII of Regulation 809/2004 (the “**Registration Document**”);
3. A note on the securities drafted in accordance with Annex XIII of Regulation 809/2004 (the “**Securities Note**”);
4. An additional building block 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 SABADELL PYME 11, FONDO DE TITULIZACIÓN

RISK FACTORS

1. RISK FACTORS OF THE ASSETS BACKING THE ISSUE

(i) Risk of non-payment of the Assets:

The Noteholders will run the risk of non-payment of the Assets pooled in the Fund. However, credit enhancement measures have been taken as described in section 3.4.2 of the Additional Building Block.

BANCO SABADELL, as the Assignor, assumes no liability for non-payment by the Obligor, whether for principal, interest or any other amount included in the Assets.

BANCO SABADELL will not assume, in any other form, responsibility for guaranteeing directly or indirectly the success of the transaction, nor will they grant guarantees or repurchase agreements of the Assets, without prejudice to the compromises described in sections 2.2.9, 3.3.c) and 3.7.2 of the Additional Building Block and which relate to the replacement of the Assets that do not meet the representations described in section 2.2.8 of the Additional Building Block, the responsibility of the sale itself, the credit enhancements described in this Prospectus and their obligations as servicers of the Assets.

The Notes issued by the Fund do not represent or constitute an obligation for the Assignor or the Management Company. No public or private institution, including the Assignor, the Management Company and any other company affiliated or participated by them, have extended any guarantees.

(ii) 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 Assets backing the Notes issued by the Fund. In the event that a high amount of Assets incur in non-payment, the protection against losses in the Assets portfolio enjoyed by the Notes as a result of the credit enhancements described in section 3.4.2 of the Additional Building Block could be, partially or totally, utilised. Notwithstanding the foregoing considerations, the risk of the Noteholders is mitigated by the priority of payments described in section 3.4.6 b) of the Additional Building Block.

(iii) Unsecured Loans:

On 21 November, 2017, 83.49% of the Outstanding Balance of the Preliminary Portfolio corresponds to loans with personal guarantees from the Obligor, therefore, only the remaining 16.51% of the Outstanding Balance of the Preliminary Portfolio has mortgage guarantee. This data can be found in section 2.2.2.16. of the Additional Building Block.

(iv) Risk of prepayment of the Assets:

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

The funds from such prepayment will become part of the Available Resources, as described in section 3.4.6 of the Additional Building Block. The risk of prepayment shall be transferred to the Noteholders quarterly through the partial redemption of the Notes on each Payment Date, as established in section 4.9.3 of the Securities Note.

(v) Geographical concentration:

As specified in section 2.2.2.25. of the Additional Building Block, the geographical regions that show a greater concentration based on the percentage of Outstanding Balance of the Preliminary Portfolio, are the following: Catalonia: 33.17%, Comunidad Valenciana: 12.56% and Comunidad de Madrid: 11.76%, representing a total of 57.49%.

Given the levels of concentration, any negative event affecting these geographical regions could negatively impact on the payments to be made by the Obligors in these regions under the Assets backing the issue of the Notes.

In particular, in relation to the region of Catalonia has to be taken into account the following:

For those Loans with mortgage guarantee, Catalanian Act 24/2015, of July 29, on urgent measures to address the housing and energy poverty emergency ("Act 24/2015") (in its current wording).

The purpose of Act 24/2015, is to establish mechanisms aimed at resolving situations of over-indebtedness for individuals and families.

Among other measures, the Act 24/2015 establishes:

1. Mechanisms to solve situations of over-indebtedness by consumers;
2. Different actions to prevent evictions that could lead to situations of homelessness for people at risk of residential exclusion, e.g., the obligation to offer social rental housing to a (i) the buyers of a home resulting from the achievement of compensation agreements or dation in payment of mortgage loans on the habitual residence; (ii) the buyers of a home that has as a cause of sale the inability of the borrower to return the mortgage loan; ii) to those who filing for mortgage foreclosure or eviction for non-payment of rent.
3. Legal entities meeting certain conditions that own empty housing are obliged to assign this housing for three years, including it in the social housing rental fund.
4. The possibility for the debtor to be released from the debt under a credit guaranteed by his habitual residence paying the assignee the transfer price (plus legal interest and expenses) in cases of assignments of credits.

These actions could affect to mortgage loans with mortgage guarantees situated in Catalonia (Geographical concentration of 41.25% calculated over those loans with mortgage guarantee)

that will be assigned to the Fund and to the homes awarded to the Fund in payment thereof, delaying taking of possession, commercialization and sale by the Fund.

Notwithstanding, the Constitutional Court, admit an appellate procedure against its constitutionality, filed by the Government of Spain regarding to Act 24/2015 (in its current wording), which produced the precautionary suspension of the validity and application of the apellated precepts from the publication in the BOE, on June 3, 2016. Likewise, the Plenary of the Constitutional Court, by order of September 20, 2016, agreed maintain the suspension of the apellated precepts.

Recently, on 22 December 2016 the Catalan Parliament approved Act 4/2016, of 23 December, on rights protection measures to the housing of those with excluding risks ("Act 4/2016"). The porpouse is to protect people at risk of residential exclusion, establishing a set of alternative instruments to respond to the three points of Law 24/2015 currently in suspension by the Constitutional Court: mediation, social rent and expropriations in case of need of housing in municipalities with accredited demand.

Catalonian Decree Law 1/2015, of March 24, on extraordinary and urgent measures for occupancy of residential units acquired in foreclosure proceedings ("Decree Law 1/2015") (in its current wording).

According to the envisaged in the Decree Law 1/2015, the transfer of homes awarded in a foreclosure proceedings or through compensation or payment of mortgage-backed debt that is located in areas of strong and accredited residential demand and that has been awarded after the entry into force of Law 18/2007, of December 28, on the right to housing, is subject to the right of first refusal and pre-emptive rights from the Generalitat of Catalonia (in its current wording)

These actions could delay the time elapsed between the beginning of foreclosure proceedings and the reception by the Fund of the amount derived from such claim.

Catalonian Act 14/2015, of July 21, on tax on empty houses ("Act 14/2015") (in its current wording) establish a tax for those properties which are in permanent vacancy. Particulary, The taxable base of this tax consist in the permanent vacancy of dwellings for more than two years without a justified cause (the need for restoration or illegal occupation are considered justified reasons for leaving empty houses). This tax could affect to the Fund in cases of foreclosure proceedings, therefore the proceeds obtained by the Fund may be adversely affected.

It is also worth mentioning that, investor confidence may fall due to uncertainties arising from the results of election processes or a referendum in the different geographies in which the Bank operates, which may ultimately result in changes in laws, regulations and policies. This applies not only to specific Spanish regions such as Catalonia but also to the central Spanish government, where the government that has finally been formed on October 2016 is not supported by the majority of the Spanish parliament. In particular, political tensions in Catalonia have increased recently due to the so-called "independence movement", which has given rise to an atmosphere of uncertainty that could affect one of the areas in which Banco Sabadell operates. With regards to the political situation in Catalonia, although the Spanish Government's recent actions have helped ease the level of uncertainty in Catalonia triggered

by an Independence movement, at the registration date of this Prospectus uncertainty is still rife as to the outcome of political and social tension in that region, which could result in volatility in the securities markets (including the AIAF market in which admission to trading of the Asset-Backed Bonds will be applied for) or otherwise affect economic activity in Spain and, particularly, in Catalonia. This could altogether adversely affect the Obligors and the Assets, and consequently have an impact on the Notes Issued.

(vi) SME Mortgage Loans. Impact of Law 1/2013:

The current text of Law 1/2013 of 14 May on measures to strengthen the protections for mortgage Obligors, 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**”) and Royal Decree-Law 5/2017 of 17 March consists of four Sections that introduce a set of measures that could affect the SME Mortgage Loans.

As a result of the foregoing, the Fund, as the holder of Assets deriving from the SME 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 since the entry into force of Law 1/2013, of the relocation of the occupants thereof in situations of special vulnerability, (ii) a delay in collection of the credit rights 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.

In connection with Section IV of Law 1/2013, it should be noted that BANCO SABADELL has adhered to the amendments to the Code of Good Practice endorsed by the aforementioned Law 1/2013. As a result, since the Management Company acknowledges and agrees that BANCO SABADELL 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 SME mortgage portfolio of loans), and which may entail an extension of the period for foreclosure proceedings and cause a loss in the value of the SME Mortgage Loans.

(vii) Minimum interest rates:

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 1,366 loans with an Outstanding Balance of 356,016,045.24 Euros, 13.86% of the total balance, are Loans with a minimum applicable interest rate.

Although some recent judicial sentences are considering abusive certain clauses regarding minimum interest rates (floor) used in mortgage financing agreements, those judicial sentences do not extent their effects on the portfolio of the Fund (because it is comprised of small and medium enterprises and not of individuals to finance their habitual housing). If, in the future, and according to the recent tendency of Spanish courts to consider abusive certain clauses commonly used, some clause of the loans of the Fund is considered abusive, this may have an impact (i) on the recovery of the amounts due in accordance with the terms of the corresponding loan agreement or (ii) on the possibility of executing certain clauses of said contract.

Under the terms and conditions of the sale of the assets to the Fund, the Fund and the Assignor will agree in the Deed of Incorporation that any consequence derived from a possible cancellation of these minimum interest rate clauses will only affect the Fund from the date in which such cancellation is decreed by judgment, with the Assignor assuming any compensation that might correspond to the Debtor of the Loan until that date and from the date specified in such judgement.

(viii) Negative interest rates:

According to the information provided in section 2.2.2 of the Additional Building Block, 34.83% of the Outstanding Balance of Preliminary Portfolio has variable interest rate with a weighted average margin of 1.80%, calculating the interest rate applicable to Loans as the sum of the reference interest rate plus the corresponding margin. Following a downward trend in the reference interest rates of the Loans could be the case in which these interest rate to be applied to the Loans turn out negative. In that event BANCO SABADELL will consider that the value of the interest rate is equal to zero. Therefore, the Fund could receive zero interest in some situations but never would have to pay any amount to the borrower, being such payments, if applicable, the responsibility of Banco Sabadell.

(ix) Concentration by Obligor Group

As described in section 2.2.2 of the Additional Building Block, the Obligor group with the highest amount from the entire pool of Obligors represents 1.03% of the Preliminary Portfolio. The group of 10 Obligors with the highest amounts represents 160,784,161.83 Euros, or 6.26% of the Preliminary Portfolio. The group of 20 Obligors with the highest amount represents 270,497,944.8 Euros , or 10.53% of the Preliminary Portfolio.

(x) Industry sector of the Obligor

The most relevant sectors in the Preliminary Portfolio on November 21 2017, is the “Wholesale trade, except of motor vehicles and motorcycles” sector, with 11.95% of the portfolio and the “Retail trade, except of motor vehicles and motorcycles” sector, with 8.27% of the Preliminary Portfolio.

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

(xi) Loan to Value of the Assets

As described in section 2.2.2 of the Additional Building Block, 2.82% of the Preliminary Portfolio has a LTV ratio higher than 80% but lower than 100% and 1.53% of the Preliminary Portfolio has a LTV ratio higher than 100%. However, the weighted average LTV ratio of the total Preliminary Portfolio is 70.43%. For the purpose of the LTV calculation we have used the last appraisal values availables, original or current, of all the guarantees. All the appraisals have been done in accordance with the Order ECO 805/2003, being the appraisal either a) the original shown in the relevant certificate or in the public deed in which was formalized the granting of the loan or b) an updated appraisal doing according to the Order ECO 805/2003.

(xii) Grace Period of the Assets

As described in section 2.2.2 of the Additional Building Block, a 11.30% of the Preliminary Portfolio has a grace period for the payment of principal. Hence, these Assets will not pay any principal amount until such grace period ends. There are no other loans with grace period for the payment of principal different to those above mentioned or with other potential types of grace periods.

(xiii) Principal Payment Frequency of the Assets

As described in section 2.2.2 of the Additional Building Block, a 11.89% of the Preliminary Portfolio has a principal payment frequency higher than the payment frequency of the Notes, being a 5.32% of the Preliminary Portfolio loans with bullet amortisation.

(xiv) Formalization of the Assets

As described in section 2.2.2 of the Additional Building Block, a 16.51% of the Preliminary Portfolio are mortgage loans. All of such mortgage loans have been formalized in public documents but remaining loans without mortgage guarantee, a 83.49% of the Preliminary Portfolio, have been formalized through private agreements or loan policy ("Póliza").

2. RISK FACTORS SPECIFIC TO THE SECURITIES

(i) Optional Redemption of all the Notes issued

As described in section 4.9.3. of the Securities Note, the Management Company shall carry out upon BANCO SABADELL request, giving a 35 days prior notice in writing, the Early Liquidation of the Fund: (i) When BANCO SABADELL requests it either on the 20 March 2022 or on any Payment Date from the 20th March 2022 onwards; or, (ii) when the Outstanding Balance of the Assets yet to be reimbursed, excluding the Defaulted Assets, is equal or lower than twenty percent (20%) of the Outstanding Balance of the Assets on the Date of Incorporation of the Fund.

This possibility of optional redemption could affect the average life of the Notes issued by the Fund.

(ii) Rating of the Notes:

The credit risk of the Notes has been assessed by the rating agencies DBRS Ratings Limited and Moody's Investors Service España, S.A. (the "**Rating Agencies**").

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 notice.

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

If, before or during the Subscription Date, the Rating Agencies do not confirm any of the provisional ratings assigned, this will be reported immediately to the CNMV and made public as provided for in section 4 of the Additional Building Block. This circumstance will result in the termination of the incorporation of the Fund, the Notes issue and all agreements save for the Subordinated Loan for Initial Expenses Agreement.

(iii) Limited liquidity:

BANCO SABADELL, as Subscriber, has committed to subscribe all the Notes. The subscription of the Notes in no way limits any other use of such Notes or their possible future sale. BANCO SABADELL, as Subscriber, have stated that once the Notes are subscribed their intention is to use them as guarantee assets in credit transactions in the Euro system.

Nevertheless, if during the life of the Fund BANCO SABADELL sell the Notes in the market, 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.

(iv) 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 Asset prepayment rates that may not materialise, as well as future market interest rates, given the variable nature of nominal interest rates, defaults and recoveries. Fulfilment of 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 Obligors and the overall level of economic activity, which makes forecasting impossible.

(v) Default interest:

Deferred payments of interest shall not accrue default interest in favour of the Noteholders.

(vi) Subordination of the Notes:

Payment of Principal and Interest of the Class B Notes are postponed to the payments of Class A Notes. Notwithstanding, there is uncertainty regarding that this subordination can protect to the Noteholder of Class A from credit risk.

The subordinated rules between both Series of Notes are stated in the Priority of Payments described in section 3.4.6 of the Additional Bulding Block.

3. RISK FACTORS OF THE FUND

i. Applicability of the Insolvency Act:

Assignor:

Pursuant to the provisions of the Second Additional Provision of Law 22/2003 of 9 July (the “**Insolvency Act**”), the bankruptcy provisions in Article 15 of Law 2/1981, referred to in Article 16.4 of Law 5/2015, will apply, and therefore, in the event of the insolvency (as this term is defined in the Insolvency Act) of the Assignor, the sale of the Assets may be rescinded only if a court finds evidence of fraud in that sale.

In the event of insolvency of the Assignor, the Fund, acting through the Management Company, will have the right of separation over the Assets assigned, in the terms set out in Articles 80 and 81 of the Insolvency Act, except for cash due to the fungible nature thereof. In addition, the Fund, acting through its Management Company, shall have the right to

obtain from the Assignor the amounts resulting from said Assets from the date of the declaration of insolvency, since said amounts shall be considered as property of the Fund, and, therefore, they must be transmitted to the Fund account.

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 Assignor is declared insolvent, monies received and held thereby on behalf of the Fund in its capacity as counterparty to certain agreements it signs before the date of declaration of insolvency may be affected by the results of the insolvency.

If the Assignor becomes insolvent, the assignment of the Assets to the Fund may be subject to return in compliance with the provisions of Article 71 of the Insolvency Law, in the event that the existence of fraud is verified by the insolvency administrators, which in any case, in compliance with provisions of the Insolvency Law and the paragraph 4 of Article 16 of the Law 5/2015 (in reference to Article 15 of Law 2/1981), will not affect to the rights of bona fide third parties.

Banco Sabadell is subject to Law 11/2015, of June 18, of the recovery and resolution of credit institutions and investment services companies, which implements Directive 2014/59 / EU of the European Parliament and the Council of 15 May 2014, which establishes a framework for the restructuring and resolution of credit institutions and investment services companies. The application of Law 11/2015 could cause delays or prevent the recovery of the amounts deposited in accounts opened in Banco Sabadell.

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 bankruptcy of the Management Company, as the case may be, any assets of the Fund that are in the possession of the Management Company, and with respect whereto 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 receivers in bankruptcy 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 amounts which constitute revenues of the Fund must be deposited, in the terms set forth in the Deed of Incorporation and in this Prospectus, in the 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, in 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 Assignor or any other counterparty of the Fund) could affect their contractual relationships with the Fund.

ii. Breach of agreements:

The Fund has entered into agreements for the provision of certain services in relation to the operation of the Fund and in relation to the Notes. These agreements include the Subordinated Loan for Initial Expenses Agreement, the Subordinated Loan for the Reserve Fund Agreement, the Financial Agency Agreement and the Direction and Subscription Agreement.

The Noteholders may be adversely affected if any of the parties thereto breach the obligations assumed under any of the aforesaid agreements.

iii. Mandatory replacement of the Management Company:

The Management Company shall proceed to find another management company to replace it if in compliance with Article 33 of the Law 5/2015 the Management Company is declared insolvent.

If four (4) months have elapsed from the occurrence of the event for the mandatory replacement and a new management company that is prepared to take over the management of the Fund has not been found, a trigger event for the Early Liquidation of the Fund will occur and the Liquidation Priority of Payments will apply in accordance with the provisions of the Deed of Incorporation and this Prospectus.

Likewise, the Management Company shall proceed to find another management company that replaces it if the authorization to act as a management company were revoked.

iv. Limitation of legal actions against the Management Company:

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 in accordance with Article 26.2 of the Law 5/2015.

The Noteholders and the other creditors of the Fund shall 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 by the Fund arising from (i) the existence of delinquency or repayment of the Assets, (ii) the failure by the Assignor or by the counterparties of the transactions entered into on behalf of the Fund to comply with their duties, or (iii) the event that the financial transactions aimed at hedging or generally enhancing and covering the financial obligations of the Notes are not sufficient.

v. Lack of legal personality of the Fund.

The Fund constitutes a separate set of assets and liabilities, lacking legal personality. Consequently, the Management Company will be in charge of its administration and representation and must comply with the legally established obligations in connection with the Fund.

REGISTRATION DOCUMENT FOR SECURITIES (ANNEX VII OF THE CE 809/2004 REGULATIONS)

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 INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., with business address at: Príncipe de Vergara 131 28002 Madrid (Spain), assumes responsibility for the information contained in this Registration Document.

Mr. José Antonio Trujillo del Valle acts in his capacity of Chairman of the Board of Directors of the Management Company and exercises the powers that were expressly conferred to him for the incorporation of the Fund by the Board of Directors of the Management Company at its meeting held on the 13 November 2017.

INTERMONEY TITULIZACIÓN, SGFT, S.A., is the promoter of IM SABADELL PYME 11, FONDO DE TITULIZACIÓN and will be in charge of its legal administration and representation.

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 the Registration Document is, to the best of his knowledge, in accordance with the facts and does not omit anything that could affect its content.

2. STATUTORY AUDITORS OF THE FUND

2.1 Auditors of the Fund.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund is newly incorporated and therefore lacks historical financial information.

The Board of Directors of the Management Company, at its meeting held on 13 November 2017 during which it was resolved to create this Fund and appoint Ernst & Young as Auditors of the Fund, whose particulars are detailed in section (5.2 f) of this Registration Document.

Throughout the duration of the Fund, the annual financial statements will be subject to audit by the Auditors on an annual basis. Such audit reports will be filled with the CNMV.

The Management Company will inform the CNMV and the Rating Agencies of any change that might take place in the future as regards the appointment of the auditors of the Fund.

2.2 Fiscal years, accounting principles and statutory filing of annual financial statements.

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 financial statements, public financial statements and confidential statistical information statements of Securitisation Funds, as amended from time to time ("**Circular 2/2016**") or with the regulations applicable at any given time.

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

The Management Company will submit the annual financial statements of the Fund to the CNMV, together with the auditor's report on these accounts, within four (4) months of the end of the Fund's fiscal year (i.e., before 30 April each year), according to paragraph 5 of Article 22 and Article 35 of the Law 5/2015.

3. RISK FACTORS

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

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the Issuer has been created as a securitisation Fund.

IM SABADELL PYME 11, FONDO DE TITULIZACIÓN is a securitisation fund established in accordance with Law 5/2015 for the purpose of acquiring the Assets assigned to the Fund by BANCO SABADELL and issuing the Notes referred to in the Securities Note.

4.2 Legal and commercial name of the Fund.

The Fund will be incorporated with the name "IM SABADELL PYME 11, FONDO DE TITULIZACIÓN". The Fund will also be referred to as "IM SABADELL PYME 11".

4.3 Registration of Issuer.

The incorporation of the Fund and the issue of the Notes must firstly be registered in the official registers of the CNMV.

This Prospectus was registered with the CNMV on 14 December 2017.

The incorporation of the Fund also requires the granting of the appropriate Deed of Incorporation.

The Management Company has elected not to register the creation of the Fund or the issuance of the Notes 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 15 December 2017.

The Deed of Incorporation may be amended on the terms set out in Article 24 of Law 5/2015, that is, if the Management Company has the consent of all Noteholders and the other creditors (excluding non-financial creditors). The previous requirement will not be necessary if the amendment is of minor importance, in the CNMV's opinion, which will have to be evidenced by the Management Company.

The Deed of Constitution can also be amended at the request of the CNMV.

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 Final Date, i.e., until 20 June 2057 or, if such date is not a Business Day, the following Business Day, without prejudice to the provisions of sections 4.4.3 and 4.4.4 below.

The Final Date will be 20 June 2057, which corresponds to the Payment Date immediately following the 42 months after the last maturity of the Assets.

4.4.3 Early Liquidation of the Fund.

The Management Company has the power to carry out an Early Liquidation of the Fund and thereupon an Early Redemption of the Notes at any time for the entire issue of the Notes upon the terms set forth in this section, in the following instances:

- (i) When the Outstanding Balance of the Assets excluding the amount of Defaulted Assets is less than 10% of the outstanding balance thereof on the Date of Incorporation, provided that the amount of the sale of the Assets pending repayment, together with the remaining Available Resources, allows for total repayment of all outstanding amounts to the Noteholders, and respecting the prior payments thereto, whose order of priority takes preference as established in the Liquidation Priority of Payments described in section 3.4.6 c) of the Additional Building Block;
- (ii) Where, under the reasonable opinion of the Management Company, exceptional circumstances take place, such as the existence of a material change in regulations or additional legislative developments that cause a permanent financial imbalance prejudicial to the Fund or the Noteholder, the existence of a change in the applicable tax regulations to the Fund, the establishment of retention obligations or any other situations that might permanently affect the Fund, the Management Company, after having informed the CNMV, will proceed to liquidate the Fund in an orderly manner.
- (iii) Mandatorily, (i) in the instance contemplated in Article 33 of Law 5/2015, which establishes the obligation to liquidate the Fund if 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 (ii) in the event of revocation of the authorisation thereof, without a new management company having been found that is prepared to take over management of the Fund appointed pursuant to section 3.7.2 of the Additional Building Block;

- (iv) On the Payment Date that concurs six (6) months before the Final Date of the Fund;
- (v) In the event that the Management Company has the consent and express acceptance of all the Noteholders and all those who have existing contracts with the Fund, both in relation to payment of the amounts entailed by such Early Liquidation of the Fund and in relation to the procedure that must be followed for such payment; and
- (vi) In the event of a BANCO SABADELL's Optional Redemption pursuant to section 4.9.3 of the Securities Note.

Notice of the liquidation of the Fund shall be provided to the CNMV and thereafter to the Noteholders, as well as the Rating Agencies, in the manner established in section 4 of the Additional Building Block, at least fifteen (15) Business Days in advance of the date on which the Early Redemption of the Notes is to take place.

4.4.4 Cancellation of the Fund.

In accordance with Article 23 of the Law 5/2015, cancellation of the Fund shall take place:

- (i) upon full repayment of the Assets 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 of the Fund process established in section 4.4.5 below;
- (iv) upon reaching the Final Date; or
- (v) if the provisional ratings of the Notes are not confirmed as final before or during the Subscription Date or an event occurs that could not be foreseen or, even if foreseen, is inevitable rendering it impossible to perform the subscription and disbursement of the Notes pursuant to Article 1,105 of the Civil Code (*force majeure*).

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 pertinent steps for cancellation of the Fund.

4.4.5 Actions for the liquidation and cancellation of the Fund.

In order for the Management Company to carry out the liquidation and cancellation of the Fund and any Early Liquidation of the Fund or Early Redemption of the Notes in those cases described in section 4.4.3 and 4.4.4 above, and specifically in order

for the Fund to have sufficient funds to meet its payment obligations, the Management Company shall take any or all of the following actions:

- (i) Sell the Assets at a price that may not be less than the sum of the Outstanding Balance of the Assets plus accrued and unpaid interest on the outstanding Assets. For such purpose, the Management Company shall request an offer from at least five (5) entities among those most active in the purchase and sale of similar assets, and may not sell them at a price less than the best offer received. The Assignor will have a pre-emptive right to acquire such Assets on the terms established by the Management Company at the time of the liquidation, such that it will have priority over third parties in acquiring the Assets. In order to exercise the pre-emptive right, the Assignor shall have the term of ten (10) 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 Assets will occur. The offer of the Assignor must at least equal the best of the offers made by third parties and be completed within twenty (20) days of acceptance by the Management Company.

If no offer meets the value of the principal plus accrued and unpaid interest of the Assets pending redemption, the Management Company shall accept the best offer received for the Assets which, in its judgment, covers the market value thereof. The Management Company may obtain any appraisal reports it deems necessary from third-party entities in order to set the market value. In such instance, the Assignor will also enjoy the aforementioned pre-emptive right, provided that its offer at least equals the best of those made by third parties.

Under no circumstances shall this pre-emptive right entail an agreement or impose an obligation to repurchase the Assets on the part of the Assignor; and/or

- (ii) Cancel those contracts not necessary for liquidation of the Fund.

The Management Company shall immediately apply all amounts obtained from the disposal of the 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 c) of the Additional Building Block.

In any case, the Management Company, acting on behalf of the Fund, shall not cancel the Fund until it has liquidated the Assets and any other remaining Fund assets and distributed the Fund's liquid funds, following the Liquidation Priority of Payments provided for in section 3.4.6 c) of the Additional Building Block.

Within the calendar year after the liquidation of the remaining assets of the Fund and the distribution of available funds, or if the Management Company deems it appropriate, within the first three months of the following year, the Management Company will grant a public deed (*acta*) declaring (i) the termination of the Fund

and the reasons, as set out in this Prospectus, for the termination, (ii) the procedure followed in notifying the Noteholders and the CNMV, and (iii) the terms of the distribution of the Available Resources following the Liquidation Priority of Payments. This public deed (acta) will be submitted by the Management Company to the CNMV.

Upon the occurrence of the grounds for termination set forth in section 4.4.4(v) above (if the provisional ratings for the Notes have not been confirmed as final before or during the Subscription Date), 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, except for the Subordinated Loan for Initial Expenses Agreement, out of which the incorporation and issue expenses incurred by the Fund shall be paid. Such termination shall be immediately reported to the CNMV, and upon the expiry of one (1) month from the occurrence of the grounds for termination, the Management Company shall execute before a notary public a statement which it will send to the CNMV, Iberclear, AIAF and the Rating Agencies, declaring the termination of the Fund and the grounds thereof.

4.5 Domicile and legal form of the Issuer, legislation under which it operates.

a) Domicile of the Fund.

The Fund has no registered address as it has no legal personality. 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.

Príncipe de Vergara 131 28002 Madrid (Spain)

Telephone: +34 91 4326488

b) Legal personality of the Fund.

According to Article 20 of Law 5/2015, the Fund will constitute a separate set of assets and liabilities, lacking legal personality, with closed-end assets and liabilities, and the Management Company shall be responsible for the incorporation, management and legal representation of the Fund.

c) Legislation under which it operates and country of incorporation.

The Fund shall 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; (iii) Royal Decree 878/2015; (iv) Royal Decree 1310/2005; (v) Order EHA/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, relating to the application of Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in the prospectus, as well as the format, inclusion by reference, the publication of such prospectus and the dissemination of advertisements, as amended under 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 securitisation funds are contained in (i) Article 7.1.h) of Law 27/2014 of 27 November on Corporate Income Tax ("**Law 27/2014**"); (ii) Article 61 k) of the Corporate Income Tax Regulation, as enacted by Royal Decree 634/2015 of 10 July ("**Royal Decree 634/2015**"); (iii) Article 20.One.18 of Law 37/1992 of 28 December on Value Added Tax ("**Law 37/1992**"); and (iv) Article 45.I.B) of the Restated Text of the Transfer Tax and Stamp Duty Act approved by Royal Legislative Decree 1/1993 of 24 September ("**Transfer Tax and Stamp Duty Law**"). In sum, these legal provisions define the following fundamental principles:

- (i) The Fund is exempt from the concept of "Capital Duty" (Article 45.I.B.20.4 of the Transfer Tax and Stamp Duty Law).
- (ii) The Fund is subject to the general provisions of Law 27/2014. Taxable income is calculated in accordance with the provisions of Section IV of Law 27/2014. The general rate in force is 25%.

In this regard, Rule 13 of Circular 2/2016 of 20 April 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 states that the CIT 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.

Royal Decree 683/2017, of June 30, modified Article 9 of the CIT Regulations and introduced a transitional regime for the impairment of debt instruments of securitisation funds. In this regard, provided that the original text of Circular 2/2016 of the CNMV is maintained, the deductibility of the impairments corresponding to them shall be determined by applying the criteria established under Article 9 of the CIT Regulations in their current version as of December 31, 2015.

Pursuant to Article 16.6.a) of Law 27/2014, the limitation on the tax deductibility of financial expenses shall not apply to the Fund.

- (iii) The returns on Loans or other credit rights that constitute income of the Fund shall not be subject to any withholding tax according to Article 61.k) of the CIT Regulations.
- (iv) The management services rendered by the Management Company of the Fund shall be exempt from Value Added Tax according to Article 20.One.18^o.n) of the Law 37/1992.
- (v) Depending on whether the investor is a corporation for the purposes of Value Added Tax, the issuance, subscription, transfer, redemption and repayment of

the Notes, will either be “not subject to” or “exempt from,” as applicable, Value Added Tax (Article 20.1.18º.k) of Law 37/1992) and Transfer Tax and Stamp Duty (Article 45.I.B.15 of the Transfer Tax and Stamp Duty Law).

- (vi) The transfer of the Assets to the Fund is a transaction subject to and exempt from Value Added Tax (Article 20.One.18º.e) of Law 37/1992) provided that the assets transferred are credits or loans;
- (vii) The issuance, transmission, reimbursement and cancelation of Mortgage Transfer Certificates (“*Certificados de Transmisión de Hipoteca*”) is exempt from Transfer Tax and Stamp Duty Tax according to Article 45.I.C.5º of the Transfer Tax and Stamp Duty Law.
- (viii) The Fund will be subject to the reporting obligations set forth in the First Additional Provision of Law 10/2014, of 26 June, on regulation, supervision and solvency of credit institutions. The Fund must comply with general reporting obligations, as well as 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. DESCRIPTION OF THE COMPANY: FONDO DE TITULIZACIÓN.

5.1 Brief description of the Issuer’s principal activities.

The Issuer is a securitisation fund and, as such, its main activity consists of (i) acquiring from BANCO SABADELL the credit rights (the “**Assets**”) deriving from loans granted to small and medium sized non-financial businesses or self-employed individuals (The “**SME Loans**”) and (ii) the issuance of Notes.

The earnings from interest and repayments of the Loans received by the Fund are allocated quarterly, on each Payment Date, to the payment of interest and repayment of the principal of the Notes in accordance with the Priority of Payments set forth in section 3.4.6 b) 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 Assets 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 General description of the parties to the securitisation.

- a) **INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.** is the Management Company (*sociedad gestora*) that will incorporate, manage and legally represent the Fund. The Management Company has also participated in the design of the financial terms of the Fund and the Notes. In addition, pursuant to Article 26.1 b) of Law 5/2015, the Management Company shall act as master servicer of the non-mortgage SME Loans (in such condition, the "**Master Servicer**") in accordance with section 3.7.1 of the Additional Building Block.

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 3.7.2 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.

- b) **BANCO DE SABADELL, S.A.** participates as Assignor of the Assets deriving from the SME Loans (including the role as issuer of the MTCs in respect of the assignment of the Assets deriving from SME Mortgage Loans), subscriber of the Notes, Paying Agent, counterparty to the Financial Agency Agreement (Treasury Account), depository of the Multiple Title, counterparty of the Fund in the Subordinated Loan for Initial Expenses Agreement and in Subordinated Loan for the Reserve Fund Agreement and Director and Subscriber of the Notes. Additionally the Management Company has contracted BANCO SABADELL (in such condition, the "**Servicer**") the administration and management of the Fund's Assets as described in section 3.7.1. of the Additional Building Block.

BANCO DE SABADELL, S.A. is a Spanish financial credit institution, with address at Avda. Óscar Esplá 37, 03007 Alicante and holder of Spanish TIN A-08000143. Section 3.5 of the Additional Building Block contains a brief description of this credit institution.

BANCO DE SABADELL, S.A. is registered in the Commercial Register of Alicante at Volume 4.070, Sheet 0, Page 1-A-156980, Entry 580 and registered in the Registry of Financial Credit Institutions of the Bank of Spain with number 0081.

The ratings of the unsubordinated and unsecured short- and long-term debt of BANCO DE SABADELL, S.A., as assigned by the rating agencies, are the following:

| RATINGS | | | |
|------------|----------------------|------------|------------|
| | MOODY'S | S&P | DBRS |
| Long Term | Baa3 | BBB- | BBB (high) |
| Short Term | P-2 (Deposit rating) | A-3 | R-1 (low) |
| Outlook | Positivo | Positivo | Estable |
| Confirmed | 23/11/2017 | 27/06/2017 | 19/07/2017 |

- c) **DBRS RATINGS LIMITED** (“**DBRS**”) participates as a credit rating agency rating the Notes.

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

- d) **MOODY'S INVESTORS SERVICE ESPAÑA, S.A** (“**Moody's**”) participates as a credit rating agency rating the Notes.

Moody's is a credit rating agency with a registered office at Príncipe de Vergara 131, 28002 Madrid, Spain and with Tax Identification Number ES A80448475.

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 European Community Regulation no 1060/2009 of the European Parliament and of the Council of 16 September 2009, regarding Credit Rating Agencies.

- e) **J & A GARRIGUES S.L.P.** (“**GARRIGUES**”) participates as legal counsel in respect of the transaction structure and has revised the tax system of the Fund established in section 4.5.d) of the Registration Document.

GARRIGUES is a limited liability company incorporated in Spain that provides legal and tax advisor services, with Tax Identification Code B-81709081, and with business address at calle Hermosilla 3, 28001 Madrid. It is registered in the Commercial Register of Madrid in Volume 17.456, Sheet 132, 8th Section, Page M-190538.

- f) **ERNST & YOUNG, S.L.** has been appointed as Auditor of the Fund. It also acts as the accounts auditor of the Management Company. Likewise, it will issue an audit report on the Preliminary Portfolio (“**Audit Report on the Preliminary Portfolio**”) from which the Loans to be assigned to the Fund will be extracted.

Ernst & Young, S.L. is an audit firm with a registered office in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, holder of Tax Identification Code Number A-78970506, and registered with the Official Registry of Certified Public Accountants (*Registro Oficial de Auditores de Cuentas; R.O.A.C.*) under number S0530 and registered with the Commercial Register of Madrid, in Volume 19.073, Sheet 156, Section 8, Page 23.123.

There is no knowledge of any direct or indirect ownership relationship or control relationship as concerns the legal persons participating in the securitisation.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGEMENT COMPANY

6.1 Corporate bodies of the Management Company.

In accordance with Articles 25 and 26 of the Law 5/2015, the securitisation fund management companies are entrusted with the incorporation, management and legal representation of the securitisation 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 other unsecured creditors 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 SABADELL PYME 11, FONDO DE TITULIZACIÓN.

a) Name and registered office.

- Registered name: INTERMONEY TITULIZACIÓN, SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, S.A.
- Registered office: Príncipe de Vergara 131, 28002 Madrid.
- Tax Identification Code: A83774885

6.2 Incorporation and registration with the Commercial Register.

InterMoney Titulización, S.G.F.T., S.A. was incorporated through a public deed executed on 16th October 2003, before the Notary of Madrid Mr. Antonio Huerta Trolez, and recorded in his notarial book of records under number 2572, with the prior authorisation of the Ministry of Economy and Treasury on 6 October 2003. 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 in the Special Registry of the CNMV with number 10.

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

6.3 Annual Report

The annual accounts of INTERMONEY TITULIZACIÓN for the years ended 31 December 2014, 31 December 2015 and 31 December 2016 have been audited by PriceWaterhouse Coopers SL, with address in Madrid, inscribed in the ROAC (Official Register of Auditors) with the number S0242.

The annual reports for the years 2014, 2015 and 2016 do not present qualifications.

6.4 Corporate purpose

As required by Article 25 of the Law 5/2015, 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 defence of the interests of the holders of the securities issued based on the Funds it administers and the other unsecured creditor.

6.5 Description of the Management Company's principal activities.

The total assets managed by the Management Company as of 30 November 2017 are as follows:

| SECURITIZATION FUND | Date of Incorporation | Initial Balance of the Bonds (euros) |
|----------------------------------------------------------|-----------------------|-----------------------------------------|
| Hipotecaria (FTH) | | 2.000.000.000,00 |
| IM Pastor 3, FTH | 09/06/2005 | 1.000.000.000,00 |
| IM Pastor 2, FTH | 23/06/2004 | 1.000.000.000,00 |
| Activos (FTA and FT) | | 106.018.233.206,87 |
| 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 1, 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 MI | 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 |
| TOTAL | | 108.018.233.206,87 |

6.6 Share capital.

The share capital of the Management Company at the time of registering this Prospectus is EUR 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 share capital of the Management Company, as at 31 December 2014, 31 December 2015 and 31 December 2016 extracted from its audited financial statements is the following:

| EQUITY (thousands of Euros) | 31/12/2016 | 31/12/2015 | 31/12/2014 |
|-------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Share Capital | 1,705 | 1,000 | 1,000 |
| Other Own Funds Items | 1,666 | 0 | 0 |
| Legal Reserve | 200 | 200 | 200 |
| Voluntary Reserve | 1,443 | 1,274 | 1,176 |
| Reserves adapted to NPGC (New General Plan for Accounting, in the Spanish original) | 0 | 0 | 0 |
| Undistributed Results | 81 | 169,39 | 98 |
| TOTAL | 5,095 | 2,643 | 2,474 |

6.7. Shareholding in other companies

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

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

Board of Directors

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

Mr. José Antonio Trujillo del Valle (Chairman)

Mr. Rafael Bunzl Csonka

Mrs. Carmen Barrenechea Fernández

Mr. Iñigo Trincado Boville

Mr. Manuel González Escudero

Mrs. Miriam Blanco Caso. Non-Director Secretary

CEO and Managing Director

Mr. José Antonio Trujillo del Valle

Main activities of the persons referred to in paragraph 6.6 above which are performed outside of the Management Company if such activities are significant in relation to the Fund

| NAME | Positions in other companies |
|------------------------|---------------------------------------------------------------------------------|
| Iñigo Trincado Boville | Chief Executive Officer of Corretaje e Información Monetaria y de Divisas, S.A. |
| Rafael Bunzl Csonka | Managing Director of Corretaje e Información Monetaria y de Divisas, S.A. |

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

6.9. 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.

6.10. Significant litigation or disputes.

On 18th September 2017, Intermoney Titulización, SGFT, SA, was notified by the court of first instance number 82 of Madrid regarding a legal claim submitted by Finalter, SL, against it and Progreso y Gestión Servicios Financieros, SL, for an amount equal to 38.8 million euros, derived from allegedly false invoices acquired by Finalter, SL to the company Publiolimpia, SL, and subsequently transferred to IM AURIGA PYMES EUR 1, FTA, of which Intermoney Titulización, SGFT, SA, is the management company and Finalter, SL, its sole assignor and Progreso y Gestión Servicios Financieros, SL, the servicer of the assets assigned to the Fund.

Such legal claim is based on a presumed breach of the obligations of the management company and the servicer of the assets assigned to IM AURIGA PYMES EUR 1, FTA in relation to pretended obligations for the verification of the veracity of the representations with regards to the existence and ownership of the invoices cited.

As of 10 October 2017, within the legal period stated, the Management Company has replied to the abovementioned claim.

Intermoney Titulización, SGFT, SA, has a legal report that evaluates the contingency as remote. On the date of verification of this Prospectus, the Management Company is awaiting for another additional legal report and the opinion of the company's auditor.

7. MAJOR SHAREHOLDERS OF THE MANAGEMENT COMPANY

a) The ownership of the shares of the Management Company is distributed as follows:

| SHAREHOLDERS | % Share capital | No. shares |
|-------------------------------------------------------------|-----------------|------------|
| <i>Corretaje e Información Monetaria y de Divisas, S.A.</i> | 70% | 70,000 |
| Directors and Employees of the Company | 30% | 30,000 |

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 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.”.

In accordance with Article 29.1.j) of the Law 5/2015, the Management Company adheres to the Internal Code of Conduct of Corretaje e Información Monetaria y de Divisas, S.A that affects 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 AND LOSSES

8.1. Declaration regarding the initiation of trading and financial statements of the Issuer prior to the date of the Registration Document.

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 financial statements been made regarding such operations.

8.2. 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.

8.3. Legal and arbitration proceedings.

Not applicable.

8.4. 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:

- a) The Deed of Incorporation of the Fund.
- b) The certification of the resolutions adopted by the Board of Directors of the Management Company, at its meeting held on 13 November 2017, by virtue of which it was agreed, among other things: the incorporation of the Fund, the acquisition by the Fund of the Assets assigned by BANCO SABADELL, the issue of the Notes against the Fund and the appointment of the Auditors of the Fund.
- c) This Prospectus.
- d) Audit Report on the Preliminary Portfolio, from which the Assets to be assigned to the Fund will be extracted, prepared by the Auditors.
- e) Annual and quarterly information required under Article 35 of Law 5/2015.
- f) Letters disclosing provisional ratings and letters disclosing final ratings by DBRS and Moody's.
- g) The current Bylaws and deed of incorporation of the Management Company.
- h) The contracts to be signed by the Management Company in the name and on behalf of the Fund, inter alia, the Direction and Subscription Agreement, the Financial Agency Agreement, the Subordinated Loan for Initial Expenses Agreement and the Subordinated Loan for the Reserve Fund Agreement.

These documents will be available at the registered office of the Management Company, at Calle Príncipe de Vergara, 131, planta 3ª, 28002, Madrid (Spain).

In addition, a copy of all documents mentioned above other than those set forth in f), g) and h) may be inspected at the CNMV at Calle Edison 4, Madrid, and at Paseo de Gracia 19, 4ª planta, Barcelona.

A copy of the Prospectus will be available to the public on the websites of the CNMV (www.cnmv.es) and AIAF (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 (www.cnmv.es) and on the website of the

Management Company (www.imtitulizacion.com).The Deed of Incorporation will be available to the public for physical examination at IBERCLEAR.

Furthermore, this Prospectus, the Deed of Incorporation and the annual and quarterly reports referred to above may be consulted on the website of the Management Company (www.imtitulizacion.com).

SECURITIES NOTE (ANNEX XIII OF THE CE 809/2004 REGULATIONS)

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, in the name and on behalf of INTERMONEY TITULIZACIÓN, S.G.F.T., S.A., Management Company of IM SABADELL PYME 11, FONDO DE TITULIZACIÓN assumes the responsibility for the content of this Securities Note, including its Additional Building Block.

Mr. José Antonio Trujillo del Valle acts in his capacity of Chairman of the Board of Directors of the Management Company and exercises the powers that were expressly conferred to him for the incorporation of the Fund by the Board of Directors of the Management Company at its meeting held on 13 November 2017.

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

Mr José Antonio Trujillo del Valle, on behalf of the Management Company, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note and its Additional Building Block is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its performance.

2. RISK FACTORS

The specific risk factors regarding the Assets backing the issue and regarding the securities are those described respectively in sections 1 and 2 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 persons taking part in the offer are as listed below:

- **INTERMONEY TITULIZACIÓN, S.G.F.T., S.A.** is the Management Company ("*sociedad gestora*") that will incorporate, manage and legally represent the Fund. The Management Company has also participated in the design of the financial terms of the Fund and the Notes. In addition, pursuant to Article 26.1 b) of Law 5/2015, the Management Company shall act as Master Servicer of the Assets in accordance with section 3.7.1 of the Additional Building Block.

- **BANCO DE SABADELL, S.A.** intervenes as Assignor of the Assets deriving from the SME Loans (including the role as issuer of the MTCs in respect of the assignment of the Assets deriving from SME Mortgage Loans), subscriber of the Notes, counterparty to the Financial Agency Agreement, depositary of the Multiple Title, counterparty of the Fund in the Subordinated Loan for Initial Expenses Agreement and in the Subordinated Loan for the Reserve Fund Agreement and Director and Subscriber of the Notes. Additionally the Management Company has contracted BANCO SABADELL (in such condition, the "**Servicer**") the administration and management of the Fund's Assets as described in section 3.7.1. of the Additional Building Block.
- **DBRS and Moody's** participate as the Rating Agencies.
- **J & A GARRIGUES S.L.P.** intervenes as legal counsel on the structure of the transaction and has reviewed the tax rules applicable to the Fund as described in section 4.5.d) of the Registration Document.
- **ERNST & YOUNG** intervenes as the auditor of the Preliminary Portfolio. ERNST & YOUNG is also acting as auditor of the Fund.

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 designing or advising on the incorporation of the Fund, as well as other intervening parties, including the Management Company and the Assignor of the Assets.

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 ONE THOUSAND NINE HUNDRED MILLION EUROS (€1,900,000,000), represented by NINETEEN THOUSAND (19,000) Notes each with a face value of ONE HUNDRED THOUSAND EUROS (€100,000), distributed in TWO (2) classes of Notes (Class A and Class B):

- Class A: FIFTEEN THOUSAND SIX HUNDRED AND SEVENTY FIVE (15,675) Notes, with a principal value each of 100,000 Euros each.
- Class B: THREE THOUSAND THREE HUNDRED AND TWENTY FIVE (3,325) Notes, with a principal value each of 100,000 Euros each.

The National Agency of Codification has assigned the following ISIN codes to the Notes:

- Class A: ISIN ES0305309009
- Class B: ISIN ES0305309017

b) Subscription of the Notes

BANCO SABADELL will subscribe 100% of the Notes and will not perceive any fee as Subscriber. The price of subscription of the Notes is 100%.

4.2 Description of type and class of securities.

The Notes will have the legal nature of negotiable fixed-income securities with an explicit yield, and are subject to the rules established in Royal Decree-Law 4/2015 and the Regulations in implementation thereof, and are issued pursuant to Law 5/2015. The Notes are redeemable through early redemption or at final maturity.

4.3 Legislation under which the securities have been created.

The Notes are issued in accordance with the laws of Spain and, in particular, according to legal rules set forth in (i) Law 5/2015 and implementing provisions; (ii) the Restated Text of the Securities Market Act approved by Royal Decree-Law 4/2015; (iii) Royal Decree 1310/2005 (iv) Royal Decree 878/2015 as modified by Royal Decree 827/2017; (v) Order 3537/2005 of the Ministry of the Economy and Finance of 10 November 2005 and (vii) 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 set out in Regulation 809/2004 (as amended).

Any discrepancy or dispute relating to the Fund or the Notes issued against the Fund and arising during the operation or settlement of the Fund, whether between the Noteholders or between these and the Management Company, will be heard before the Courts of the city of Madrid, having the parties expressly waived any other forum to which they may be entitled.

4.4 Representation of the securities.

The Notes will be issued in book-entry form in accordance with the provisions of Law 5/2015. The Deed of Incorporation will give rise to the effects provided for in Article 7 of Royal Decree-Law 4/2015.

In accordance with the provisions of Royal Decree 878/2015, the denomination, number of units, nominal value and other characteristics and conditions of the Note Issue represented in book-entry form are those included in the Deed of Incorporation and this Prospectus.

In addition, the exercise of rights and obligations linked to such fixed-income securities will be governed by Article 44 of Royal Decree 878/2015.

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 registered office in Madrid, at 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 made 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 of the securities according to subordination rules

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 (2nd) (second) place in the application of Available Resources in the Priority of Payments set forth in section 3.4.6.b) of the Additional Building Block and the (3rd) (third) place in the application of the Available Resources for Liquidation in the Liquidation Priority of Payments established in section 3.4.6.c) of the Additional Building Block.

The payment of interest due by the Class B Notes occupies the (5th) (fifth) place in the application of Available Resources in the Priority of Payments set forth in section 3.4.6.b) of the Additional Building Block and the (5th) (fifth) place in the application of the Available Resources for Liquidation in the Liquidation Priority of Payments set forth in section 3.4.6.c) 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

The repayment of the Outstanding Principal Balance of the Class A Notes occupies the (3rd) (third) place in the application of Available Resources in the Priority of Payments set forth in section 3.4.6.b) of the Additional Building Block and the (4th) (fourth) place in the application of the Available Resources for Liquidation in the Liquidation Priority of Payments set forth in section 3.4.6.c) in the Additional Building Block.

The repayment of the Outstanding Principal Balance of the Class B Notes occupies the (6th) (sixth) place in the application of Available Resources in the Priority of Payments set forth in section 3.4.6.b) of the Additional Building Block and the (6th) (sixth) place in the application of the Available Resources for Liquidation in the Liquidation Priority of Payments set forth in section 3.4.6.c) in the Additional Building Block.

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

Pursuant to current legislation in force, the Notes detailed in this Securities Note will offer no future or present political rights to the investors acquiring them in relation to the Fund or its Management Company. This is consistent with the Fund's nature as a separate estate (*patrimonio separado*) without legal personality.

The investor's economic and financial rights associated with the acquisition and ownership of the Notes will be those derived from the interest rates, yields and redemption prices with which the Notes are issued and which are detailed in sections 4.8 and 4.9 below of this Securities Note.

The Noteholders will have no recourse against the Management Company unless it breaches its 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 prejudice of representations rights which may be granted by the Management Company to third parties).

The obligations of the Assignor and of the other entities in any way participating in the transaction are limited to those included in the corresponding agreements related to the IM SABADELL PYME 11, FONDO DE TITULIZACIÓN, with the most significant ones being described in this Prospectus and in the Deed of Incorporation.

Any issue, discrepancy or dispute regarding the Fund or Notes that may arise during its life or its liquidation, be it amongst the Noteholders or between the latter and the Management Company will be submitted to the courts and tribunals of the city of Madrid, with waiver of any other jurisdiction to which the parties may be entitled.

4.8 Nominal interest rate and provisions relating to interest payable.

The return on the Notes will be determined through a variable interest rate as provided below:

- a) The Notes will accrue nominal variable interest payable quarterly on each Payment Date, provided that the Fund has sufficient liquidity in the Treasury Account, in accordance with the Priority of Payments established in section 3.4.6 of the Additional Building Block. The interest payable to the Notes on each Payment Date will be calculated on the Outstanding Balance of the Notes on the precedent Payment Date.

Withholding, contributions or taxes now or hereafter applicable to the principal, interest or returns on the Notes shall be the sole responsibility of the Noteholders, and the amount thereof will be deducted by the Management Company, on behalf of the Fund, through the Paying Agent in the manner legally provided.

- b) 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.
- c) The nominal interest rate applicable to the Notes for each Interest Accrual Period will be determined by the Management Company, on behalf of the Fund, on the Rate Setting Date, which will be the second Business Day according to the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) schedule prior to each Payment Date, at 11 a.m. (Madrid time) on such day, and will apply to the next Interest Accrual Period.

The nominal interest rate of the Notes for the First Interest Accrual Period will be determined as established in section d) below, based on the Reference Interest Rate at 11 a.m. (Madrid time) on the second Business Day prior to the Disbursement Date.

The Noteholders will be notified of the nominal interest rates determined for the following Interest Accrual Periods on the dates and in the manner established in section 4 of the Additional Building Block using those channels that are generally accepted in the market and which guarantee the appropriate diffusion of information in time and content and specifically through the publication in the Daily Bulletin (*Boletín Diario*) of the AIAF and the website of the Management Company (www.imtitulizacion.com).

- d) The nominal interest rate determined for each Interest Accrual Period will be the higher of:
- (i) zero and
 - (ii) the sum of (a) the Reference Interest Rate, calculated as stipulated below, and (b) margin of 0.75% per annum to the Class A and margin of 0.90% per annum to the Class B.

All of the foregoing will be rounded off to the nearest one thousandth of one point.

- e) The Reference Interest Rate will be the following:

- (i) the rate offered in the Eurozone interbank market for three-month euro deposits which appear on the Reuters-EuriborØ1 page or (A) such other page as may replace the Reuters-EuriborØ1 page for similar service for the purpose of displaying such information or (B) if that service ceases to display similar information, such other page or such equivalent service that displays this information (or, if more than one, the one which is used by the Paying Agent) or may replace the Reuters-EuriborØ1 page (the “**Screen Rate**”) at or about 11.00 a.m. (Madrid time) on the Rate Setting Date.
- (ii) if the Screen Rate is unavailable at the time for euro deposits in respect of the relevant period, then the rate for any relevant period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded upwards) of the rates notified to the Paying Agent at its request by each of the Reference Banks as the rate at which euro deposits in respect of the relevant period in a representative amount are offered by the Reference Bank to leading banks in the Eurozone interbank market at or about 11.00 a.m. (Madrid time) on the Rate Setting Date.

“**Reference Banks**” means the three major banks in the Eurozone inter- bank market selected by the Paying Agent from time to time and, if any such bank is unable or unwilling to continue to act, such other bank as may be appointed by the Paying Agent on behalf of the Fund to act in its place.

- (iii) if, at the relevant time, the Screen Rate is unavailable and only two of the Reference Banks provide such quoted rate to the Paying Agent, the relevant rate determined on the basis of the quoted rate of other Reference Banks able to provide such quotations; or

- (iv) if, at the relevant time, the Screen Rate is unavailable and only one or none of the Reference Banks provides the Paying Agent with such a quoted rate, the rate in effect for the immediately preceding Interest Period to which paragraph (i) refers.

On the first Rate Setting Date, in the event that the Reference Interest Rate is not published in accordance with the provisions of paragraphs (i) to (iii), the rate applied will be the rate published on the last Business Day on which such Reference Interest Rate was published.

The Management Company will keep copies of the Screen Rate printouts sent by the Paying Agent or, if appropriate, the quote statements from the banks referred to in section (ii) above, as documents accrediting the EURIBOR rate determined.

On each of the Rate Setting Dates, the Paying Agent will notify the Management Company of the Reference Interest Rate that will serve as the basis for the calculation of the nominal interest rate applicable to the Notes.

- f) The nominal interest rate will accrue daily on the effective days elapsed in each Interest Accrual Period for which it has been determined, and will be calculated on the basis of a year of three hundred and sixty (360) days.
- g) The interest rate accrued for the Notes will be payable quarterly, on each Payment Date, i.e., on the 20 day of March, June, September and December each year until total redemption, provided that the Fund has sufficient liquidity in the Treasury Account in accordance with the Priority of Payments established for the Notes in section 3.4.6 of the Additional Building Block.

In the event that any of the dates established in the above paragraph is not a Business Day, the payment of the interest will be made on the Business Day immediately afterwards, and the interest corresponding to the Interest Accrual Period in progress will accrue up to (but not including) the aforementioned Business Day.

- h) The first payment of interest on the Notes will take place on 20 March 2018, and interest will accrue at the corresponding nominal interest rate from the Disbursement Date (inclusive) to 20 March 2018 (exclusive).
- i) The interest payable to each Class of Notes on each Payment Date for each Interest Accrual Period will be calculated in accordance with the following formula:

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

Where:

I = Interest payable on a specific Payment Date.

N = Outstanding Principal 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.

The Noteholders will be notified of the interest, through of channels that are generally accepted in the market and which guarantee the appropriate diffusion of information in time and content, specifically through the AIAF Bulletin and the web site of the Management Company (www.imtitulizacion.com), calculated as established above, and the amount of the interest accrued and unpaid as described in section 4 of the Additional Building Block, at least one (1) calendar day in advance of each Payment Date.

- j) The payment of the accrued interest will take place on each Payment Date, provided that the Fund has sufficient liquidity in the Treasury Account in accordance with the Priority of Payments provided for in section 3.4.6 of the Additional Building Block.

In the event that on a Payment Date, the Fund is totally or partially unable to pay the interest accrued on the Notes in accordance with the Priority of Payments provided for in section 3.4.6 of the Additional Building Block, the amounts that the Noteholders do not receive will be paid on the following Payment Date on which the Fund has sufficient liquidity to do so in accordance with the aforementioned Priority of Payments.

Amounts deferred will not accrue default interest.

4.8.1 Valid period during which interest may be claimed

The interest on the Notes will be paid until the full redemption of the Notes on each Payment Date provided that the Fund has sufficient Available Resources for such purpose in accordance with the Priority of Payments included in section 3.4.6 of the Additional Building Block.

Through its Management Company, the Fund cannot defer the payment of interest on the Notes beyond the Final Date or, if the Final Date does not fall on a Business Day, the following Business Day.

The withholding, rates and taxes now or hereafter applicable to the capital, interest or returns on these Notes will be paid exclusively by the Noteholders and the amounts will be deducted by the corresponding entity as legally provided.

4.8.2 Description of any episode of market distortion of underlying rate

Not applicable.

4.8.3 Rules for adjustment of underlying rates

Not applicable.

4.8.4 Calculation Agent

The calculation agent in respect of the Notes shall be the Management Company.

4.9 Redemption of the securities.

4.9.1 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 amortised in the same amount through the reduction of the face value of each one.

4.9.2 Date and forms of redemption

The final maturity of the Notes will take place on the date on which they are fully redeemed or on the Final Date of the Fund, 20 June 2057 or on the following Business Day, without prejudice to the Management Company redeeming the issue of Notes prior to the Final Date of the Fund in accordance with section 4.4.3 of the Registration Document.

The Notes will be redeemed by reduction of their face value on the 20 day of March, June, September and December of each year (or the following Business Day) until full redemption thereof in accordance with the ordinary redemption rules set forth below, unless there are not sufficient Available Resources in the Treasury Account.

4.9.3 Redemption of the Notes

Theoretical Amount, Amount Available for Amortisation

For each Payment Date, the “**Theoretical Amount**” shall be the positive difference on the Payment Date between (a) the Outstanding Principal Balance of the Notes, and (b) the sum of the Outstanding Balance of the Non-defaulted Assets that correspond to the last day of the month prior to the month of the Payment Date.

On each Payment Date, the Amount Available for Amortisation shall be the lesser of the following amounts:

- a) The Theoretical Amount, and
- b) The Available Resources on such Payment Date as described in section 3.4.6 of the Additional Building Block, minus the amounts corresponding to the concepts mentioned in sections (1) and (2) (inclusive) on the Priority of Payments described in section 3.4.6 of the Additional Building Block. Once the Class A Notes have been fully amortised, there will be the Available Resources after the payment of interest on Class B Notes in accordance with the Priority of Payments described in 3.4.6. of the Additional Building Block.

The Amount Available for Amortisation will be applied on each Payment Date to the redemption of the Class A Notes by means of partial redemptions as from the First Payment Date until the total face value is reached, distributed pro rata among each Class A Notes by means of reducing the face value of each Class A Note, and without prejudice to the Liquidation Priority of Payments described in section 3.4.6. c) of the Additional Building Block referring to the application of Available Resources for Liquidation.

Secondly, once Class A Notes have been fully amortised, the Amount Available for Amortisation will be applied on each subsequent Payment Date to the redemption of the Class B Notes by means of partial redemptions as from such Payment Date until the total face value is reached, distributed pro rata among each Class B Notes by means of reducing the face value of each Class B Note, and without prejudice to the Liquidation Priority of Payments described in section 3.4.6. c) of the Additional Building Block referring to the application of Available Resources for Liquidation.

Early redemption of all the Notes issued

Regardless of the obligation of the Fund, through the Management Company, to redeem the Notes on the Final Date of the Fund or make partial redemptions on each Payment Date as stated in the foregoing sections, the Management Company is authorised at any time to engage in an early liquidation of the Fund and along therewith the advanced redemption of all the Notes issued, upon the terms set forth in section 4.4.3 of the Registration Document, and to distribute the Available Resources for Liquidation in accordance with the Liquidation Priority of Payments contained in section 3.4.6 c) of the Additional Building Block.

Optional redemption of all the Notes issued

The Management Company shall carry out upon BANCO SABADELL request the Early Liquidation of the Fund:

- (i) when BANCO SABADELL requests it either on the 20 March 2022 or on any Payment Date from the 20 March 2022 onwards; or
- (ii) when the Outstanding Balance of the Assets, excluding the Defaulted Assets, is equal or lower than twenty percent (20%) of the Outstanding Balance of the Assets on the Date of Incorporation of the Fund,

provided, in both cases above, that the payment obligations deriving from the Notes may be completely fulfilled in full and cancelled upon the terms set forth in section 4.4.3 of the Registration Document, and to distribute the Available Resources for Liquidation in accordance with the Liquidation Priority of Payments contained in section 3.4.6 c) of the Additional Building Block.

In any case, it will be understood that the payment obligations deriving from the Notes on the date of Early Liquidation of the Fund are the Outstanding Balance of the Notes on that date plus any interest accrued and not paid until the said date; to all intents and purposes, these amounts will be legally considered to be due and payable on that date.

4.10 Indication of investor yield and calculation method

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

- (i) The schedule and system of redemption of each of the Loans established in the corresponding agreements.
- (ii) The ability of the Obligors to totally or partially redeem the Loans in advance and the speed with which this redemption takes place throughout the life of the Fund. Thus, the redemption of the Loans by the Obligors, subject to ongoing changes, and estimated in this Prospectus through the use of several assumptions regarding the behavior of the future CPR, which will directly influence the speed of the redemption of the Notes, and, therefore, the average life and duration of the Notes.
- (iii) The variable interest rates applicable to many of the Loans, which will cause the amount of the redemption in each instalment to vary.
- (iv) The default of the Obligors as regards payment of the Loan instalments.

The following charts have been prepared on the basis of the following hypothesis remaining constant during the term of the Fund and derived from the Preliminary Portfolio, as described below:

- (i) The interest rate of the Loans used to calculate the redemptions and interest on each of the selected Loans is the interest rate of each of the selected Loans on 21 November 2017 and remain constant during the term of the Fund. In case of loans with a bonus interest rate it is assumed that these bonuses remain constant and do not increase.
- (ii) The average interest rate of the portfolio on 21 November 2017 is 2.80%.
- (iii) The Loan repayment systems remains constant as the same applied on 21 November 2017.
- (iv) Asset default: Annual rate of 1.00% with 50% recovery a year later.
- (v) Delinquency rate: Annual rate of 8.21% with 50% recovery a year later.
- (vi) The Disbursement Date is 20 December 2017.
- (vii) The annual CPRs (0%, 3%, 5% and 7%) hold constant over the life of the Notes. Those rates are coherent with those observed by BANCO SABADELL from loans similar to those of the Preliminary Portfolio.
- (viii) Reference Interest Rate of the Notes: the calculation has been carried out applying a margin of 0.75% to the Class A Notes and 0.90% to the Class B Notes, at a Reference Interest Rate equal to -0.329% (three-month EURIBOR on 22 November 2017) as described in section 4.8 of the Securities Note). The Reference Interest Rate of the Notes is assumed constant throughout the life of the Fund, being the weighted average interest rate of the Notes equal to 0.447%
- (ix) It is assumed that the remuneration of the Treasury Account is equal to 0%.

- (x) There is not principal deficiency, that is all the Notes are fully paid.
- (xi) Is assumed that the Reserve Fund is fully funded and there are no withdraws at any time.

Items (iv), (v) and (vii) above, which are used in the tables below, come from the historical data provided by the Assignor concerning portfolios with similar characteristics to the credit rights granted by BANCO SABADELL to SME or self-employed individuals.

In preparing the tables included below, the grace periods for the principal of the Assets, if any, and the periodicity in the payment of the corresponding instalments have both been taken into account.

To calculate the cash flows of the Notes below, the mechanism of the Reserve Fund refers strictly to the Priority of Payments and the description of the corresponding instruments described in this Prospectus.

The average life of the Notes, IRR and Duration for different CPR, assuming the hypothesis described above, would be as follows:

| IM SABADELL PYME 11, FT | | | | | |
|-------------------------------------|----------------------|------------|------------|------------|------------|
| Scenario | | 0% CPR | 3% CPR | 5% CPR | 7% CPR |
| Class A | Average Life (years) | 2,04 | 1,90 | 1,81 | 1,74 |
| | IRR | 0,428% | 0,428% | 0,428% | 0,428% |
| | Duration (years) | 2,02 | 1,88 | 1,80 | 1,72 |
| Class B | Average Life (years) | 6,33 | 5,85 | 5,46 | 5,21 |
| | IRR | 0,580% | 0,580% | 0,580% | 0,580% |
| | Duration (years) | 6,18 | 5,72 | 5,34 | 5,11 |
| Fund's Net Accumulated Default | | 0,92% | 0,83% | 0,78% | 0,73% |
| Date of the Liquidation of the Fund | | 20/09/2024 | 20/03/2024 | 20/09/2023 | 20/06/2023 |

The Management Company expressly states that the charts for the debt service of the Notes described above are merely theoretical and for descriptive purposes, and do not represent any obligation to pay, taking into account that:

- The Outstanding Principal Balance of the Notes on each Payment Date and, therefore, the interest to be paid on each of them will depend on the prepayment and non-payment of and on the level of actual default on the Loans.
- It is assumed that the Management Company will exercise the option of Early Liquidation of the Fund as described in paragraph 4.4.3. (i) of the Registration Document and BANCO SABADELL will not exercise the Optional Redemption at 20% as described in paragraph 4.9.3. of the Securities Note.
- As has been indicated in 4.10 above, in order to produce the tables below constant CPR of (0%, 3%, 5% and 7%) rates have been assumed for the entire life of the Fund.

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER CPR= 0% (AMOUNTS IN EUR)

| Payment Date | Class A | | | Class B | | |
|--------------|---------------------|----------------|-------------------|---------------------|-----------------|-------------------|
| | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| 20/12/2017 | | | | | | |
| 20/03/2018 | 7.377,11 | 105,25 | 7.482,36 | 0,00 | 142,75 | 142,75 |
| 20/06/2018 | 8.317,54 | 99,65 | 8.417,19 | 0,00 | 145,92 | 145,92 |
| 20/09/2018 | 10.008,42 | 90,70 | 10.099,12 | 0,00 | 145,92 | 145,92 |
| 20/12/2018 | 7.007,03 | 79,07 | 7.086,10 | 0,00 | 144,34 | 144,34 |
| 20/03/2019 | 6.655,36 | 70,82 | 6.726,18 | 0,00 | 142,75 | 142,75 |
| 20/06/2019 | 5.951,57 | 65,24 | 6.016,81 | 0,00 | 145,92 | 145,92 |
| 20/09/2019 | 6.139,52 | 58,83 | 6.198,35 | 0,00 | 145,92 | 145,92 |
| 20/12/2019 | 5.519,38 | 51,66 | 5.571,04 | 0,00 | 144,34 | 144,34 |
| 20/03/2020 | 5.998,32 | 45,79 | 6.044,11 | 0,00 | 144,34 | 144,34 |
| 22/06/2020 | 4.873,74 | 40,70 | 4.914,44 | 0,00 | 149,09 | 149,09 |
| 21/09/2020 | 4.794,07 | 34,22 | 4.828,29 | 0,00 | 144,34 | 144,34 |
| 21/12/2020 | 4.179,67 | 29,11 | 4.208,78 | 0,00 | 144,34 | 144,34 |
| 22/03/2021 | 4.128,22 | 24,67 | 4.152,89 | 0,00 | 144,34 | 144,34 |
| 21/06/2021 | 3.734,60 | 20,27 | 3.754,87 | 0,00 | 144,34 | 144,34 |
| 20/09/2021 | 3.582,46 | 16,30 | 3.598,76 | 0,00 | 144,34 | 144,34 |
| 20/12/2021 | 3.252,68 | 12,49 | 3.265,17 | 0,00 | 144,34 | 144,34 |
| 21/03/2022 | 2.870,50 | 9,02 | 2.879,52 | 0,00 | 144,34 | 144,34 |
| 20/06/2022 | 2.643,28 | 5,97 | 2.649,25 | 0,00 | 144,34 | 144,34 |
| 20/09/2022 | 2.236,79 | 3,19 | 2.239,98 | 0,00 | 145,92 | 145,92 |
| 20/12/2022 | 729,74 | 0,78 | 730,52 | 5.009,53 | 144,34 | 5.153,87 |
| 20/03/2023 | 0,00 | 0,00 | 0,00 | 7.902,51 | 135,60 | 8.038,11 |
| 20/06/2023 | 0,00 | 0,00 | 0,00 | 7.159,06 | 127,08 | 7.286,14 |
| 20/09/2023 | 0,00 | 0,00 | 0,00 | 6.810,49 | 116,63 | 6.927,12 |
| 20/12/2023 | 0,00 | 0,00 | 0,00 | 5.959,72 | 105,54 | 6.065,26 |
| 20/03/2024 | 0,00 | 0,00 | 0,00 | 5.628,19 | 96,93 | 5.725,12 |
| 20/06/2024 | 0,00 | 0,00 | 0,00 | 4.668,62 | 89,79 | 4.758,41 |
| 20/09/2024 | 0,00 | 0,00 | 0,00 | 56.861,88 | 82,97 | 56.944,85 |
| Total | 100.000,00 | 863,73 | 100.863,73 | 100.000,00 | 3.650,81 | 103.650,81 |

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER CPR= 3% (AMOUNTS IN EUR)

| Payment Date | Class A | | | Class B | | |
|--------------|---------------------|----------------|------------|---------------------|----------------|------------|
| | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| 20/12/2017 | | | | | | |
| 20/03/2018 | 8.125,56 | 105,25 | 8.230,81 | 0,00 | 142,75 | 142,75 |
| 20/06/2018 | 9.057,67 | 98,85 | 9.156,52 | 0,00 | 145,92 | 145,92 |
| 20/09/2018 | 10.580,91 | 89,10 | 10.670,01 | 0,00 | 145,92 | 145,92 |
| 20/12/2018 | 7.511,86 | 76,87 | 7.588,73 | 0,00 | 144,34 | 144,34 |
| 20/03/2019 | 7.064,19 | 68,12 | 7.132,31 | 0,00 | 142,75 | 142,75 |
| 20/06/2019 | 6.288,78 | 62,04 | 6.350,82 | 0,00 | 145,92 | 145,92 |
| 20/09/2019 | 6.376,09 | 55,27 | 6.431,36 | 0,00 | 145,92 | 145,92 |
| 20/12/2019 | 5.699,34 | 47,88 | 5.747,22 | 0,00 | 144,34 | 144,34 |
| 20/03/2020 | 6.064,17 | 41,82 | 6.105,99 | 0,00 | 144,34 | 144,34 |
| 22/06/2020 | 4.932,37 | 36,53 | 4.968,90 | 0,00 | 149,09 | 149,09 |
| 21/09/2020 | 4.787,17 | 30,12 | 4.817,29 | 0,00 | 144,34 | 144,34 |
| 21/12/2020 | 4.155,98 | 25,02 | 4.181,00 | 0,00 | 144,34 | 144,34 |
| 22/03/2021 | 4.048,72 | 20,60 | 4.069,32 | 0,00 | 144,34 | 144,34 |
| 21/06/2021 | 3.635,37 | 16,29 | 3.651,66 | 0,00 | 144,34 | 144,34 |
| 20/09/2021 | 3.446,34 | 12,42 | 3.458,76 | 0,00 | 144,34 | 144,34 |
| 20/12/2021 | 3.103,63 | 8,75 | 3.112,38 | 0,00 | 144,34 | 144,34 |
| 21/03/2022 | 2.722,03 | 5,45 | 2.727,48 | 0,00 | 144,34 | 144,34 |
| 20/06/2022 | 2.399,82 | 2,55 | 2.402,37 | 396,11 | 144,34 | 540,45 |
| 20/09/2022 | 0,00 | 0,00 | 0,00 | 9.878,10 | 145,34 | 10.023,44 |
| 20/12/2022 | 0,00 | 0,00 | 0,00 | 7.932,74 | 129,51 | 8.062,25 |
| 20/03/2023 | 0,00 | 0,00 | 0,00 | 7.350,44 | 116,76 | 7.467,20 |
| 20/06/2023 | 0,00 | 0,00 | 0,00 | 6.613,95 | 108,63 | 6.722,58 |
| 20/09/2023 | 0,00 | 0,00 | 0,00 | 6.224,77 | 98,98 | 6.323,75 |
| 20/12/2023 | 0,00 | 0,00 | 0,00 | 5.424,67 | 88,92 | 5.513,59 |
| 20/03/2024 | 0,00 | 0,00 | 0,00 | 56.179,22 | 81,09 | 56.260,31 |
| Total | 100.000,00 | 802,93 | 100.802,93 | 100.000,00 | 3.375,24 | 103.375,24 |

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER CPR= 5% (AMOUNTS IN EUR)

| Payment Date | Class A | | | Class B | | |
|--------------|---------------------|----------------|------------|---------------------|----------------|------------|
| | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| 20/12/2017 | | | | | | |
| 20/03/2018 | 8.634,56 | 105,25 | 8.739,81 | 0,00 | 142,75 | 142,75 |
| 20/06/2018 | 9.554,65 | 98,30 | 9.652,95 | 0,00 | 145,92 | 145,92 |
| 20/09/2018 | 10.958,93 | 88,02 | 11.046,95 | 0,00 | 145,92 | 145,92 |
| 20/12/2018 | 7.839,87 | 75,40 | 7.915,27 | 0,00 | 144,34 | 144,34 |
| 20/03/2019 | 7.324,27 | 66,32 | 7.390,59 | 0,00 | 142,75 | 142,75 |
| 20/06/2019 | 6.498,30 | 59,91 | 6.558,21 | 0,00 | 145,92 | 145,92 |
| 20/09/2019 | 6.516,98 | 52,92 | 6.569,90 | 0,00 | 145,92 | 145,92 |
| 20/12/2019 | 5.801,50 | 45,41 | 5.846,91 | 0,00 | 144,34 | 144,34 |
| 20/03/2020 | 6.091,20 | 39,24 | 6.130,44 | 0,00 | 144,34 | 144,34 |
| 22/06/2020 | 4.954,31 | 33,84 | 4.988,15 | 0,00 | 149,09 | 149,09 |
| 21/09/2020 | 4.766,93 | 27,48 | 4.794,41 | 0,00 | 144,34 | 144,34 |
| 21/12/2020 | 4.125,26 | 22,41 | 4.147,67 | 0,00 | 144,34 | 144,34 |
| 22/03/2021 | 3.983,14 | 18,02 | 4.001,16 | 0,00 | 144,34 | 144,34 |
| 21/06/2021 | 3.558,19 | 13,78 | 3.571,97 | 0,00 | 144,34 | 144,34 |
| 20/09/2021 | 3.347,13 | 9,99 | 3.357,12 | 0,00 | 144,34 | 144,34 |
| 20/12/2021 | 2.997,60 | 6,43 | 3.004,03 | 0,00 | 144,34 | 144,34 |
| 21/03/2022 | 2.617,63 | 3,24 | 2.620,87 | 0,00 | 144,34 | 144,34 |
| 20/06/2022 | 429,55 | 0,46 | 430,01 | 9.166,82 | 144,34 | 9.311,16 |
| 20/09/2022 | 0,00 | 0,00 | 0,00 | 9.418,10 | 132,55 | 9.550,65 |
| 20/12/2022 | 0,00 | 0,00 | 0,00 | 7.568,35 | 117,51 | 7.685,86 |
| 20/03/2023 | 0,00 | 0,00 | 0,00 | 6.969,47 | 105,42 | 7.074,89 |
| 20/06/2023 | 0,00 | 0,00 | 0,00 | 6.241,69 | 97,59 | 6.339,28 |
| 20/09/2023 | 0,00 | 0,00 | 0,00 | 60.635,57 | 88,48 | 60.724,05 |
| Total | 100.000,00 | 766,42 | 100.766,42 | 100.000,00 | 3.147,56 | 103.147,56 |

FLows FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER CPR= 7% (AMOUNTS IN EUR)

| Payment Date | Class A | | | Class B | | |
|--------------|---------------------|----------------|-------------------|---------------------|-----------------|-------------------|
| | Principal Repayment | Gross Interest | Total Flow | Principal Repayment | Gross Interest | Total Flow |
| 20/12/2017 | | | | | | |
| 20/03/2018 | 9.151,94 | 105,25 | 9.257,19 | 0,00 | 142,75 | 142,75 |
| 20/06/2018 | 10.054,54 | 97,74 | 10.152,28 | 0,00 | 145,92 | 145,92 |
| 20/09/2018 | 11.333,88 | 86,92 | 11.420,80 | 0,00 | 145,92 | 145,92 |
| 20/12/2018 | 8.160,80 | 73,92 | 8.234,72 | 0,00 | 144,34 | 144,34 |
| 20/03/2019 | 7.574,21 | 64,52 | 7.638,73 | 0,00 | 142,75 | 142,75 |
| 20/06/2019 | 6.695,47 | 57,80 | 6.753,27 | 0,00 | 145,92 | 145,92 |
| 20/09/2019 | 6.644,43 | 50,60 | 6.695,03 | 0,00 | 145,92 | 145,92 |
| 20/12/2019 | 5.889,61 | 42,98 | 5.932,59 | 0,00 | 144,34 | 144,34 |
| 20/03/2020 | 6.105,10 | 36,71 | 6.141,81 | 0,00 | 144,34 | 144,34 |
| 22/06/2020 | 4.963,07 | 31,21 | 4.994,28 | 0,00 | 149,09 | 149,09 |
| 21/09/2020 | 4.734,86 | 24,93 | 4.759,79 | 0,00 | 144,34 | 144,34 |
| 21/12/2020 | 4.083,38 | 19,89 | 4.103,27 | 0,00 | 144,34 | 144,34 |
| 22/03/2021 | 3.908,41 | 15,55 | 3.923,96 | 0,00 | 144,34 | 144,34 |
| 21/06/2021 | 3.473,14 | 11,39 | 3.484,53 | 0,00 | 144,34 | 144,34 |
| 20/09/2021 | 3.242,12 | 7,69 | 3.249,81 | 0,00 | 144,34 | 144,34 |
| 20/12/2021 | 2.887,22 | 4,24 | 2.891,46 | 0,00 | 144,34 | 144,34 |
| 21/03/2022 | 1.097,82 | 1,17 | 1.098,99 | 6.656,90 | 144,34 | 6.801,24 |
| 20/06/2022 | 0,00 | 0,00 | 0,00 | 10.665,23 | 134,73 | 10.799,96 |
| 20/09/2022 | 0,00 | 0,00 | 0,00 | 8.950,16 | 120,65 | 9.070,81 |
| 20/12/2022 | 0,00 | 0,00 | 0,00 | 7.193,14 | 106,42 | 7.299,56 |
| 20/03/2023 | 0,00 | 0,00 | 0,00 | 6.582,74 | 94,98 | 6.677,72 |
| 20/06/2023 | 0,00 | 0,00 | 0,00 | 59.951,83 | 87,48 | 60.039,31 |
| Total | 100.000,00 | 732,51 | 100.732,51 | 100.000,00 | 3.005,93 | 103.005,93 |

4.11 Representation of the security holders.

The Management Company, in accordance with the provisions of Article 26 of Law 5/2015, shall act with utmost diligence and transparency in defense of the best interests of the Noteholders and financiers of the Fund. Consequently, the Management Company must subordinate its actions to safeguarding the interests of the holders of the Notes issued by the Fund.

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

(i) Corporate resolutions

Resolution to incorporate the Fund, acquire the Assets, subscribe the MTCs and issue the Notes:

The Board of Directors of the Management Company, at its meeting held on 13 November 2017, resolved to (i) incorporate the Fund, (ii) appoint Ernst & Young as Auditors, (iii) acquire the Assets deriving from the SME Loans and SME Mortgage Loans, the latter to be pooled in the Fund through the issue of MTCs and (iv) issue the Notes.

Resolution to assign the Assets:

The *Board of Directors* of BANCO SABADELL, at its meeting held on November 2017, approved the assignment to the Fund of the Assets owned by the Assignor and particularly the Assets deriving from SME Mortgage Loans through the issue of the MTCs.

(ii) Registration by the CNMV

The incorporation of the Fund is subject to the prerequisite of this Prospectus being registered at the Official Register of the CNMV, pursuant to the provisions of Article 22.1 d) of Law 5/2015.

This Prospectus has been registered by the CNMV in its Official Register on 14 December 2017.

(iii) Granting of the Deed of Incorporation of the Fund

Once the registration of this Prospectus has been carried out by the CNMV, the Management Company together with BANCO SABADELL, which acts as the Assignor of the Loans (including the role as issuer of the MTCs), will proceed to grant the Deed of Incorporation of the Fund.

The Management Company, declares 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 render null and void the contents of this Prospectus. The Deed of Incorporation will be executed on the Fund Incorporation Date.

It is expected that the execution of the Deed of Incorporation, and thus the Fund Incorporation Date, will be 15 December 2017.

A copy of the Deed of Incorporation will be sent to the CNMV for its registration in the Official Register.

4.13 Issue date.

The issue date of the Notes will be 15 December 2017.

4.13.1 Group of potential investors

The issuance of the Notes is directed towards qualified investors (as defined in Article 39 of Royal Decree 1310/2005). However, BANCO SABADELL will subscribe 100% of the Notes in order to make available liquid assets that can be used as guarantee of credit operations in the Euro System. As a consequence of this, the conditions of the Notes do not constitute a price estimation for these products in the secondary market or of the valuations that could possibly take place in the Euro System in order to use them as guarantee instruments in its loan operations within the banking system.

This note regarding the value of the Notes is made in order to inform third parties, specifically investors taking bonds as guarantees, like the European Central Bank for credit operations in the Euro System.

Once the Notes are listed at the AIAF Market, if the subscriber takes the decision to sell them, any investor may purchase the Notes.

By subscribing the Notes, each Noteholder accepts the terms of the Deed of Incorporation and this Prospectus.

4.13.2 Subscription Date

The Management Company will enter into a Direction and Subscription Agreement of the Notes by virtue of which BANCO SABADELL will undertake to subscribe all the Notes.

The Subscription Date will be the business day prior to the Disbursement Date.

4.13.3 Disbursement Date and form

The Disbursement Date will be 20 December 2017.

The disbursement of the amounts of the Notes will be paid by BANCO SABADELL.

On the Disbursement Date, the Subscriber will pay to the Fund through the Paying Agent the amount of the Notes into the Treasury Account, for value that same day.

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 the Law and AIAF standards. The ownership of each Note will be transferred by book-entry transfer. The registration of the transfer in favour 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.

In compliance with the provisions of Article 18 of the Law 5/2015, immediately after the Date of Incorporation and before the Disbursement Date, the Management Company will immediately request the admission of this issue of 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 norms 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 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 the admission of the Notes to trading, the Management Company undertakes to report a relevant fact ("*hecho relevante*") to 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 foreseen to enter into any agreement with an entity that will undertake to facilitate the liquidity of the Notes during the life of the Fund.

5.2 Paying Agent.

The Management Company, on behalf of the Fund, appoints BANCO SABADELL, which undertakes to be the Paying Agent in order to carry out certain financial services in relation to the Notes issued by the Fund with effects from the Fund Incorporation Date. The obligations assumed by BANCO SABADELL in its condition as Paying Agent include the following:

(i) Disbursement of issue

The Paying Agent will pay the Fund, before 10:00 (Madrid time) on the Disbursement Date and at the value on that same day, all amounts which are paid thereto by the

Noteholders in accordance with what is established in the Direction and Subscription Agreement, through a deposit in the Treasury Account of the Fund.

(ii) Notice of EURIBOR Reference Rate

At each of the Rate Setting Dates, the Paying Agent will notify the Management Company of the reference interest rate that will serve as a basis for the Management Company to calculate the nominal interest rate applicable to the Notes.

(iii) Payments from the Fund

On each Payment Date of the Notes, the Paying Agent will make the payment of interest, repayment of the principal of the Notes and others payment obligations of the Fund in accordance with the instructions received from the Management Company.

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

If there are no Available Resources in the Treasury Account on a Payment Date, the Paying Agent will not be required to make any payments.

The functions of the Paying Agent and the contract conditions are established under the Financial Agency Agreement. The Financial Agency Agreement shall be fully terminated in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes as final ratings before or during the Subscription Date or in the event that, prior to the Disbursement Date, an unforeseeable or inevitable event renders impossible the fulfilment of the Financial Agency Agreement in accordance with Article 1105 of the Civil Code.

In payment for services rendered through the Financial Agency Agreement, the Fund, will pay the Paying Agent an annual periodical fee (free of tax) payable on each Payment Date of 7,500 Euros, subject to the Fund's Priority of Payments applicable on each Payment Date, except on the first Payment Date in which the annual fee will be adjusted in relation to the number of days of the first Interest Accrual Period.

The Paying Agent may subcontract or delegate to third parties with acknowledged capacity, the functions regulated in the Financial Agency Agreement, when (i) legally possible, (ii) there is prior written consent from the Management Company on behalf of the Fund, (iii) the ratings assigned to the Notes are not downgraded, and (iv) the subcontractor or delegate has waived the right to claim any responsibility from the Fund. The Paying Agent may cancel such subcontracts or delegations under the same terms. Said subcontracting will not exonerate the Paying Agent from any responsibility derived from the actions of the subcontractor or delegated party and will remain the responsible entity vis-à-vis the Fund and Management Company.

In any event, this subcontracting or delegation will not incur in extra costs or expenses for the Fund or the Management Company. Neither one of them will assume any additional responsibility as a result of such subcontracting or delegation.

The substitution will not adversely affect the ratings assigned to the Notes by the Rating Agencies. Any subcontracting will be notified to the *CNMV* and must enjoy, if legally necessary, its previous approval.

The Paying Agent may terminate the Agreement, with at least a 2-month prior notification to the Management Company, in accordance with such Agreement, provided that (i) it is legally possible; (ii) the ratings assigned to the Notes are not downgraded and (iii), when necessary, the appropriate authorisations from the relevant authorities have been issued.

The Management Company will be entitled to replace the Paying Agent –in all or some of its functions covered in the Financial Agency Agreement- provided (i) it is legally possible, (ii) the ratings assigned to the Notes are not downgraded and (iii), when necessary, the appropriate authorisations from the relevant authorities have been issued. The replacement will be notified to the *CNMV* and to the Rating Agencies.

All costs derived from the replacement process will be supported by the Fund, except for those cases where is the Paying Agent who decides to terminate it.

Neither the resignation of the Paying Agent nor his substitution by the Management Company as Paying Agent will have any effect until the appointment of a substitute Paying Agent is effective.

DBRS Criteria

On behalf of the Fund the Management Company shall apply the provisions of the Legal Criteria for European Structured Finance Transactions document published by DBRS in September 2017. The Paying Agent must have a long-term risk rating on the DBRS scale of no less than BBB, according to the DBRS Minimum Rating Required.

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 of 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 deriving from the duties set forth in the Financial Agency Agreement and to ensure that the rating awarded to the Notes by DBRS is not downgraded:

- i. obtain similar guarantees or commitments from a credit entity or entities with a DBRS Minimum Rating Required no lower than BBB for long-term debt, so as to guarantee the undertakings assumed by the Paying Agent. In such case, all expenses will be met by the Paying Agent.
- ii. replace the Paying Agent with an entity with a DBRS Minimum Rating Required of no lower than

BBB for long- term debt, in order for the new entity to assume, under the same conditions, the functions of the affected Paying Agent as established in its respective agreement. In such case, all expenses will be considered Extraordinary Expenses of the Issuer.

6. EXPENSES OF THE ADMISSION TO LISTING AND TRADING

The fees for the registration of this Prospectus with the CNMV and incorporating the Fund, that are included in the table below will be paid as Initial Expenses out of the proceeds of the Subordinated Loan for Initial Expenses:

| ISSUE EXPENSES | EUROS |
|--------------------------------------------------------------------------------------------|-------------------|
| CNMV Registration Fees | 60.600,00 |
| AIAF | 66.550,00 |
| IBERCLEAR | 3.630,00 |
| Rating Agencies | 428.340,00 |
| Notary fees, legal advice, audit, initial commission of the Management Company and others. | 340.880,00 |
| TOTAL EXPENSES | 900.000,00 |

7. ADDITIONAL INFORMATION

7.1 Persons and entities advising the issue.

J&A GARRIGUES S.L.P. intervenes as legal counsel with respect to the structure of the transaction and has reviewed the tax rules applicable to the Fund set forth in section 4.5.d) of the Registration Document, in its capacity as an independent third party.

7.2 Information in the Securities Note reviewed by auditors.

Not applicable.

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

Ernst & Young –the name, address and registration data of which are specified in section 5.2 of the Registration Document– has prepared an audit report on the main attributes of the Assets that is included in section 2.2 of the Additional Building Block, as of the date ... 2017.

7.4 Information sourced from third parties.

The Management Company confirms that the information provided by BANCO SABADELL in its capacity as Assignor has been accurately reproduced in sections 2.2.2, 2.2.6, 2.2.7 and 2.2.8 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 BANCO SABADELL, no facts have been omitted that might result in the information reproduced being inaccurate or misleading.

7.5 Ratings given by rating agencies

On 11 December 2017, the Notes included in this Securities Note were given the following provisional ratings by the Rating Agencies, which are DBRS and Moody's, respectively:

| Notes | DBRS | Moody's |
|---------|----------------|-----------|
| Class A | A (high) (sf) | Aa3 (sf) |
| Class B | CCC (low) (sf) | Caa3 (sf) |

A failure by the Rating Agencies to confirm any of the provisional ratings before or during the Subscription Date will be immediately reported to the CNMV and made public as provided for in section 4 of the Additional Building Block. This circumstance shall entail the termination of the incorporation of the Fund, the Notes issue and all agreements except for the Subordinated Loan for Initial Expenses Agreement.

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.

The meaning of the ratings assigned by the Credit Rating Agencies can be found in their respective web sites (www.moodys.com and www.dbrs.com).

ADDITIONAL BUILDING BLOCK TO THE SECURITIES NOTE (ANNEX VIII OF COMMISSION 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 Assets that BANCO SABADELL will assign to the Fund on the Date of Incorporation, the principal amount of which will be equal to or slightly lower than ONE THOUSAND NINE HUNDRED MILLION EUROS (€1,900,000,000), which amount represents the nominal value of the issue of the Class A and Class B Notes.

The Management Company estimates, based on the information provided by BANCO SABADELL as regards the amortization rate and the default of the Loans, that the outstanding balance of the Preliminary Portfolio as at the date of registration of this Prospectus is sufficient to incorporate the Fund with the initial assets specified in the previous paragraph.

1.2 Confirmation that the information relating to an undertaking/obligor not involved in the issue has been reproduced

Not applicable.

2. THE UNDERLYING ASSETS

2.1 Confirmation that the Assets 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 any other amounts to be generated by the Assets according to the contractual terms and conditions of the Assets shall permit the payment of all the amounts due and payable in relation to the Notes of all Classes in accordance with the relevant Priority of Payments that are issued to be paid in accordance with the contractual nature thereof.

However, in order to cover for possible payment defaults by the Obligors and thus enhance its financial structure and procure the largest possible coverage for the risks inherent to the Notes Series, the Management Company, on behalf of the Fund, will put in place a number of enhancement transactions as set out in sections 3.4.2. and 3.4.3. of this Additional Building Block. Such enhancements, however, may prove to be in exceptional circumstances insufficient.

2.2 Assets backing the issue

The Fund will pool in its assets-side the credit rights (the “**Assets**”) deriving from the loans provided by BANCO SABADELL to small and medium sized non-financial businesses and self-employed individuals registered in Spain, in order to finance their business activities (the “**Loans**”). The definition of the small and medium sized business has been made in accordance with the Technical Application No.9 / 2016 of Bank of Spain (entities that, regardless of their legal form, perform an economic activity whose annual turnover or, if the entity is part of a consolidated group, the consolidated group is less than 50 million euros). As detailed in section 2.2.2 of the Additional Building Block, a 72.92% of the Preliminary Portfolio are small and medium sized companies according to the above mentioned definition.

The assignment of the Assets deriving from SME Mortgage Loans will be implemented by means of the issue by the Assignor and the subscription/acquisition by the Fund of Loans and the “**Mortgage Transfer Certificates**” or “**MTCs**” as the SME Mortgage Loans do not meet the requirements set forth in Law 2/1981 and Chapter II of Royal Decree 716/2009. This information is consistent with the content set out in Annex I of Royal Decree 716/2009 regarding the special accounting register of mortgage loans and credits. The assignment of the Assets deriving from SME Loans without mortgage guarantee will be implemented directly.

Both SME Mortgage Loans and non-mortgage SME Loans may have other guarantees different from the personal guarantee and the mortgage guarantee that characterizes the SME Mortgage Loan. These additional guarantees can be both personal guarantee provided by a third-party guarantors or in-rem guarantee; this Prospectus does not collect any information regarding the aforementioned additional guarantees and have not been taken into account for the purposes of this transaction.

Audit of Assets deriving from Loans subject to securitisation through the fund.

In order to comply with the provisions of Article 22 of Law 5/2015, the Preliminary Portfolio was the subject of a report prepared by the Auditor of the Fund, which dealt with a number of qualitative and quantitative items (attributes) of a sample of this Preliminary Portfolio.

The attributes dealt with in the Audit Report on the Preliminary Portfolio 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;
- Date of maturity of the Loans;
- Initial amount of the Loans;
- Current amount 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 given to developers ("*promotores inmobiliarios*");
- Financial leasing;
- Syndicated operations;
- Type of guarantee;

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

- Mortgage Loan;
- Address of the property mortgaged and/or property registration;
- Valuation;
- Loan to Value (LTV);
- Finished dwelling;

Those loans of the Preliminary Portfolio that during the verification of the sample do not fulfil the above mentioned attributes will not be assigned to the Fund.

2.2.1 Legal jurisdiction governing the Asset pool

The assets securitised are governed by Spanish law.

2.2.2 General characteristics of the Obligors

The following tables show the relevant distributions of the Loans that are included in the Preliminary Portfolio, dated 21 November 2017.

1. Distribution by Outstanding Balance

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Outstanding Principal Balance Not Due

| Outstanding Principal Balance Not Due (€) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 1.000 - 2.000 | 5 | 8.594,36 | 0,00% | 23 | 36 | 5,57 | |
| 2.000 - 3.000 | 1.000 | 2.498.822,51 | 0,10% | 21 | 41 | 6,87 | 4,52 |
| 3.000 - 4.000 | 1.034 | 3.627.746,72 | 0,14% | 25 | 45 | 6,68 | 4,90 |
| 4.000 - 5.000 | 1.226 | 5.528.096,77 | 0,22% | 29 | 48 | 6,64 | 4,36 |
| 5.000 - 6.000 | 1.170 | 6.448.263,13 | 0,25% | 33 | 51 | 6,41 | 3,55 |
| 6.000 - 7.000 | 1.145 | 7.451.052,03 | 0,29% | 34 | 54 | 6,38 | 3,47 |
| 7.000 - 8.000 | 1.150 | 8.620.043,38 | 0,34% | 36 | 54 | 6,30 | 3,84 |
| 8.000 - 9.000 | 1.229 | 10.460.632,20 | 0,41% | 38 | 55 | 6,09 | 3,21 |
| 9.000 - 10.000 | 1.117 | 10.589.200,34 | 0,41% | 42 | 58 | 6,10 | 2,52 |
| 10.000 - 12.000 | 1.998 | 21.903.386,47 | 0,85% | 40 | 58 | 5,97 | 3,64 |
| 12.000 - 14.000 | 1.913 | 24.861.007,96 | 0,97% | 42 | 58 | 5,76 | 3,90 |
| 14.000 - 16.000 | 1.664 | 24.848.696,93 | 0,97% | 45 | 59 | 5,65 | 3,70 |
| 16.000 - 18.000 | 1.402 | 23.828.326,61 | 0,93% | 47 | 62 | 5,71 | 3,35 |
| 18.000 - 20.000 | 1.267 | 23.964.744,83 | 0,93% | 50 | 62 | 5,70 | 3,67 |
| 20.000 - 25.000 | 2.531 | 56.594.794,59 | 2,20% | 49 | 63 | 5,40 | 3,37 |
| 25.000 - 30.000 | 1.965 | 53.633.542,01 | 2,09% | 50 | 63 | 5,26 | 3,36 |
| 30.000 - 35.000 | 1.352 | 43.700.697,20 | 1,70% | 51 | 66 | 5,10 | 3,16 |
| 35.000 - 40.000 | 1.078 | 40.163.880,08 | 1,56% | 55 | 69 | 4,97 | 2,64 |
| 40.000 - 45.000 | 833 | 35.102.916,85 | 1,37% | 51 | 65 | 4,72 | 3,50 |
| 45.000 - 50.000 | 645 | 30.539.886,06 | 1,19% | 56 | 72 | 4,51 | 2,67 |
| 50.000 - 55.000 | 585 | 30.416.968,53 | 1,18% | 49 | 65 | 4,13 | 2,11 |
| 55.000 - 60.000 | 455 | 26.052.053,79 | 1,01% | 60 | 79 | 4,23 | 2,21 |
| 60.000 - 80.000 | 1.154 | 79.066.813,11 | 3,08% | 56 | 75 | 3,81 | 2,19 |
| 80.000 - 100.000 | 756 | 67.105.093,95 | 2,61% | 68 | 94 | 3,59 | 1,92 |
| 100.000 - 120.000 | 582 | 62.769.511,47 | 2,44% | 66 | 94 | 3,21 | 1,96 |
| 120.000 - 140.000 | 361 | 46.667.239,78 | 1,82% | 76 | 107 | 3,18 | 2,14 |
| 140.000 - 160.000 | 344 | 51.219.014,50 | 1,99% | 76 | 106 | 3,12 | 1,81 |
| 160.000 - 180.000 | 233 | 39.632.248,62 | 1,54% | 79 | 113 | 3,20 | 1,77 |
| 180.000 - 200.000 | 165 | 31.168.722,52 | 1,21% | 79 | 106 | 3,00 | 1,95 |
| 200.000 - 350.000 | 845 | 220.142.544,45 | 8,57% | 78 | 111 | 2,74 | 1,94 |
| 350.000 - 500.000 | 333 | 138.219.598,15 | 5,38% | 84 | 112 | 2,46 | 1,98 |
| 500.000 - 1.000.000 | 365 | 257.724.646,88 | 10,03% | 68 | 92 | 2,12 | 1,95 |
| 1.000.000 - 5.000.000 | 331 | 705.823.966,50 | 27,48% | 73 | 99 | 1,80 | 1,74 |
| 5.000.000 - 10.000.000 | 40 | 270.351.408,51 | 10,53% | 73 | 98 | 1,62 | 1,65 |
| >10.000.000 | 9 | 107.819.202,93 | 4,20% | 102 | 131 | 1,28 | 1,24 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

| | |
|-------------------------------|---------------|
| Minimum (€): | 1.404,79 |
| Maximum (€): | 15.587.497,72 |
| Average Principal Balance(€): | 79.566,12 |

2. Distribution by Initial Balance

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Initial Principal Balance

| Initial Principal Balance (€) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 2.000 - 3.000 | 85 | 194.985,42 | 0,01% | 36 | 42 | 7,87 | |
| 3.000 - 4.000 | 372 | 1.018.204,60 | 0,04% | 34 | 41 | 7,02 | |
| 4.000 - 5.000 | 399 | 1.351.260,60 | 0,05% | 36 | 45 | 6,92 | 4,00 |
| 5.000 - 6.000 | 672 | 2.712.063,59 | 0,11% | 37 | 47 | 6,70 | |
| 6.000 - 7.000 | 956 | 4.464.087,13 | 0,17% | 37 | 47 | 6,60 | 5,56 |
| 7.000 - 8.000 | 620 | 3.397.597,64 | 0,13% | 44 | 56 | 6,80 | 2,46 |
| 8.000 - 9.000 | 754 | 4.587.743,64 | 0,18% | 41 | 53 | 6,43 | 3,50 |
| 9.000 - 10.000 | 534 | 3.727.985,46 | 0,15% | 45 | 58 | 6,57 | 2,36 |
| 10.000 - 12.000 | 2.273 | 17.232.850,46 | 0,67% | 41 | 54 | 6,15 | 3,11 |
| 12.000 - 14.000 | 1.503 | 13.906.334,25 | 0,54% | 45 | 58 | 6,00 | 2,58 |
| 14.000 - 16.000 | 2.519 | 28.128.471,12 | 1,10% | 44 | 57 | 5,80 | 3,03 |
| 16.000 - 18.000 | 876 | 11.048.863,87 | 0,43% | 52 | 65 | 6,15 | 3,03 |
| 18.000 - 20.000 | 935 | 12.881.576,90 | 0,50% | 47 | 61 | 5,83 | 3,17 |
| 20.000 - 25.000 | 3.576 | 56.337.641,52 | 2,19% | 47 | 61 | 5,70 | 3,75 |
| 25.000 - 30.000 | 2.176 | 42.924.791,94 | 1,67% | 50 | 64 | 5,58 | 3,98 |
| 30.000 - 35.000 | 2.319 | 55.603.239,51 | 2,16% | 49 | 62 | 5,33 | 3,66 |
| 35.000 - 40.000 | 1.078 | 31.098.100,81 | 1,21% | 56 | 70 | 5,47 | 3,69 |
| 40.000 - 45.000 | 1.472 | 47.991.245,66 | 1,87% | 51 | 63 | 5,05 | 4,02 |
| 45.000 - 50.000 | 406 | 14.723.685,17 | 0,57% | 57 | 71 | 5,21 | 3,50 |
| 50.000 - 55.000 | 1.275 | 50.741.145,03 | 1,98% | 47 | 59 | 4,55 | 3,51 |
| 55.000 - 60.000 | 244 | 10.561.091,95 | 0,41% | 64 | 79 | 4,94 | 2,52 |
| 60.000 - 80.000 | 1.639 | 85.213.939,03 | 3,32% | 53 | 67 | 4,35 | 2,87 |
| 80.000 - 100.000 | 648 | 44.234.619,74 | 1,72% | 68 | 87 | 3,99 | 2,52 |
| 100.000 - 120.000 | 922 | 72.748.765,71 | 2,83% | 53 | 69 | 3,59 | 2,52 |
| 120.000 - 140.000 | 387 | 36.926.325,44 | 1,44% | 79 | 107 | 3,49 | 2,12 |
| 140.000 - 160.000 | 540 | 61.464.919,50 | 2,39% | 65 | 88 | 3,20 | 1,89 |
| 160.000 - 180.000 | 200 | 25.362.552,11 | 0,99% | 106 | 149 | 3,24 | 1,98 |
| 180.000 - 200.000 | 160 | 21.820.916,19 | 0,85% | 110 | 152 | 3,14 | 1,46 |
| 200.000 - 350.000 | 1.199 | 223.659.884,06 | 8,71% | 73 | 99 | 2,95 | 2,15 |
| 350.000 - 500.000 | 396 | 113.555.656,90 | 4,42% | 92 | 129 | 2,68 | 1,91 |
| 500.000 - 1.000.000 | 579 | 252.231.993,37 | 9,82% | 74 | 104 | 2,30 | 1,92 |
| 1.000.000 - 5.000.000 | 482 | 706.084.856,24 | 27,49% | 69 | 92 | 1,83 | 1,81 |
| 5.000.000 - 10.000.000 | 63 | 316.170.730,18 | 12,31% | 79 | 111 | 1,69 | 1,59 |
| >10.000.000 | 23 | 194.445.239,98 | 7,57% | 80 | 112 | 1,40 | 1,36 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

3. Distribution by Origination Date

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Origination date

| Origination date | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 2000 | 1 | 49.318,62 | 0,00% | 108 | 313 | 0,75 | 0,80 |
| 2001 | 5 | 233.253,34 | 0,01% | 105 | 303 | 4,15 | 2,44 |
| 2002 | 4 | 928.575,99 | 0,04% | 174 | 360 | 2,86 | 1,10 |
| 2003 | 16 | 1.497.766,26 | 0,06% | 174 | 346 | 1,86 | 1,46 |
| 2004 | 21 | 1.787.949,56 | 0,07% | 111 | 271 | 1,25 | 0,96 |
| 2005 | 56 | 17.077.197,51 | 0,66% | 113 | 260 | 2,33 | 1,12 |
| 2006 | 130 | 39.975.372,82 | 1,56% | 145 | 281 | 1,65 | 0,93 |
| 2007 | 189 | 45.887.981,24 | 1,79% | 144 | 269 | 1,86 | 1,02 |
| 2008 | 207 | 44.802.580,21 | 1,74% | 150 | 263 | 2,06 | 1,21 |
| 2009 | 164 | 49.058.175,95 | 1,91% | 124 | 223 | 2,13 | 1,38 |
| 2010 | 157 | 31.383.913,51 | 1,22% | 152 | 240 | 2,38 | 1,86 |
| 2011 | 143 | 25.107.308,49 | 0,98% | 156 | 231 | 2,82 | 2,12 |
| 2012 | 131 | 16.264.687,60 | 0,63% | 207 | 271 | 3,54 | 2,28 |
| 2013 | 411 | 13.533.079,04 | 0,53% | 82 | 134 | 5,76 | 4,57 |
| 2014 | 1.249 | 81.030.705,25 | 3,15% | 63 | 101 | 3,43 | 2,32 |
| 2015 | 4.856 | 434.823.720,51 | 16,93% | 64 | 92 | 2,56 | 1,91 |
| 2016 | 10.686 | 718.883.558,21 | 27,99% | 63 | 78 | 3,07 | 2,21 |
| 2017 | 13.856 | 1.046.228.220,61 | 40,73% | 56 | 62 | 2,79 | 1,52 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

68.72% of the Outstanding Balance of Preliminary Portfolio have been originated in 2016 and 2017. Hence, it has not elapsed enough time from its origination to evaluate correctly its performance, specially for the mortgage loans.

| | |
|------------------------------------|------------|
| Minimum origination date: | 06/10/2000 |
| Maximum origination date: | 29/09/2017 |
| Weighted average origination date: | 02/11/2015 |

4. Distribution by Current Interest Rate

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Current Interest Rate

| Current Rate (%) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 0,00 - 0,50 | 119 | 40.680.435,75 | 1,58% | 140 | 231 | 0,29 | 0,42 |
| 0,50 - 1,00 | 280 | 184.732.723,65 | 7,19% | 76 | 115 | 0,79 | 0,85 |
| 1,00 - 1,50 | 515 | 414.405.646,03 | 16,13% | 60 | 79 | 1,18 | 1,19 |
| 1,50 - 2,00 | 890 | 431.963.868,02 | 16,82% | 63 | 84 | 1,67 | 1,63 |
| 2,00 - 2,50 | 1.042 | 300.774.013,80 | 11,71% | 81 | 106 | 2,19 | 1,98 |
| 2,50 - 3,00 | 1.438 | 234.943.621,40 | 9,15% | 69 | 88 | 2,67 | 2,53 |
| 3,00 - 3,50 | 1.882 | 198.663.845,71 | 7,73% | 87 | 124 | 3,12 | 2,16 |
| 3,50 - 4,00 | 2.519 | 185.888.628,32 | 7,24% | 75 | 103 | 3,69 | 2,62 |
| 4,00 - 4,50 | 2.699 | 126.681.799,95 | 4,93% | 71 | 100 | 4,16 | 2,87 |
| 4,50 - 5,00 | 3.285 | 110.783.097,07 | 4,31% | 63 | 81 | 4,68 | 3,70 |
| 5,00 - 5,50 | 3.132 | 82.671.316,37 | 3,22% | 57 | 72 | 5,15 | 4,91 |
| 5,50 - 6,00 | 3.316 | 72.918.001,64 | 2,84% | 55 | 70 | 5,65 | 4,31 |
| 6,00 - 6,50 | 2.729 | 53.871.620,81 | 2,10% | 56 | 69 | 6,11 | 5,94 |
| 6,50 - 7,00 | 1.660 | 34.193.082,67 | 1,33% | 52 | 69 | 6,64 | 6,09 |
| 7,00 - 7,50 | 1.713 | 28.047.843,54 | 1,09% | 53 | 69 | 7,09 | 6,02 |
| 7,50 - 8,00 | 1.192 | 18.000.468,26 | 0,70% | 54 | 70 | 7,58 | 7,20 |
| 8,00 - 8,50 | 979 | 14.346.254,94 | 0,56% | 58 | 76 | 8,05 | 7,72 |
| 8,50 - 9,00 | 494 | 6.665.674,01 | 0,26% | 46 | 69 | 8,57 | 8,29 |
| 9,00 - 9,50 | 643 | 7.692.266,24 | 0,30% | 44 | 72 | 9,04 | 8,44 |
| 9,50 - 10,00 | 213 | 2.992.306,49 | 0,12% | 50 | 73 | 9,62 | 7,50 |
| 10,00 - 10,50 | 1.069 | 13.376.926,91 | 0,52% | 62 | 75 | 10,01 | |
| 10,50 - 11,00 | 60 | 619.139,86 | 0,02% | 42 | 64 | 10,59 | |
| 11,00 - 11,50 | 25 | 192.178,75 | 0,01% | 40 | 71 | 11,04 | |
| 11,50 - 12,00 | 304 | 2.861.700,50 | 0,11% | 44 | 81 | 11,52 | |
| 12,00 - 12,50 | 60 | 435.451,12 | 0,02% | 49 | 72 | 12,01 | |
| 12,50 - 13,00 | 10 | 70.636,05 | 0,00% | 31 | 77 | 12,55 | |
| 13,00 - 13,50 | 3 | 18.366,43 | 0,00% | 33 | 93 | 13,16 | |
| 13,50 - 14,00 | 9 | 41.051,31 | 0,00% | 33 | 75 | 13,50 | |
| 14,00 - 14,50 | 1 | 3.934,74 | 0,00% | 52 | 121 | 14,00 | |
| 15,00 - 15,50 | 1 | 17.464,38 | 0,00% | 59 | 121 | 15,00 | |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

| | |
|------------------------|-------|
| Minimum interest rate: | 0,00 |
| Maximum interest rate: | 15,00 |

5. Distribution by Current Interest Rate for Fixed Loans

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Current Interest Rate for Fixed Loans

| Current Rate (%) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| 0,00 - 0,50 | 18 | 476.540,69 | 0,03% | 115 | 145 | 0,25 |
| 0,50 - 1,00 | 51 | 85.990.532,89 | 5,14% | 50 | 56 | 0,82 |
| 1,00 - 1,50 | 290 | 243.211.781,82 | 14,53% | 57 | 67 | 1,20 |
| 1,50 - 2,00 | 686 | 261.994.619,39 | 15,65% | 52 | 66 | 1,68 |
| 2,00 - 2,50 | 792 | 177.218.457,92 | 10,59% | 58 | 70 | 2,21 |
| 2,50 - 3,00 | 1.205 | 142.152.825,70 | 8,49% | 57 | 68 | 2,69 |
| 3,00 - 3,50 | 1.451 | 114.623.768,30 | 6,85% | 60 | 71 | 3,17 |
| 3,50 - 4,00 | 2.283 | 140.621.821,70 | 8,40% | 65 | 77 | 3,69 |
| 4,00 - 4,50 | 2.327 | 86.342.224,11 | 5,16% | 56 | 68 | 4,17 |
| 4,50 - 5,00 | 3.183 | 97.788.996,89 | 5,84% | 53 | 65 | 4,69 |
| 5,00 - 5,50 | 3.058 | 73.717.697,20 | 4,40% | 54 | 67 | 5,14 |
| 5,50 - 6,00 | 3.271 | 70.402.702,86 | 4,21% | 53 | 66 | 5,65 |
| 6,00 - 6,50 | 2.692 | 52.711.453,50 | 3,15% | 56 | 69 | 6,11 |
| 6,50 - 7,00 | 1.628 | 33.046.284,24 | 1,97% | 52 | 67 | 6,64 |
| 7,00 - 7,50 | 1.689 | 27.172.423,22 | 1,62% | 53 | 68 | 7,09 |
| 7,50 - 8,00 | 1.170 | 17.440.459,09 | 1,04% | 54 | 69 | 7,58 |
| 8,00 - 8,50 | 957 | 14.134.139,57 | 0,84% | 58 | 76 | 8,05 |
| 8,50 - 9,00 | 485 | 6.533.095,99 | 0,39% | 46 | 69 | 8,57 |
| 9,00 - 9,50 | 634 | 7.616.557,86 | 0,46% | 44 | 72 | 9,03 |
| 9,50 - 10,00 | 212 | 2.988.610,06 | 0,18% | 50 | 73 | 9,62 |
| 10,00 - 10,50 | 1.069 | 13.376.926,91 | 0,80% | 62 | 75 | 10,01 |
| 10,50 - 11,00 | 60 | 619.139,86 | 0,04% | 42 | 64 | 10,59 |
| 11,00 - 11,50 | 25 | 192.178,75 | 0,01% | 40 | 71 | 11,04 |
| 11,50 - 12,00 | 304 | 2.861.700,50 | 0,17% | 44 | 81 | 11,52 |
| 12,00 - 12,50 | 60 | 435.451,12 | 0,03% | 49 | 72 | 12,01 |
| 12,50 - 13,00 | 10 | 70.636,05 | 0,00% | 31 | 77 | 12,55 |
| 13,00 - 13,50 | 3 | 18.366,43 | 0,00% | 33 | 93 | 13,16 |
| 13,50 - 14,00 | 9 | 41.051,31 | 0,00% | 33 | 75 | 13,50 |
| 14,00 - 14,50 | 1 | 3.934,74 | 0,00% | 52 | 121 | 14,00 |
| 15,00 - 15,50 | 1 | 17.464,38 | 0,00% | 59 | 121 | 15,00 |
| Total | 29.624 | 1.673.821.843,05 | 100,00% | 56 | 68 | 3,21 |

6. Distribution by Interest Type (Fixed or Floating)

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Interest Type (Fixed or Floating)

| Interest Type | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Floating | 2.658 | 894.731.521,67 | 34,83% | 95 | 142 | 2,03 | 1,80 |
| Fixed | 29.624 | 1.673.821.843,05 | 65,17% | 56 | 68 | 3,21 | 0 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

7. Distribution by Reference Interest Rate

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Reference Interest Rate

| Reference Interest Rate | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| EUR12 | 1.391 | 396.194.794,42 | 15,42% | 56 | 82 | 2,16 | 2,01 |
| EURH | 1.093 | 356.246.047,90 | 13,87% | 157 | 234 | 2,17 | 1,75 |
| EUR3 | 52 | 86.453.733,22 | 3,37% | 47 | 73 | 1,10 | 1,17 |
| EUR6 | 100 | 53.599.246,97 | 2,09% | 43 | 83 | 1,60 | 1,59 |
| IRPHCE | 18 | 1.549.190,42 | 0,06% | 197 | 307 | 2,85 | 0,31 |
| EUR1 | 3 | 625.742,31 | 0,02% | 203 | 325 | 1,02 | 1,39 |
| MIB12 | 1 | 62.766,43 | 0,00% | 106 | 301 | 3,75 | 1,00 |
| FUO | 29.624 | 1.673.821.843,05 | 65,17% | 56 | 68 | 3,21 | |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

| | |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EURH | Average monthly EUR12 published by the Bank of Spain, paragraph 19.1 of the Statistics Bulletin, legal interest rates, EURIBOR, MBOR and other official rates of reference |
| EUR12 | Interbanking interest rate for 12-month Euro deposits |
| EUR6 | Interbanking interest rate for 6-month Euro deposits |
| EUR3 | Interbanking interest rate for 3-month Euro deposits |
| MIB3 | Interbanking market interest rate for 3-month Euro deposits |
| MIB12 | Interbanking market interest rate for 12-month Euro deposits |
| EUR1 | Interbanking interest rate for 1-month Euro deposits |
| IRPHCE | Type of monthly intermediates of mortgage loans for more than 3 years for the acquisition of housing from the group of entities. |

8. Distribution by Maximum Interest Rates

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Maximum Interest Rate

| Maximum Interest Rate | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-----------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Fixed | 29.624 | 1.673.821.843,05 | 65,17% | 56 | 68 | 3,21 | |
| [< 5,00] | 2 | 199.865,00 | 0,01% | 226 | 277 | 1,02 | 1,14 |
| [5,00 - 10,00] | 144 | 75189032,98 | 2,93% | 56 | 65 | 1,63 | 1,61 |
| [10,00 - 10,50] | 2 | 105.287,98 | 0,00% | 178 | 281 | 4,24 | 0,86 |
| [12,00 - 12,50] | 758 | 174.269.193,96 | 6,78% | 103 | 149 | 2,71 | 2,29 |
| [13,00 - 13,50] | 1 | 172.923,12 | 0,01% | 60 | 103 | 4,25 | 2,00 |
| [> 13,50] | 476 | 107.446.161,74 | 4,18% | 152 | 254 | 2,63 | 1,51 |
| No Cap | 1.275 | 537.349.056,89 | 20,92% | 86 | 128 | 1,75 | 1,72 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

| | |
|---------------------------------------------------------------|--------|
| Minimum rate for loans with a maximum interest rate: | 0,426 |
| Maximum rate for loans with a maximum interest rate: | 9,750 |
| % of loans with a maximum interest rate: | 13,91% |
| Weighted average rate for loans with a maximum interest rate: | 2,46 |
| Weighted average maximum interest rate: | 12,64 |

9. Distribution by Minimum Interest Rates

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Minimum Interest Rate

| Minimum Interest Rate | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-----------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Fixed | 29.624 | 1.673.821.843,05 | 65,17% | 56 | 68 | 3,21 | |
| No Floor | 1292 | 538.715.476,43 | 20,97% | 88 | 131 | 1,66 | 1,70 |
| [< 1,00] | 14 | 11.702.711,11 | 0,46% | 48 | 64 | 0,80 | 0,80 |
| [1,00 - 1,50] | 41 | 41.691.110,64 | 1,62% | 59 | 72 | 1,12 | 1,11 |
| [1,50 - 2,00] | 64 | 52.020.480,46 | 2,03% | 92 | 132 | 1,66 | 1,54 |
| [2,00 - 2,50] | 114 | 59.645.594,48 | 2,32% | 133 | 180 | 2,13 | 1,77 |
| [2,50 - 3,00] | 88 | 41.715.798,49 | 1,62% | 79 | 119 | 2,57 | 2,24 |
| [3,00 - 3,50] | 330 | 67.743.965,50 | 2,64% | 211 | 3 | 1,99 | 1,78 |
| [3,50 - 4,00] | 162 | 29.193.071,55 | 1,14% | 126 | 223 | 3,73 | 2,05 |
| [4,00 - 4,50] | 442 | 38.204.157,06 | 1,49% | 101 | 168 | 4,29 | 2,97 |
| [5,00 - 5,50] | 45 | 9.977.232,17 | 0,39% | 157 | 228 | 4,60 | 3,40 |
| [> 5,50] | 66 | 4.121.923,78 | 0,16% | 103 | 173 | 5,68 | 3,44 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 80 | 118 | 2,65 | 1,69 |

| | |
|---------------------------------------------------------------|--------|
| Minimum rate for loans with a minimum interest rate: | 0,02 |
| Maximum rate for loans with a minimum interest rate: | 9,38 |
| % of loans with a minimum interest rate: | 13,40% |
| Weighted average rate for loans with a minimum interest rate: | 2,60 |
| Weighted average minimum interest rate: | 2,58 |

10. Distribution by Interest Rate Reset Period

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Interest Rate Reset Period

| Months | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|--------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Monthly | 2 | 589.700,00 | 0,07% | 214 | 337 | 0,88 | 1,25 |
| Quarterly | 78 | 89.603.175,24 | 10,01% | 51 | 81 | 1,27 | 1,33 |
| 6-Months | 140 | 80.549.576,46 | 9,00% | 67 | 131 | 1,43 | 1,39 |
| Annual | 2.438 | 723.989.069,97 | 80,92% | 103 | 151 | 2,19 | 1,90 |
| Total | 2.658 | 894.731.521,67 | 100,00% | 95 | 142 | 2,03 | 1,80 |

11. Distribution by Applied Margin

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Applied Margin

| Applied Margin (%) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|--------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Fixed | 29.624 | 1.673.821.843,05 | 65,17% | 56 | 68 | | 3,21 |
| 0,00 - 0,50 | 87 | 22.616.254,68 | 0,88% | 157 | 226 | | 0,89 |
| 0,50 - 1,00 | 395 | 118.706.099,15 | 4,62% | 132 | 221 | | 1,27 |
| 1,00 - 1,50 | 429 | 232.550.156,32 | 9,05% | 82 | 132 | | 1,40 |
| 1,50 - 2,00 | 282 | 188.058.973,12 | 7,32% | 85 | 118 | | 1,77 |
| 2,00 - 2,50 | 257 | 127.291.211,40 | 4,96% | 103 | 145 | | 2,33 |
| 2,50 - 3,00 | 242 | 93.544.692,58 | 3,64% | 86 | 115 | | 2,72 |
| 3,00 - 3,50 | 226 | 45.281.357,71 | 1,76% | 87 | 128 | | 3,31 |
| 3,50 - 4,00 | 184 | 29.891.382,18 | 1,16% | 92 | 129 | | 3,77 |
| 4,00 - 4,50 | 228 | 14.761.521,97 | 0,57% | 65 | 108 | | 4,11 |
| 4,50 - 5,00 | 84 | 9.340.396,98 | 0,36% | 96 | 142 | | 4,60 |
| 5,00 - 5,50 | 61 | 5.497.797,23 | 0,21% | 66 | 91 | | 5,18 |
| 5,50 - 6,00 | 48 | 3.413.614,35 | 0,13% | 81 | 120 | | 5,47 |
| 6,00 - 6,50 | 43 | 1.413.173,92 | 0,06% | 93 | 124 | | 6,15 |
| 6,50 - 7,00 | 26 | 691.686,72 | 0,03% | 43 | 80 | | 6,67 |
| 7,00 - 7,50 | 16 | 657.952,43 | 0,03% | 78 | 119 | | 7,10 |
| 7,50 - 8,00 | 25 | 684.154,75 | 0,03% | 49 | 98 | | 7,71 |
| 8,00 - 8,50 | 13 | 163.029,71 | 0,01% | 26 | 81 | | 8,25 |
| 8,50 - 9,00 | 8 | 143.777,03 | 0,01% | 32 | 65 | | 8,68 |
| > 9,00 | 4 | 24.289,44 | 0,00% | 22 | 74 | | 9,28 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

12. Distribution by Discount over the Interest Rate

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Discount over the Interest Rate

| Distribution by Discount over the Interest Rate | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-------------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Without Discount | 32.277 | 2.567.993.629,41 | 99,98% | 69 | 94 | 2,80 | 1,80 |
| With Discount | 5 | 559.735,31 | 0,02% | 250 | 336 | 1,28 | 1,41 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

The maximum discount over the interest rate that could be applied to all loans is 1%, subject to the compliance of certain vinculation criterias between Banco Sabadell and the debtors. There are no loans, other than the specified in the table above, with the possibility of applying a discount over the interest rate.

13. Distribution by Principal Payment Frequency

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Principal Payment Frequency

| Principal Payment Frequency | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-----------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Monthly | 30.745 | 1.925.425.066,50 | 74,96% | 76 | 102 | 3,14 | 1,89 |
| Quarterly | 446 | 337.614.402,63 | 13,14% | 62 | 83 | 1,76 | 1,74 |
| 6-months | 109 | 145.426.585,24 | 5,66% | 52 | 82 | 1,59 | 1,46 |
| Annual | 31 | 23.222.229,39 | 0,90% | 68 | 140 | 1,06 | 1,00 |
| Bullet (*) | 950 | 136.733.351,16 | 5,32% | 9 | 16 | 2,21 | 2,28 |
| Irregular frequency (**) | 1 | 131.729,80 | 0,01% | 25 | 34 | 2,95 | |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

(*) All Bullet loans have a single payment at the end of the loan.

(**) Loans with irregular frequency correspond to loans with an amortization table initially agreed between the lender and the Obligor.

14. Distribution by Interest Payment Frequency

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Interest Payment Frequency

| Interest Payment Frequency | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|----------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Annual | 42 | 19.422.083,92 | 0,76% | 75 | 156 | 0,91 | 0,74 |
| 6-Months | 105 | 129.487.835,29 | 5,04% | 55 | 84 | 1,57 | 1,41 |
| Quarterly | 599 | 386.515.467,01 | 15,05% | 58 | 79 | 1,81 | 1,80 |
| Monthly | 31.536 | 2.033.127.978,50 | 79,15% | 73 | 97 | 3,08 | 1,88 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

15. Distribution by Amortisation System

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Amortisation System

| Amortisation System | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Constant quota | 30.882 | 2.176.552.593,85 | 84,74% | 75 | 101 | 2,98 | 1,83 |
| Linear amortisation | 449 | 255.135.689,91 | 9,93% | 52 | 74 | 1,58 | 1,61 |
| Bullet | 950 | 136.733.351,16 | 5,32% | 9 | 16 | 2,21 | 2,28 |
| Irregular frequency | 1 | 131.729,80 | 0,01% | 25 | 34 | 2,95 | |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

There are no loans with the possibility of delaying the payment of their instalments or extend their maturity date. Additionally, there are no loans (other than bullets) with a high final payment.

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

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

Bullet: Loans where the payment of the full amount of principal is done on the maturity date.

Irregular frequency: Loans where the payments of principal and interest have been fixed between the Obligor and Banco Sabadell according to a

16. Distribution by Type of Guarantee (personal vs. real estate)

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Type of Guarantee

| Type of Guarantee | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|----------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| With Mortgage Guarantee | 1.314 | 424.017.995,59 | 16,51% | 158 | 220 | 2,46 |
| Without Mortgage Guarantee | 30.968 | 2.144.535.369,13 | 83,49% | 52 | 69 | 2,87 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 |

There is no information available related to the existence of bank sureties or guarantees provided by third parties.

17. Distribution by Type of Property

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Type of Property

| Type of Property | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|--------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Commercial Premise and Offices | 440 | 168.530.398 | 39,75% | 160 | 209 | 2,47 | 2,00 |
| Residential Property | 491 | 100.272.981,09 | 23,65% | 191 | 272 | 2,66 | 1,55 |
| Industrial | 239 | 104.829.024,31 | 24,72% | 138 | 203 | 2,38 | 1,80 |
| Solar | 34 | 16.235.027,82 | 3,83% | 143 | 212 | 2,22 | 1,91 |
| Hospital | 3 | 6.283.363,85 | 1,48% | 116 | 151 | 2,68 | 2,68 |
| Rural land | 22 | 14.553.740,74 | 3,43% | 121 | 204 | 1,61 | 1,02 |
| Others | 7 | 3.756.343,54 | 0,89% | 111 | 208 | 3,14 | 1,87 |
| School building | 2 | 8.336.071,47 | 1,97% | 132 | 150 | 2,49 | 2,25 |
| Garage | 72 | 1.078.075,28 | 0,25% | 165 | 258 | 2,31 | 1,47 |
| Storage Room | 4 | 142.969,59 | 0,03% | 174 | 224 | 2,33 | 1,60 |
| Total | 1.314 | 424.017.995,59 | 100,00% | 158 | 220 | 2,46 | 1,82 |

18. Distribution by Comunidad Autónoma of Guarantee

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Region of Guarantee

| Region of Guarantee | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Cataluña | 561 | 174.917.310,42 | 41,25% | 175 | 246 | 2,56 | 1,78 |
| Madrid | 101 | 60.308.705,64 | 14,22% | 152 | 197 | 2,10 | 1,55 |
| Cdad Valenciana | 176 | 48.120.300,78 | 11,35% | 154 | 225 | 1,87 | 1,34 |
| Andalucía | 84 | 28.370.414,07 | 6,69% | 130 | 196 | 1,95 | 1,62 |
| Asturias | 62 | 24.017.310,39 | 5,66% | 146 | 195 | 3,58 | 3,11 |
| Baleares | 38 | 18.901.565,81 | 4,46% | 127 | 192 | 2,07 | 1,75 |
| Galicia | 45 | 16.900.379,09 | 3,99% | 143 | 183 | 2,80 | 1,85 |
| Aragón | 46 | 11.005.703,79 | 2,60% | 155 | 214 | 2,87 | 2,24 |
| Pais Vasco | 48 | 9.229.590,74 | 2,18% | 145 | 211 | 3,00 | 1,85 |
| Murcia | 58 | 7.668.793,29 | 1,81% | 172 | 233 | 2,39 | 2,03 |
| Navarra | 15 | 6.271.150,27 | 1,48% | 161 | 205 | 3,06 | 3,05 |
| Canarias | 21 | 6.047.282,62 | 1,43% | 111 | 171 | 2,99 | 2,34 |
| Castilla y León | 28 | 6.023.102,24 | 1,42% | 141 | 205 | 2,85 | 2,26 |
| Castilla-La Mancha | 22 | 3.624.121,05 | 0,85% | 151 | 209 | 3,02 | 1,90 |
| Extremadura | 4 | 1.725.421,40 | 0,41% | 136 | 155 | 3,69 | 3,50 |
| Cantabria | 3 | 639.525,30 | 0,15% | 159 | 173 | 3,28 | 2,45 |
| La Rioja | 2 | 247.318,69 | 0,06% | 71 | 177 | 2,01 | 1,81 |
| Total | 1.314 | 424.017.995,59 | 100,00% | 158 | 220 | 2,46 | 1,82 |

19. Distribution by Valuation Type

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Valuation Type

| Valuation Type | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|-------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| Current Valuation | 132 | 80.050.784,69 | 18,88% | 111 | 174 | 2,93 |
| Initial Valuation | 1.182 | 343.967.210,90 | 81,12% | 162 | 208 | 2,97 |
| Total | 1.314 | 424.017.995,59 | 100,00% | 158 | 220 | 2,46 |

All the appraisal have been done in accordance with the Order ECO 805/2003, being the appraisal either a) the original shown in the relevant certificate or in the public deed in which was formalized the granting of the loan or b) an updated appraisal doing according to the Order ECO 805/2003.

20. Distribution by LTV ratio

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by LTV

| Distribution by LTV (%) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) | Average Current LTV (%) (only mortgage loans) |
|-------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|-----------------------------------------------|
| <10 | 67 | 4.595.192,47 | 1,08% | 78 | 163 | 3,33 | 2,64 | 5,93 |
| 10 - 20 | 70 | 12.253.856,23 | 2,89% | 98 | 211 | 2,29 | 1,42 | 15,63 |
| 20 - 30 | 33 | 5.430.162,89 | 1,28% | 103 | 184 | 3,01 | 2,16 | 23,43 |
| 30 - 40 | 33 | 6.673.270,73 | 1,57% | 153 | 248 | 2,91 | 1,86 | 35,21 |
| 40 - 50 | 177 | 39.676.854,77 | 9,36% | 145 | 256 | 2,43 | 1,39 | 46,38 |
| 50 - 60 | 242 | 54.774.652,10 | 12,92% | 169 | 250 | 2,39 | 1,53 | 55,99 |
| 60 - 70 | 378 | 123.971.220,20 | 29,24% | 158 | 212 | 2,47 | 1,76 | 64,54 |
| 70 - 79 | 127 | 63.396.311,57 | 14,95% | 167 | 201 | 2,86 | 2,47 | 73,23 |
| 79 - 80 | 9 | 1.477.904,27 | 0,35% | 174 | 218 | 2,78 | 2,46 | 79,59 |
| 80 - 90 | 76 | 55.683.216,38 | 13,13% | 181 | 229 | 2,30 | 1,99 | 86,74 |
| 90 - 100 | 36 | 16.771.639,82 | 3,96% | 202 | 260 | 2,04 | 1,64 | 95,14 |
| 100 - 110 | 19 | 15.700.745,31 | 3,70% | 125 | 170 | 2,40 | 2,17 | 105,31 |
| 110 - 120 | 12 | 2.416.122,65 | 0,57% | 152 | 203 | 2,17 | 1,55 | 113,89 |
| 120 - 130 | 8 | 5.484.177,15 | 1,29% | 123 | 152 | 2,60 | 2,65 | 121,67 |
| 130 - 140 | 10 | 2.341.969,33 | 0,55% | 187 | 236 | 2,78 | 1,89 | 135,00 |
| 140 - 150 | 4 | 687.890,78 | 0,16% | 138 | 202 | 2,34 | 0,89 | 145,09 |
| 150 - 160 | 2 | 324.354,67 | 0,08% | 164 | 288 | 2,23 | 0,64 | 153,49 |
| 160 - 170 | 4 | 10.714.297,41 | 2,53% | 96 | 195 | 1,17 | 1,14 | 168,49 |
| 170 - 180 | 4 | 1.320.387,59 | 0,31% | 165 | 217 | 2,64 | 1,85 | 174,06 |
| 180 - 190 | 2 | 293.818,95 | 0,07% | 102 | 133 | 4,27 | 3,50 | 183,21 |
| 190 - 200 | 1 | 29.950,32 | 0,01% | 97 | 114 | 3 | | 192,98 |
| Total | 1.314 | 424.017.995,59 | 100,00% | 158 | 220 | 2,46 | 1,82 | 70,43 |

2.82% of the Outstanding Balance of the Preliminary Portfolio have a LTV between 80% and 100%. 1.53% of the Outstanding Balance of the Preliminary Portfolio have a LTV higher than 100%.

| | |
|---------------------|---------|
| Maximum LTV: | 192,98% |
|---------------------|---------|

The calculation of the LTV is as follow:
 $LTV = P/V$ 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.

21. Distribution by Maturity Date (months)

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Maturity Date (months)

| Maturity Date | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 0 - 12 | 2.501 | 193.332.902,10 | 7,53% | 8 | 21 | 2,17 | 1,42 |
| 12 - 24 | 4.024 | 118.055.392,02 | 4,60% | 18 | 42 | 3,27 | 1,91 |
| 24 - 36 | 6.702 | 315.092.691,89 | 12,27% | 29 | 48 | 3,02 | 2,11 |
| 36 - 48 | 5.719 | 308.780.943,08 | 12,02% | 42 | 62 | 3,29 | 1,96 |
| 48 - 60 | 6.512 | 529.649.730,23 | 20,62% | 54 | 67 | 2,84 | 1,63 |
| 60 - 72 | 2.115 | 217.091.869,90 | 8,45% | 66 | 89 | 3,01 | 2,00 |
| 72 - 84 | 2.073 | 304.823.101,27 | 11,87% | 78 | 89 | 2,52 | 1,71 |
| 84 - 96 | 1.107 | 104.249.003,82 | 4,06% | 90 | 115 | 3,06 | 1,66 |
| 96 - 108 | 218 | 53.106.102,29 | 2,07% | 101 | 155 | 2,80 | 1,75 |
| 108 - 120 | 267 | 96.480.141,16 | 3,76% | 115 | 172 | 2,20 | 1,46 |
| 120 - 132 | 132 | 40.154.648,20 | 1,56% | 125 | 194 | 2,58 | 1,92 |
| 132 - 144 | 154 | 47.660.649,93 | 1,86% | 135 | 179 | 2,51 | 1,87 |
| 144 - 156 | 96 | 52.042.435,54 | 2,03% | 150 | 188 | 2,44 | 2,18 |
| 156 - 168 | 112 | 35.002.872,27 | 1,36% | 161 | 202 | 2,85 | 2,30 |
| 168 - 180 | 105 | 23.233.474,77 | 0,90% | 173 | 215 | 3,02 | 2,05 |
| 180 - 192 | 51 | 11.796.873,47 | 0,46% | 184 | 271 | 2,82 | 2,02 |
| 192 - 204 | 52 | 24.794.130,57 | 0,97% | 198 | 259 | 1,35 | 1,10 |
| 204 - 216 | 36 | 7.661.284,30 | 0,30% | 209 | 274 | 2,35 | 1,53 |
| 216 - 228 | 66 | 27.541.654,19 | 1,07% | 222 | 292 | 2,55 | 1,77 |
| 228 - 240 | 74 | 16.777.859,81 | 0,65% | 233 | 291 | 2,36 | 1,25 |
| 240 - 252 | 39 | 7.315.386,21 | 0,28% | 244 | 347 | 2,65 | 1,29 |
| 252 - 264 | 24 | 6.229.239,31 | 0,24% | 256 | 353 | 2,39 | 1,25 |
| 264 - 276 | 25 | 5.349.084,73 | 0,21% | 270 | 382 | 2,03 | 1,05 |
| 276 - 288 | 11 | 2.910.135,23 | 0,11% | 284 | 395 | 2,78 | 1,24 |
| 288 - 300 | 16 | 2.904.403,54 | 0,11% | 292 | 378 | 2,94 | 1,61 |
| 300 - 312 | 6 | 1.425.205,48 | 0,06% | 305 | 438 | 2,72 | 1,62 |
| 312 - 324 | 7 | 1.103.619,77 | 0,04% | 317 | 387 | 2,62 | 2,54 |
| 324 - 336 | 5 | 798.790,27 | 0,03% | 332 | 425 | 2,85 | 1,41 |
| 336 - 348 | 8 | 1.554.964,69 | 0,06% | 343 | 397 | 2,46 | 1,19 |
| 348 - 360 | 6 | 1.071.849,77 | 0,04% | 354 | 494 | 3,40 | 1,60 |
| 360 - 372 | 4 | 2.134.812,08 | 0,08% | 367 | 480 | 0,92 | 0,65 |
| 372 - 384 | 4 | 790.283,75 | 0,03% | 377 | 450 | 1,95 | 1,09 |
| 384 - 396 | 1 | 289.333,22 | 0,01% | 386 | 457 | 2,00 | 1,50 |
| 396 - 408 | 4 | 5.843.218,48 | 0,23% | 401 | 465 | 2,10 | 0,75 |
| 408 - 420 | 5 | 1.103.774,82 | 0,04% | 411 | 481 | 3,41 | 1,56 |
| 432 - 444 | 1 | 401.502,56 | 0,02% | 432 | 567 | 0,64 | 0,80 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

| | |
|----------|-----|
| Minimum: | 2 |
| Maximum: | 432 |

22. Distribution by Maturity Date

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Maturity Date

| Maturity Date (year) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|----------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 2017 | 1 | 17.394,30 | 0,00% | 2 | 8 | 3,00 | |
| 2018 | 3.432 | 215.055.390,58 | 8,37% | 8 | 23 | 2,31 | 1,56 |
| 2019 | 4.849 | 190.263.243,77 | 7,41% | 22 | 44 | 2,98 | 2,07 |
| 2020 | 6.326 | 300.423.701,38 | 11,70% | 33 | 53 | 3,11 | 1,89 |
| 2021 | 6.117 | 349.219.609,70 | 13,60% | 45 | 63 | 3,29 | 2,11 |
| 2022 | 5.185 | 450.598.242,58 | 17,54% | 56 | 70 | 2,82 | 1,65 |
| 2023 | 2.232 | 251.771.059,56 | 9,80% | 69 | 89 | 2,84 | 1,89 |
| 2024 | 1.717 | 257.129.977,89 | 10,01% | 80 | 91 | 2,47 | 1,59 |
| 2025 | 945 | 91.840.236,55 | 3,58% | 92 | 126 | 3,29 | 1,70 |
| 2026 | 237 | 58.859.028,08 | 2,29% | 105 | 150 | 2,79 | 1,92 |
| 2027 | 228 | 85.394.906,31 | 3,32% | 117 | 177 | 2,05 | 1,51 |
| 2028 | 153 | 53.110.609,75 | 2,07% | 130 | 187 | 2,52 | 1,83 |
| 2029 | 129 | 29.048.202,59 | 1,13% | 139 | 193 | 2,49 | 1,83 |
| 2030 | 94 | 59.132.923,17 | 2,30% | 152 | 191 | 2,57 | 2,29 |
| 2031 | 111 | 29.267.559,93 | 1,14% | 164 | 202 | 2,73 | 2,10 |
| 2032 | 96 | 21.828.344,69 | 0,85% | 176 | 226 | 2,96 | 1,93 |
| 2033 | 51 | 10.342.962,61 | 0,40% | 188 | 280 | 2,76 | 1,88 |
| 2034 | 49 | 25.599.385,01 | 1,00% | 200 | 254 | 1,42 | 1,13 |
| 2035 | 45 | 13.217.092,34 | 0,51% | 215 | 290 | 3,17 | 1,97 |
| 2036 | 70 | 23.104.573,95 | 0,90% | 225 | 292 | 2,21 | 1,56 |
| 2037 | 62 | 14.233.569,42 | 0,55% | 235 | 303 | 2,21 | 1,18 |
| 2038 | 35 | 8.736.142,66 | 0,34% | 249 | 343 | 2,26 | 1,24 |
| 2039 | 18 | 2.817.544,00 | 0,11% | 260 | 359 | 3,15 | 1,57 |
| 2040 | 23 | 5.599.095,51 | 0,22% | 270 | 381 | 2,14 | 1,04 |
| 2041 | 18 | 3.870.938,05 | 0,15% | 286 | 384 | 2,83 | 1,32 |
| 2042 | 8 | 1.554.275,45 | 0,06% | 296 | 399 | 2,90 | 1,99 |
| 2043 | 8 | 1.797.041,43 | 0,07% | 307 | 418 | 2,78 | 1,94 |
| 2044 | 7 | 940.461,63 | 0,04% | 320 | 413 | 2,55 | 2,06 |
| 2045 | 3 | 590.112,46 | 0,02% | 334 | 428 | 2,79 | 1,37 |
| 2046 | 10 | 1.812.557,58 | 0,07% | 344 | 405 | 2,61 | 1,39 |
| 2047 | 6 | 1.081.115,79 | 0,04% | 357 | 500 | 2,86 | 1,14 |
| 2048 | 3 | 2.021.991,28 | 0,08% | 368 | 480 | 1,08 | 0,68 |
| 2049 | 3 | 636.245,64 | 0,02% | 378 | 443 | 1,52 | 1,11 |
| 2050 | 2 | 558.366,85 | 0,02% | 392 | 469 | 2,48 | 1,33 |
| 2051 | 6 | 6.195.254,34 | 0,24% | 402 | 466 | 2,21 | 0,81 |
| 2052 | 2 | 482.705,33 | 0,02% | 414 | 481 | 3,17 | 1,56 |
| 2053 | 1 | 401.502,56 | 0,02% | 432 | 567 | 0,64 | 0,80 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

| | |
|------------------------|------------|
| Minimum Maturity Date: | 31/12/2017 |
| Maximum Maturity Date: | 15/11/2053 |
| Average Maturity Date | 22/10/2026 |

23. Bullet Loans Maturity Date detail

Dated November 21st 2017

IM SABADELL PYME 11 Maturity Date (Bullets Loans)

| Maturity Date (Bullets Loans) | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|-------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| 2018 | 920 | 123.404.288,18 | 90,25% | 8 | 13 | 2,18 | 1,00 |
| 2019 | 24 | 11.128.983,70 | 8,14% | 24 | 41 | 2,61 | 2,50 |
| 2020 | 5 | 2.000.079,28 | 1,46% | 32 | 38 | 1,58 | |
| 2022 | 1 | 200.000,00 | 0,15% | 59 | 85 | 2,35 | |
| Total | 950 | 136.733.351,16 | 100,00% | 9 | 16 | 2,21 | 2,28 |

24. Distribution by Obligor Group Concentration

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Obligor Group Concentration

| Distribution by Obligor Group Concentration | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Obligor Group 1 | 11 | 26.465.651,84 | 1,03% | 68 | 88 | 1,17 | 1,44 |
| Obligor Group 2 | 15 | 18.402.487,35 | 0,72% | 64 | 76 | 1,49 | 2,44 |
| Obligor Group 3 | 2 | 16.865.890,29 | 0,66% | 41 | 67 | 1,90 | |
| Obligor Group 4 | 11 | 15.822.174,01 | 0,62% | 48 | 62 | 1,13 | 1,10 |
| Obligor Group 5 | 1 | 15.587.497,72 | 0,61% | 152 | 180 | 2,02 | 2,15 |
| Obligor Group 6 | 1 | 15.000.000,00 | 0,58% | 53 | 61 | 1,00 | 1,00 |
| Obligor Group 7 | 1 | 14.320.512,35 | 0,56% | 68 | 85 | 1,65 | 1,65 |
| Obligor Group 8 | 2 | 13.371.002,09 | 0,52% | 60 | 78 | 1,84 | |
| Obligor Group 9 | 4 | 12.512.835,21 | 0,49% | 52 | 73 | 1,39 | |
| Obligor Group 10 | 3 | 12.436.110,97 | 0,48% | 43 | 51 | 0,79 | |
| Obligor Group 11 | 3 | 12.331.982,68 | 0,48% | 40 | 57 | 1,93 | |
| Obligor Group 12 | 2 | 11.640.958,26 | 0,45% | 143 | 181 | 1,70 | 1,75 |
| Obligor Group 13 | 5 | 11.594.854,25 | 0,45% | 67 | 85 | 1,40 | 1,37 |
| Obligor Group 14 | 1 | 11.500.000,00 | 0,45% | 86 | 88 | 0,67 | 1,00 |
| Obligor Group 15 | 1 | 11.243.461,12 | 0,44% | 199 | 229 | 0,18 | 0,25 |
| Obligor Group 16 | 2 | 10.500.588,13 | 0,41% | 56 | 85 | 1,59 | |
| Obligor Group 17 | 3 | 10.470.000,00 | 0,41% | 30 | 62 | 2,16 | 2,16 |
| Obligor Group 18 | 3 | 10.264.206,79 | 0,40% | 54 | 60 | 0,87 | |
| Obligor Group 19 | 1 | 10.140.840,68 | 0,39% | 8 | 37 | 1,25 | |
| Obligor Group 20 | 1 | 10.026.891,06 | 0,39% | 117 | 252 | 0,87 | 1,00 |
| Obligor Group 21 | 1 | 10.000.000,00 | 0,39% | 119 | 122 | 1,40 | |
| Obligor Group 22 | 1 | 10.000.000,00 | 0,39% | 119 | 147 | 2,25 | |
| Obligor Group 23 | 1 | 9.890.565,08 | 0,39% | 89 | 190 | 1,02 | 1,15 |
| Obligor Group 24 | 4 | 9.749.724,15 | 0,38% | 84 | 204 | 4,08 | 1,25 |
| Resto | 32.202 | 2.258.415.130,69 | 87,93% | 69 | 93 | 2,98 | 1,89 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

25. Distribution by Comunidad Autónoma of the Obligor

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Region of Obligor

| Region of Obligor | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|--------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| Cataluña | 12.382 | 852.015.117,96 | 33,17% | 75 | 102 | 3,15 |
| Cdad Valenciana | 4.224 | 322.488.929,28 | 12,56% | 69 | 94 | 2,35 |
| Madrid | 3.598 | 302.072.842,26 | 11,76% | 67 | 88 | 3,00 |
| Pais Vasco | 1.409 | 190.491.901,41 | 7,42% | 59 | 77 | 2,10 |
| Galicia | 1.478 | 181.514.414,54 | 7,07% | 68 | 94 | 2,74 |
| Andalucía | 1.919 | 131.602.486,43 | 5,12% | 69 | 103 | 2,90 |
| Asturias | 1.658 | 117.756.994,90 | 4,58% | 66 | 87 | 3,29 |
| Baleares | 871 | 99.430.518,41 | 3,87% | 75 | 97 | 2,23 |
| Castilla y León | 1.152 | 84.303.522,70 | 3,28% | 52 | 76 | 2,80 |
| Canarias | 448 | 65.711.337,46 | 2,56% | 67 | 103 | 2,04 |
| Aragón | 822 | 60.747.126,96 | 2,37% | 75 | 99 | 2,82 |
| Murcia | 1.133 | 54.579.738,83 | 2,12% | 71 | 91 | 2,86 |
| Navarra | 271 | 33.656.312,60 | 1,31% | 83 | 103 | 2,29 |
| Castilla-La Mancha | 526 | 26.551.124,13 | 1,03% | 62 | 80 | 3,17 |
| Cantabria | 142 | 23.675.727,99 | 0,92% | 45 | 55 | 1,62 |
| La Rioja | 115 | 10.880.316,67 | 0,42% | 49 | 65 | 2,37 |
| Extremadura | 100 | 7.760.176,11 | 0,30% | 62 | 74 | 3,27 |
| Ceuta | 24 | 2.972.347,15 | 0,12% | 61 | 77 | 2,25 |
| Melilla | 10 | 342.428,93 | 0,01% | 83 | 108 | 5,04 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 |

26. Distribution by Loan Purpose

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Loan Purpose

| Loan Purpose | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|------------------------------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| Other financing to the business activity | 13.653 | 1.244.901.505 | 48,47% | 65 | 91 | 2,84 |
| Financing working capital | 5.910 | 418.232.549 | 16,28% | 45 | 58 | 2,76 |
| Acquisition of long term assets | 7.305 | 389.411.426 | 15,16% | 53 | 68 | 2,85 |
| Acquisition / Construction or rehabilitation of other real state | 2.873 | 308.303.649 | 12,00% | 109 | 150 | 2,59 |
| Acquisition and rehabilitation of housing | 653 | 85.916.098 | 3,34% | 183 | 240 | 2,55 |
| Other | 1.888 | 121.788.138 | 4,74% | 68 | 85 | 3,09 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,8 |

27. Distribution by Self-Employed or Company (Segmentation)

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Self-Employed or Company

| Segmentation | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Self-Employed | 544 | 695.550.499,88 | 27,08% | 55 | 75 | 1,66 | 1,70 |
| Company | 31.738 | 1.873.002.864,84 | 72,92% | 75 | 101 | 3,22 | 1,85 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

There is no information available related to the existence of micro, small or medium enterprises due to the Assignor has not it in its data bases and cannot differentiate this kind of companies.

28. Distribution by Obligor Field of Activity (CNAE year 2009)

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Standard Industrial Classification (CNAE 2009)

| Standard Industrial Classification | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Wholesale trade, except of motor vehicles and motorcycles | 3.114 | 306.867.814,86 | 11,95% | 57 | 76 | 2,66 | 1,91 |
| Retail trade, except of motor vehicles and motorcycles | 5.959 | 212.303.430,94 | 8,27% | 70 | 96 | 3,81 | 1,74 |
| Food and beverage service activities | 4.213 | 157.441.171,54 | 6,13% | 86 | 109 | 3,98 | 2,03 |
| Manufacture of food products | 513 | 155.491.884,88 | 6,05% | 61 | 81 | 1,96 | 1,65 |
| Real estate activities | 991 | 152.758.287,92 | 5,95% | 132 | 169 | 2,38 | 1,52 |
| Accommodation | 368 | 131.830.381,89 | 5,13% | 74 | 93 | 2,16 | 1,91 |
| Wholesale and retail trade and repair of motor vehicles and motorcycles | 1.306 | 71.320.789,59 | 2,78% | 64 | 83 | 3,27 | 1,96 |
| Human health activities | 947 | 68.667.901,90 | 2,67% | 74 | 103 | 3,13 | 1,93 |
| Manufacture of fabricated metal products, except machinery and equipment | 666 | 58.467.533,50 | 2,28% | 65 | 88 | 2,81 | 2,16 |
| Other personal service activities | 1.635 | 56.295.619,81 | 2,19% | 87 | 124 | 3,34 | 1,10 |
| Land transport and transport via pipelines | 1.065 | 53.832.172,33 | 2,10% | 58 | 76 | 3,42 | 2,25 |
| Activities of head offices; management consultancy activities | 374 | 51.719.284,33 | 2,01% | 57 | 88 | 1,95 | 1,43 |
| Crop and animal production, hunting and related service activities | 439 | 49.439.683,84 | 1,92% | 64 | 92 | 2,58 | 2,04 |
| Manufacture of other non-metallic mineral products | 117 | 49.059.395,27 | 1,91% | 61 | 77 | 1,73 | 1,86 |
| Sports activities and amusement and recreation activities | 533 | 48.427.918,88 | 1,89% | 72 | 115 | 3,23 | 2,16 |
| Specialised construction activities | 1.488 | 47.854.797,10 | 1,86% | 61 | 88 | 4,07 | 1,78 |
| Electricity, gas, steam and air conditioning supply | 170 | 43.975.129,09 | 1,71% | 83 | 141 | 2,30 | 1,24 |
| Architectural and engineering activities; technical testing and analysis | 447 | 43.615.828,18 | 1,70% | 66 | 88 | 2,35 | 1,28 |
| Manufacture of beverages | 126 | 39.223.283,10 | 1,53% | 73 | 114 | 2,26 | 2,24 |
| Manufacture of rubber and plastic products | 208 | 38.905.121,10 | 1,51% | 61 | 77 | 2,29 | 2,14 |
| Civil engineering | 122 | 38.278.449,61 | 1,49% | 41 | 59 | 2,45 | 2,53 |
| Manufacture of chemicals and chemical products | 125 | 37.596.238,15 | 1,46% | 56 | 71 | 1,93 | 1,75 |
| Other professional, scientific and technical activities | 487 | 36.499.417,93 | 1,42% | 103 | 125 | 2,46 | 0,82 |
| Manufacture of basic metals | 105 | 34.989.727,14 | 1,36% | 43 | 64 | 1,86 | 1,58 |
| Manufacture of paper and paper products | 91 | 32.748.838,30 | 1,27% | 40 | 58 | 1,54 | 1,24 |
| Manufacture of electrical equipment | 113 | 30.920.456,06 | 1,20% | 57 | 73 | 2,04 | 2,34 |
| Manufacture of machinery and equipment n.e.c. | 242 | 29.737.387,71 | 1,16% | 60 | 79 | 2,49 | 2,11 |
| Rental and leasing activities | 285 | 28.819.144,24 | 1,12% | 65 | 84 | 2,54 | 2,10 |
| EDUCATION | 564 | 28.357.402,10 | 1,10% | 87 | 107 | 3,65 | 2,41 |
| Warehousing and support activities for transportation | 250 | 25.186.033,79 | 0,98% | 42 | 66 | 2,44 | 1,68 |
| Computer programming, consultancy and related activities | 396 | 25.105.477,28 | 0,98% | 69 | 92 | 3,25 | 1,53 |
| Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 241 | 24.870.580,88 | 0,97% | 90 | 108 | 2,52 | 1,93 |

| | | | | | | | |
|------------------------------------------------------------------------------------------------------------|-----|---------------|-------|-----|-----|------|------|
| Manufacture of basic pharmaceutical products and pharmaceutical preparations | 16 | 21.494.017,44 | 0,84% | 46 | 70 | 1,84 | 2,00 |
| Legal and accounting activities | 659 | 21.469.169,10 | 0,84% | 88 | 116 | 3,77 | 1,59 |
| Gambling and betting activities | 106 | 21.162.209,46 | 0,82% | 78 | 99 | 3,06 | 3,98 |
| Printing and reproduction of recorded media | 290 | 17.629.687,80 | 0,69% | 54 | 74 | 3,13 | 1,85 |
| Office administrative, office support and other business support activities | 353 | 17.203.642,90 | 0,67% | 74 | 100 | 3,69 | 1,59 |
| Residential care activities | 108 | 16.379.850,68 | 0,64% | 81 | 168 | 4,01 | 1,63 |
| Manufacture of textiles | 157 | 16.198.066,90 | 0,63% | 50 | 70 | 2,47 | 1,81 |
| Manufacture of motor vehicles, trailers and semi-trailers | 41 | 15.676.726,00 | 0,61% | 57 | 70 | 1,77 | 2,83 |
| Water collection, treatment and supply | 10 | 15.054.111,51 | 0,59% | 53 | 70 | 1,09 | 1,64 |
| Fishing and aquaculture | 43 | 13.960.094,95 | 0,54% | 57 | 76 | 1,63 | 3,74 |
| Other manufacturing | 130 | 10.933.760,92 | 0,43% | 49 | 63 | 2,58 | 2,79 |
| Construction of buildings | 6 | 10.191.435,52 | 0,40% | 89 | 188 | 1,12 | 1,19 |
| Advertising and market research | 269 | 9.776.821,18 | 0,38% | 56 | 78 | 3,91 | 1,70 |
| Services to buildings and landscape activities | 314 | 9.359.777,97 | 0,36% | 55 | 73 | 4,13 | 2,76 |
| Manufacture of other transport equipment | 16 | 9.063.301,83 | 0,35% | 57 | 71 | 2,01 | 1,79 |
| Financial service activities, except insurance and pension funding | 10 | 9.013.819,52 | 0,35% | 51 | 61 | 3,25 | |
| Manufacture of furniture | 143 | 8.910.513,36 | 0,35% | 70 | 83 | 2,91 | 3,32 |
| Scientific research and development | 54 | 8.479.008,44 | 0,33% | 52 | 68 | 3,52 | 2,97 |
| Manufacture of computer, electronic and optical products | 48 | 8.430.949,05 | 0,33% | 39 | 53 | 2,18 | 2,26 |
| Telecommunications | 101 | 8.157.026,48 | 0,32% | 45 | 58 | 3,14 | 2,71 |
| Motion picture, video and television programme production, sound recording and music publishing activities | 110 | 7.659.557,61 | 0,30% | 31 | 41 | 3,58 | 3,12 |
| Repair and installation of machinery and equipment | 181 | 6.572.161,96 | 0,26% | 38 | 52 | 4,20 | 3,05 |
| Activities auxiliary to financial services and insurance activities | 143 | 5.882.265,84 | 0,23% | 56 | 72 | 4,45 | 4,08 |
| Travel agency, tour operator and other reservation service and related activities | 151 | 5.860.210,95 | 0,23% | 68 | 85 | 4,21 | 1,85 |
| Other mining and quarrying | 40 | 5.832.518,03 | 0,23% | 51 | 80 | 2,71 | 3,48 |
| Manufacture of leather and related products | 115 | 5.231.461,94 | 0,20% | 45 | 61 | 3,22 | 1,81 |
| Manufacture of wearing apparel | 63 | 4.950.078,93 | 0,19% | 55 | 72 | 2,91 | 2,35 |
| Waste collection, treatment and disposal activities; materials recovery | 70 | 4.895.938,37 | 0,19% | 49 | 64 | 3,26 | 3,01 |
| Remediation activities and other waste management services | 21 | 4.811.164,73 | 0,19% | 56 | 67 | 2,96 | 2,69 |
| Creative, arts and entertainment activities | 116 | 4.796.870,03 | 0,19% | 107 | 137 | 3,91 | 1,23 |
| Forestry and logging | 80 | 3.656.562,28 | 0,14% | 74 | 95 | 3,86 | 1,98 |
| Sewerage | 18 | 3.605.686,50 | 0,14% | 24 | 53 | 1,71 | 1,37 |
| Security and investigation activities | 65 | 3.566.464,87 | 0,14% | 41 | 54 | 4,05 | 1,92 |
| Publishing activities | 96 | 2.818.122,58 | 0,11% | 38 | 52 | 4,53 | 3,55 |
| Repair of computers and personal and household goods | 130 | 2.632.840,03 | 0,10% | 76 | 104 | 4,62 | 1,84 |
| Information service activities | 40 | 2.342.363,11 | 0,09% | 49 | 63 | 4,07 | 2,00 |
| Veterinary activities | 61 | 2.165.799,03 | 0,08% | 101 | 123 | 4,04 | 3,25 |

| | | | | | | | |
|---------------------------------------------------------------------------------------------|---------------|-------------------------|----------------|-----------|-----------|-------------|-------------|
| Activities of membership organisations | 8 | 2.089.876,92 | 0,08% | 84 | 98 | 3,06 | 2,75 |
| Employment activities | 36 | 1.960.182,11 | 0,08% | 43 | 58 | 3,69 | 3,65 |
| Social work activities without accommodation | 41 | 1.481.749,75 | 0,06% | 110 | 127 | 4,81 | 3,30 |
| Air transport | 2 | 1.199.890,06 | 0,05% | 33 | 37 | 2,01 | 1,95 |
| Postal and courier activities | 52 | 1.149.850,96 | 0,04% | 64 | 78 | 5,27 | |
| Programming and broadcasting activities | 17 | 898.241,06 | 0,03% | 51 | 60 | 3,71 | 6,55 |
| Mining support service activities | 6 | 870.898,96 | 0,03% | 46 | 51 | 2,01 | |
| Water transport | 12 | 743.303,85 | 0,03% | 44 | 57 | 3,34 | |
| Manufacture of coke and refined petroleum products | 1 | 700.000,00 | 0,03% | 10 | 12 | 1,00 | |
| Activities of households as employers of domestic personnel | 19 | 450.937,47 | 0,02% | 89 | 114 | 4,14 | 0,90 |
| Mining of coal and lignite | 2 | 286.205,11 | 0,01% | 9 | 13 | 1,27 | |
| Manufacture of tobacco products | 2 | 157.407,99 | 0,01% | 115 | 221 | 3,48 | 1,00 |
| Undifferentiated goods- and services-producing activities of private households for own use | 6 | 69.948,52 | 0,00% | 38 | 58 | 5,36 | 4,00 |
| Public administration and defence; compulsory social security | 1 | 37.373,60 | 0,00% | 26 | 61 | 5,50 | |
| Libraries, archives, museums and other cultural activities | 3 | 26.857,32 | 0,00% | 26 | 44 | 6,55 | |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

29. Distribution by Days in Arrears

Dated November 21st 2017

IM SABADELL PYME 11 Distribution by Days in Arrears

| Days in Arrears | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|--------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| No days in arrears | 29.816 | 2.489.696.588,55 | 96,93% | 69 | 93 | 2,73 | 1,79 |
| 1 - 30 | 1.983 | 61.918.792,24 | 2,41% | 82 | 116 | 5,12 | 2,31 |
| 30 - 60 | 482 | 16.877.975,08 | 0,66% | 91 | 149 | 4,98 | 1,65 |
| > 60 | 1 | 60.008,85 | 0,00% | 55 | 181 | 0,38 | 0,50 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

30. Distribution by End Date of Grace Period

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Date of the End of the Holiday Principal Payment

| Date End of Holiday Principal Payment | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) | Average margin (%) (only floating interest rate loans) |
|---------------------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------------------|
| Without Holiday Principal Payment | 30.498 | 2.141.635.952,44 | 83,38% | 72 | 100 | 2,94 | 1,80 |
| Bullet | 950 | 136.733.351,16 | 5,32% | 9 | 16 | 2,21 | 2,28 |
| 2017 | 233 | 42.971.640,69 | 1,67% | 60 | 74 | 2,69 | 2,22 |
| 2018 | 554 | 184.736.316,65 | 7,19% | 79 | 89 | 2,13 | 1,89 |
| 2019 | 41 | 51.436.403,78 | 2,00% | 73 | 80 | 1,26 | 1,25 |
| 2020 | 3 | 10.100.000,00 | 0,39% | 119 | 122 | 1,44 | |
| 2022 | 2 | 705.100,00 | 0,03% | 236 | 361 | 0,86 | 1,13 |
| 2023 | 1 | 234.600,00 | 0,01% | 184 | 301 | 0,88 | 1,25 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 | 1,80 |

There are no loans, other than the specified in the table above, with the possibility of applying a grace period for principal payment. Additionally, there are also no loans with grace periods for interest payments.

| | |
|--------------------------------------------------|------------|
| Minimum Holiday Principal Payment Date: | 28/11/2017 |
| Maximum Holiday Principal Payment Date: | 19/02/2023 |
| Weighted average Holiday Principal Payment Date: | 20/08/2018 |

31. Distribution by Liens of the Guarantee

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Liens of the Guarantee

| Liens of the Guarantee | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|------------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| Without Liens | 1.265 | 417.020.994,08 | 98,35% | 158 | 220 | 2,45 |
| With prior Liens | 49 | 6.997.001,51 | 1,65% | 143 | 231 | 3,44 |
| Total | 1.314 | 424.017.995,59 | 100,00% | 158 | 220 | 2,46 |

1.55% of the outstanding balance of the Preliminary Portfolio are loans with prior liens where the guarantee is not enough to cover the total outstanding balance of the Loan.

32. Distribution by Originator

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Originator

| Originator | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|----------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| Banco Sabadell | 31.395 | 2.382.897.495,75 | 92,77% | 63 | 81 | 2,86 |
| CAM | 285 | 75.868.966,08 | 2,95% | 149 | 252 | 0,91 |
| Caixa Penedés | 379 | 66.927.424,23 | 2,61% | 177 | 280 | 2,81 |
| Others | 223 | 42.859.478,66 | 1,67% | 107 | 221 | 2,91 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 |

33. Distribution by Type of Loan

Dated November 21st 2017

IM SABADELL PYME 11
Distribution by Type of Loans

| Type of loans | Number of loans | Outstanding Principal Balance Not Due (€) | Outstanding Principal Balance Not Due (%) | Weighted Average Term to Maturity (months) | Weighted Average Initial Maturity (months) | Weighted Average Current Rate (%) |
|----------------------|-----------------|-------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------|
| Non-refinanced loans | 29.225 | 2.440.383.271,56 | 95,01% | 69 | 93 | 2,68 |
| Refinanced loans | 3.057 | 128.170.093,16 | 4,99% | 87 | 121 | 5,11 |
| Total | 32.282 | 2.568.553.364,72 | 100,00% | 70 | 94 | 2,80 |

2.2.3 Legal nature of the Assets.

The Assets securitised by means of their assignment to the Fund are credit rights deriving from Loans provided by BANCO SABADELL.

The Assets deriving from Loans with Mortgage Guarantee will be assigned by means of the issuance by BANCO SABADELL of 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 relates to 100% of the Outstanding Balance of each of the Assets deriving from SME Mortgage Loans which it assigns; it will have the same term and will accrue an interest rate equal to the nominal rate duly accrued on the corresponding SME Mortgage Loan.

The assignment of the Assets deriving from SME Loans without mortgage guarantee will be implemented directly and is governed by Spanish common law, i.e. Articles 1526 *et seq* of the Civil Code.

2.2.4 Expiry or maturity date(s) of the Assets

Each of the selected Loans matures in accordance with the particular terms thereof, without prejudice to partial periodic repayment instalments.

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

The last final maturity of the selected Loans is 15 November 2053. Therefore, the Final Date is 20 June 2057, as previously described in section 2.2.2 of the Additional Building Block.

2.2.5 Amount of the Assets.

The Assets of the Fund assigned and issued by BANCO SABADELL and selected from among those comprising the audited Preliminary Portfolio, until reaching an amount equal to or marginally greater than ONE THOUSAND NINE HUNDRED MILLION EUROS(€1,900,000,000).

The selected loans from the Preliminary Portfolio, from which the Assets to be assigned to the Fund on the Date of Incorporation will be extracted, is made up of 32.282 loans, the outstanding principal of

which amounts to €2,568,553,364.72 as of 21 November 2017. Loans with arrears of more than sixty (60) days will not be assigned.

2.2.6 Loan-to-value ratio or level of collateralization for those Loans with mortgage guarantee

The current LTV ratio for the SME Mortgage Loans, expressed as a percentage of the amount of the outstanding principal and the initial valuation assessment of the properties currently mortgaged through the selected SME Mortgage Loans, is between 0% and 192.98%, and the average weighted ratio is 70.43%. All the appraisals have been done in accordance with the Order ECO 805/2003, being the appraisal either a) the original shown in the relevant certificate or in the public deed in which was formalized the granting of the loan or b) an updated appraisal doing according to the Order ECO 805/2003.

2.2.7 Method of origination or creation of the Assets and principal lending criteria

BANCO SABADELL's group has a Risk Appetite Framework in place to ensure the proactive control and management of all of the group's risks. Within this Framework, risk management and control has been embodied in a broad framework of principles, policies, procedures, and advanced valuation methods, forming an efficient decision-taking structure within a risk function governance which is in line with both Spanish and European regulations.

Credit risk exposure is subjected to rigorous monitoring and control through regular reviews of borrowers' creditworthiness and their ability to meet their obligations to the BANCO SABADELL's group, with exposure limits for each counterparty being adjusted to levels that are deemed to be acceptable.

The Loans, from which the selected Assets to be assigned to the Fund derive, were granted by the branch network of BANCO SABADELL or any other entity that is currently part of BANCO SABADELL GROUP using its procedures to analyse and evaluate risk operations previous to the integration in the BANCO SABADELL GROUP. These procedures are very stable through time, so current procedures are almost identical to those existing at the moment of granting selected Loans. They are described as follows:

Method of origination or creation of the Asset by BANCO SABADELL

Analysis

- Carried out by the "basic management teams" (BMTs) that are comprised of an individual from the sales area and another from the risk management of the corresponding BANCO SABADELL's area. In this sense, BANCO SABADELL has several BMTs in place for different regions and portfolios.
- This analysis is mainly based on the evaluation of 5 aspects of the business and the risks that are described to follow.

1. Functionality and management capacity

Analysis based on the philosophy and objectives of the company, the characteristics of its components and its management approach, structure of the organisation and the capacity and management style of its executives.

2. Competitive position within the Market

Competitive position of the company or company group as a result of (i) the type of product offered, its degree of maturity and the possibility of replacement, (ii) field of activity, (iii) complexity, (iv) seniority, (v) research and development of the production process, (vi) customer and suppliers' concentration, (vii) situation in respect of the competition, (viii) market size and (ix) distribution channels.

3. Economic and Financial aspects

Balance analysis, analysis of the business account, analysis of the evolution, trend and projection, financial environment, partners, group of companies and degree of implication, debt and liquidity, cash flow generation, scope for growth and self-financing. Understanding of the customer and the group, background, cross-sales, asset/liability positions, links to the company, partner analysis and group to which it belongs, analysis of third party experience as payee, bank return.

4. Historical data

Knowledge of the client and its group, background, cross-sales, asset/liability positions, link to BANCO SABADELL, analysis of its partners and the group to which it belongs, analysis of the experience of third parties as payee, bank return.

5. Guarantees

Evaluation of the guarantees provided by the customer to BANCO SABADELL and the obligations contracted by the latter and other financial providers, liquidity and ease to execute them, opportunity and need.

The evaluation of these 5 aspects is articulated through a statistical model that results in a rating indicating the arrears probability of the customer in the following 12 months.

The weight of each aspect in the rating depends on the concrete model used, which in turn depends on the size of the company. Within this framework, "Economic and Financial aspects", as well as "Competitive position" have more weight in bigger companies, while "Historical Data" and "Functionality and management capacity" have more weight for smaller companies. Guarantees are not included in rating models.

There are different rating models for current customers and non-customers.

Decision

The decision is taken from the above described rating and a series of data and parameters that can be summarised as follows:

- Coherence of the customer's request with its activity / business.
- Customer's payment capacity in relation to its current and future situation.
- Guarantees provided by the customer.
- That the circulating amount of the customer in the hands of BANCO SABADELL is in accordance with its total sales volume.
- That BANCO SABADELL's total risk with the customer is in proportion to the customer's own resources. In this sense the permanence of the customer's own properties on the balance sheet is valued positively.
- For long-term transactions, with greater flexibility in relation with the percentage over own resources, a greater implication of the customer is necessary and/or greater and improved guarantees of any kind.
- Internal and external arrears Data Bases are consulted (RAI, Asnef, etc.).
- For customers with medium and high ratings, BANCO SABADELL aims to be their principal bank, whereas for low ratings, it reinforces the solvency with additional guarantees, while new risk takes into consideration the rating

The implementation of advanced methodologies for managing risk exposures benefits the process in ensuring that proactive measures can be taken once a risk has been identified. In this sense, advanced internal models for credit ratings as a basic part of the decision-making process have been in place for over fifteen years. BANCO SABADELL's group, following best practices, uses these models in order to improve the overall efficiency of the process. These models not only allow ordinal ordering of borrowers, but are also the basis for quantitative measurement of the risk, and they therefore allow multiple uses of these measurements in key management processes: fine adjustment in the delegation of powers, efficient risk monitoring, global risk management, risk-adjusted profits and analysis of the group's solvency are some examples.

Autonomy

- The decision process includes the level of autonomy, designed to determine the minimum level of decision awarded to the risk file. It is based on the risk (both customer and group), on expected losses and guarantees provided. For each of these levels, there is a basic management team, comprised of an individual from the sales area and one from the risk management area of BANCO SABADELL. Both components of the BMT must approve the transactions and if no agreement is reached the transaction must be referred to the immediately above level.
- Certain characteristics of the customer and/or the risk requested present an exception to the autonomy generally granted (for example, risks for directors, special sectors, political parties, etc.).

Monitoring

- In order to obtain a good level of risk quality, together with rating systems and an optimal analysis in risk granting, it is also essential to carry out a comprehensive monitoring of the portfolio once the credits are operative.

The process of monitoring is initiated as a result of one or more of the following situations:

- Validity of the rating
 - Variations in any of the 5 business and risk aspects
 - Early Warning Tool, behavioral warnings and others
-
- Early Warning Tool (“EWTs”) is a monitoring tool based on a statistical model generated from the bank’s own data in order to give a global valuation of customers with business risk and that is weighed by both negative and positive aspects of its behavior.
 - The comprehensive monitoring system anticipates the detection of customers that present symptoms that may decrease their solvency, and can therefore present problems in the future. From the point of detection, a full analysis is carried out at the end of which one of the following decision is taken:
 1. OK. Customers continue their normal relationship, although in some cases a new revision date is established.
 2. REVIEW REQUIRED. A Review of the customer is initiated. The advice is to manually add to the file the No More Risks warning whilst the review is on-going. A new review date is calculated in relation to the assessment of the customer.
 3. TO BE CANCELLED. Customers with which a business relationship is no longer desirable and therefore an exit is planned.
 4. PRE-LITIGIOUS. Customers with problems but that due to their specific characteristics, guarantees or other factors, with a preventive and specialised policy it is possible to stop them from entering into the “litigious” category. Or, if such prevention is not possible, their conditions can be improved with more guarantees, executive documents, etc.
 5. LITIGIOUS. Customers for whom a decision has been made to judicially claim against them as they present a complicated situation that is generally irreversible. Recovery Management takes over the management of the files. Nevertheless, the basic management team takes part in the recovery of this type of debts. However, before any decision is taken Recovery Management must be notified and authorisation obtained, to prevent a situation that might obstruct the procedures initiated.

Recovery assessment

In the event of a default of any of the loans, the following procedure is initiated.

The process begins with the decision to forward the file to the Recovery Unit, once all friendly recovery avenues have been attempted. The individual responsible for the Account initiates a report detailing all

actions taken, reasons for forwarding the file and possibilities for Recovery. This report is sent to the Risk Analyst who must complete and authorise it and, these have a limited time to decide if the file must be moved forward. Finally, the file reaches the Prevention and Monitoring Management who must authorise its forwarding to Recovery.

In a parallel circuit, Analysis Managers assess the management of the loan issue and its monitoring who must receive a copy of the file. Once Prevention and Monitoring has authorised the file, it is passed on to Recovery Management.

Upon receipt of the file in Recovery Management, it is assigned to a judicial recovery management portfolio, which may be of an Internal Bank Lawyer to External lawyer belonging to an external provider, depending on the type of customer and the debt amount, in order to initiate the corresponding documental preparation and start legal action necessary to recover the debt through execution of the collateral (depending on the type of process).

If the file does not meet certain policies set by BANCO SABADELL, the file is assigned to a portfolio of extrajudicial recovery, which can be internal or belonging to the external providers. In any applicable situations (above 100 Euros), the Obligor is notified in advance by burofax of its incorporation to the Asnef-Equifax and Experian data files.

A brief summary of the origination policies of the entities that are part of Banco Sabadell valid until their integration into the bank is included below. Once the integration of the entities was completed, the origination policies became the Banco Sabadell policies described above.

Method of origination or creation of the Asset by Caixa Penedés

Processing and Approval of the Transactions

The office is in charge of registering the transactions that pass the analysis done as precondition in the processing system assets.

The fundamental objective of this pre-analysis is to filter transaction that do not meet a minimum quality without incurring to the client and the entity in unnecessary costs and delays. For this purpose, it is assessed whether the ability to repay, the mortgage coverage (where applicable, based on the knowledge of the area) and the contribution of resources by the petitioners are adequate for the requested destination.

Another aspect that is also assessed in the pre-analysis is the possibility of incorporating additional guarantees, such as guarantors, in those cases that are necessary to guarantee the return of the transactions.

Once the pre-analysis has been completed, the office begins the processing of the application, compiling the documentation required by the regulations for each type of transaction and registering it in the computer system for sanction by the authorized body.

The application of transaction processing itself guarantees that the file will be sanctioned by the hierarchical level that has sufficient sanctioning powers. Likewise, it prevents the processing of those

transactions in which the minimum required documentation has not been filled (such as the incidents and delinquency inquiries or the global debt consultation - CIRBE)

During the processing process, the application follows a circuit formed by different bodies of the Entity until arriving at that empowered for its sanction. The hierarchical levels that make up this processing circuit are:

- Office
- Zone Headquarters
- Risk Area
- Transaction Commission.

At the Office level, there are three distinct sections of powers and only those responsible for the Office have powers. The assignment to one or another section is made based on the experience of each employee.

Each body through which the application must pass, in case of not having the capacity to sanction, issue its opinion on the viability of the risk after performing the corresponding analysis.

When dealing with new transactions of clients that present or have presented significant delays in their obligations with our Entity, the circuit is altered by the incorporation of the Recovery Area, remaining as follows:

- Office
- Zone Headquarters
- Recovery Area
- Risk Area
- Transaction Commission.

The delegation of powers is carried out by two different parameters:

- Risk limit (maximum amounts that each body can grant).
- Rates (economic conditions to apply to each transaction)

The risk faculties establish the maximum amount that can be granted to a client, by means of two limits. The first one is based on the main guarantee type of the transaction (real / personal) and the second one establishes a global maximum limit, independently of the guarantees.

These faculties will be limited when the application presents certain characteristics that the Entity considers to be aggravating the risk, such as the following: percentages of coverage and financing depending on the type of property that guarantees the transaction and the destination of the transaction above certain levels; experience of known payment of clients, financial situation of the company.

The most frequent consequences of the existence of any of these aspects are to send the transaction to a specific body or, simply, to the higher hierarchical body, depending on the severity of the operation. In addition to the previous quantitative aspects, the application is also subjected to a qualitative analysis in which is evaluated certain aspects such as the purpose of the operation, the employment situation of the applicants, seniority as clients, the ability to save, the experience of the partners and administrators, the diversification of customers / suppliers / business areas.

Required Documentation

For the analysis of the application, the Office must compile the documentation established in the internal regulations. This documentation comes from different sources. As an example, some of these documents grouped according to their origin are detailed below:

- Inquiries to internal applications: client file, query of positions and consultation of the situation of previous operations.
- External inquiries: consultation of incidents and delinquencies, CIRBE consultation (this query is available in internal applications for those clients with current risks in CAIXA PENEDÉS), and in the event that the main guarantee of the operation is mortgage, domain note and charges of the property to be mortgaged (or any other property of the applicants or guarantors that it is necessary to verify). From the internal systems of the box there is access to Informa's databases, for those companies that are registered in said databases.
- Information to be provided by the client: IAE receipt, and, if applicable, audited annual accounts, external audit report, self employed receipt, annual accounts, VAT and IRPF documents, etc.
- Accrediting documentation of the transaction: invoice, budgets, purchase agreements, proof of payment of the investment for SME and ICO lines, project, report and study of the viability of the investment to be financed, as the case may be, and financing plan for the entire investment.
- Specific documentation of each transaction: in the event that the main guarantee is a mortgage, the appraisal will be requested with a report issued by any of the appraisal companies accepted by CAIXA PENEDÉS among the accredited companies and duly registered in the corresponding registry.

Method of origination or creation of the Asset by Caja de Ahorros del Mediterráneo (CAM)

Description of the Process:

a) Application:

The processing of a credit operation generally begins with the application by the interested party of the sufficient amount to cover its financing needs.

The Office or the Manager, in accordance with the investment policy of CAM, the application that is intended to give the borrowed capital, the collateral provided and the ability to pay, determines the modality of the loan more adjusted to its claims, informing the applicant of the characteristics and conditions of the operation (term, form of payment, expenses, interest rates, application of rounding clauses, etc.) and of the documents that must be provided. For the loans with mortgage guarantee a policy is required where the capital insured with the outstanding balances of the loans and of an appraisal made by an approved appraiser.

b) Analysis and Grant:

The resolution of any application involves the prior study of the documentation provided, which through a specific analysis procedure assesses the potential risk that can be assumed by it.

In case of companies, it is issued by a specialized department, using an analysis model, a rating that is representative of its credit quality. It is configured as the analysis tool adopted by CAM to get the knowledge, analysis and adequate follow-up of the Entity's customers, it is updated

on an annual basis or even in shorter periods if there are substantial changes in the companies. Its purpose is to know the current, past and future economic and financial developments of the CAM client companies in order to measure the repayment capacity of the credit operations in force and / or proposals. In addition, qualitative and operational data with CAM of the different companies are taken into account. The system analyzes not only client companies but also non-client companies, which allows proactive work to increase the volume of business of the Entity in a controlled and reasonable manner.

In case of individuals, the tool used for their evaluation is a credit scoring whose parameters are updated periodically. This tool qualifies a customer as a natural person based on socio-economic information of the client, information on the operation and information on internal CAM behavior, obtaining a risk profile of the client. In addition, there is a systematic based on the knowledge of private customers linked to CAM that allows to have a large number of them pre-classified. This tool can be used proactively, for commercial campaigns, as well as reactive, for quick responses to high quality clients. credit At the same time, this tool allows continuous monitoring of operations and repeatedly assessing their quality.

There is a verification of declared assets, knowledge of risks and links of the interveners with CAM and other entities, as well as external information RAI, BDI, Credit Bureau, etc., all of which is recorded in the Report – Proposal.

In CAM, the separation of functions between commercial areas and risks was decided, in this way the analysis and the decisions related to the resolution of credit operations fall on people or risk committees.

In CAM, the risks accumulated by the client and its risk group are always taken into account, being the figure obtained with the new operations set out to unequivocally identify which is the corresponding resolution body.

In addition to apply realistic profitability criteria compatible with the social nature of CAM, the fundamental principle in the matter of credit investments is the viability of the operation, in addition to the weighting of the amounts, purposes, possibility of amortization, solvency and guarantees of the operations , all with in-depth knowledge of the client, ensuring as much as possible the recovery of the borrowed capital:

b1) Viability study

Viability is the determining variable to assume or increase risks with a company, considering the guarantees offered in a second place (in a complementary way).

It is considered basic that the company is generating sufficient resources to meet the its current payment obligations and those that may arise from the requested funding, in those cases in which an investment project is measured, its impact on the future is also assessed by projection of the income statement in order to assess the expectations of expected profitability to establish to what extent it can influence the company, assuming that the reality does not correspond to the initial expectations.

As regulatory criteria to avoid the concentration of risk, risk quotas are established that are assumable based on the assessment obtained from the economic-financial evaluation of the company through the business analysis tool.

Also in case of individuals, in addition to the credit quality of the client, the viability of the transactions is analyzed by comparing the income received by the owners of the

proposed operation and the installments to be paid with the frequency that is contracted.

b2) Heritage solvency study

As patrimonial assets are understood the set of rural and urban real estate that appear inscribed in the name of the owner, valued correctly. In those operations in which there are additional guarantees, these are also evaluated.

In some operations it is necessary to incorporate guarantors to the operations, both of companies and individuals, which allow mitigating the risks with the knowledge of the intervening property assets.

b3) Payment behavior

Another basic principle of risk analysis and granting in CAM is the verification of adequate compliance with the payment obligations of the companies with CAM, with the rest of the financial system and even with other creditors; for this, internal and external information is accessible, among the latter, access to the credit bureau and other sources of information is available at all CAM posts.

c) **Required documentation**

For companies, the requirements of documentation are, basically, the contribution of tax information for the last three years, VAT declarations, guarantees, CIRBE data, etc. In case of real estate projects, licenses for works, contracts or sales commitments, feasibility questionnaire, appraisal, etc. would be presented.

For self employed, the provision of accurate documents to evaluate customer requests is left embedded in the client's file. It is perceptive the presentation of declarations of assets of the interveners, in addition to other documents such as: accreditation of the personality, accreditation of the solvency of assets, reports of technicians and advisors, etc.

2.2.8 Representations and other warranties given to the Fund relating to the Assets

The Management Company reproduces below the representations and warranties that the Assignor, as the owner of the Loans and issuer of the MTCs, shall make to the Management Company, acting on behalf of the Fund, on the Date of Incorporation of the Fund in the deed of incorporation of the Fund:

If, at any time after the Date of Incorporation of the Fund, the Assignor or the Management Company becomes aware that any of the representations and warranties referred to in this section 2.2.8 and relating to any of the Assets was false or incorrect by reference to the facts and circumstances existing on the date on which the said representation or warranty was made, then section 2.2.9 of the Additional Building Block shall apply.

2.2.8.1. Representations of BANCO SABADELL in its own respect:

1. BANCO SABADELL is a bank duly incorporated and validly existing under Spanish law and is registered in the Commercial Register and in the Registry of Banks of the Bank of Spain, and is equally empowered to participate in the commercial and mortgage market.

2. BANCO SABADELL has not been in a situation of insolvency, suspension of payments, bankruptcy or insolvency proceedings (in accordance with the provisions of the Insolvency Act) on the date of this Prospectus or at any time since its incorporation or in a resolution process included in Law 11/2015.
3. The corporate decision-making bodies of BANCO SABADELL have validly adopted all resolutions required to (i) assign the Assets deriving from SME Loans and SME Mortgage Loans through direct assignment and the issuance of the MTCs, and (ii) validly execute the agreements and commitments undertaken therein.
4. BANCO SABADELL is in possession of the annual financial statements for the last two completed years and the last half year, which are duly audited. The Auditors' Report for 2015, 2016 and the second half of 2017 are unqualified. The audited annual financial statements for the years 2015 and 2016 are deposited with the CNMV and the Commercial Register.
5. BANCO SABADELL complies with current data protection legislation and current anti-money laundering regulations.
6. As it is indicated in section 2.2.8.4 of this Additional Building Block, BANCO SABADELL complies with Regulation on CRR, the Regulation on AIFM and the Regulation on Solvency II.
7. BANCO SABADELL accepts responsibility for the information set out in sections 2.2.1 to 2.2.7 (both inclusive) and 3.5 of the Additional Building Block of the Prospectus with respect to itself or the Assets. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respect and are in accordance with the facts.

2.2.8.2. Representations of BANCO SABADELL with respect to the Assets and the Loans:

1. BANCO SABADELL is the full owner of the Assets and has no knowledge that any Obligor can raise any objections to the payment of any amount regarding the Assets.
2. As of the date of assignment of each Asset, BANCO SABADELL has no knowledge that any Obligor is insolvent.
3. BANCO SABADELL warrants that on the Date of Incorporation there will be no arrears greater than sixty (60) days.
4. The Assets exist, are valid and are enforceable in accordance with Spanish law.

5. The data concerning the Assets and the Loans included in the Prospectus and in the Deed of Incorporation are complete and faithfully and accurately reflect the reality of such Loans.
6. As of the date of assignment, the loans included in the Prospectus and in the Deed of Incorporations have not been subject to any change, amendment, modification or waiver of any kind which in any material way , and to the best of BANCO SABADELL knowledge, adversely affects the enforceability or collectability of all or a portion of the Assets being transferred.
7. As regards the Assets, no person has a preferential right to the Fund.
8. All the Obligors are self-employed individuals residing in Spain or non-financial SME (according to the Technical Application No.9 / 2016 of Bank of Spain) incorporated in Spain.
9. To the best of BANCO SABADELL's knowledge, none of the Obligors is in a position to exercise any set-off rights ("*derecho de compensación*").
10. The Loans are repaid by the Obligors via direct debit.
11. On the Date of Incorporation, the outstanding balance on each Loan is in euros.
12. As of the Date of Incorporation, each Obligor has made at least one scheduled payment under the Loan agreement.
13. The information contained in this Prospectus regarding the Preliminary Portfolio is complete and faithfully conforms to reality.
14. The assignment of the Loans (including the issue of the MTCs), as well as all the acts relating thereto, have been legally and validly performed based on market standards.
15. All of the Loans have been originated by BANCO SABADELL or any other entity that is currently part of the group Banco Sabadell faithfully following the standard set forth in the lending policy appearing in section 2.2.7 of this Additional Building Block as regards the policy on the origination of each and every one of the Loans.
16. On the date of assignment of each Asset, BANCO SABADELL is not aware of the existence of litigation of any kind as regards the relevant Loans that may prejudice the validity thereof or give rise to the application of Article 1,535 of the Spanish Civil Code (in reference to the right of amortisation by the Obligor of a disputed Asset deriving from a Loan that is being sold).

17. On the Date of Incorporation BANCO SABADELL undertakes to provide the Management Company with all the initial and the periodical information regarding the Loans in accordance with the software applications of the Management Company.
18. The payments of the Obligors under the Assets are not subject to any withholding tax.
19. The Loan agreements are governed by Spanish law.
20. Each of the SME Mortgage Loans is secured by or with first-priority real estate mortgage over the relevant properties or with a subsequent rank, provided in such cases that the previous rank mortgage is always in favour of BANCO SABADELL.
21. All of the mortgaged properties in guarantee of the Mortgage SME Loans are not subject to prohibitions to dispose of , resolving conditions or any other ownership limitation.
22. All the SME Loans not guaranteed by a mortgage have been formalised in a private agreement or a loan policy.
23. All the SME Loans guaranteed by a mortgage are recorded in public instruments ("*escritura pública*"), and all the mortgages are duly granted and registered in the corresponding Land Registries. The registration of the properties mortgaged is in force and with no contradictions and is not subject to any limitation with priority over the mortgage, in accordance with applicable legal provisions.
24. The mortgages cover properties that are wholly owned by the mortgagor, and the Assignor is not aware of any litigation regarding the ownership thereof.
25. All the properties mortgaged are completed (except in the case of land) properties (flat, commercial premise, industrial, terraced house and other) located in Spain and have been previously appraised by an appraiser duly registered in the corresponding Official Registry of the Bank of Spain, and such appraisal is shown in the relevant certificate. All the appraisals have been done in accordance with the Order ECO 805/2003, being the appraisal either a) the original shown in the relevant certificate or in the public deed in which was formalized the granting of the loan or b) an updated appraisal doing according to the Order ECO 805/2003.
26. The SME Mortgage Loans guaranteed by mortgages are not subject to any issue of mortgage notes, MSs or MTCs other than the issuance of the actual MTCs.
27. BANCO SABADELL is not aware of the existence of any circumstance preventing the enforcement of the mortgage security.

28. The Loans are fully drawn.
29. None of the Loans have a final maturity date subsequent to 15 November 2053.
30. None of the SME Mortgage Loans have been granted to finance real estate developments to build or restore homes and/or commercial or industrial properties for sale or rent, and neither are they land financing;
31. None of the Loans corresponds to a financial lease.
32. None of the Loans corresponds to a syndicated transaction.
33. The Assignor may freely transfer its interest in the Loans and their security related thereto without breaching any term or condition of the Loans. In case any Asset deriving from a Loan was not transferable without the Obligor's consent, such consent has been previously obtained.
34. BANCO SABADELL warrants that, on the Date of Incorporation, the Outstanding Balance Not Due of the refinanced Assets will not be greater than the result of multiplying the Outstanding Balance of the Notes by (6.5)%.
35. BANCO SABADELL confirms that on the Date of Incorporation the final portfolio assigned to the Fund will not include loans with code 6430 ("Inversión colectiva, fondos y entidades financieras similares") and 6420 ("Actividades de las sociedades holding") of the CNAE, which belongs to the category "Financial service activities, except insurance and pension funding" detailed in section 2.2.2.28 of the Additional Building Block .
36. BANCO SABADELL confirms that on the Date of Incorporation the final portfolio assigned to the Fund will not include any obligor group that concentrate more than a 1%.

2.2.8.3. Representations of BANCO SABADELL with respect to the MTCs:

1. On the Date of Incorporation the MTCs will be issued in accordance with the provisions of (i) Law 2/1981; (ii) Royal Decree 716/2009 and (iii) the Fourth Additional Provision of Law 5/2015, and, only to the extent that the SME Mortgage Loans are not eligible under Chapter II of Royal Decree 716/2009, for purposes of being subject to Mortgage Shares ("*participaciones hipotecarias*"). This information is consistent with the content established in the special accounting register of mortgage loans of Banco Sabadell, prepared in accordance with Annex I of Royal Decree 716/2009.
2. The MTCs will be issued for the same period that remains until maturity and for the same interest rate as each of the corresponding SME Mortgage Loans.

3. On the Date of Incorporation, the outstanding balance of each of the SME Mortgage Loans, which are fully drawn, will be equivalent to the principal amount of the corresponding MTC.
4. The respective corporate decision-making body of the Assignor has validly adopted all resolutions required for the issuance of the MTCs.

The Assignor, the Assets and Loans, and the MTCs shall comply with the aforementioned characteristics on the Date of Incorporation.

The Assignor has given the Management Company the representations and warranties regarding both the Assets and Loans and the Assignor itself, as described in this section, and will ratify them in the Deed of Incorporation.

2.2.8.4. Compliance with Regulation 575/2013

In compliance with the provisions of Article 405 of the Regulation 575/2013, of 26th June, on prudential requirements of credit institutions and investment companies, amending the Regulation (EU) no. 648/2012 (the “**Regulation on CRR**”), Article 51 of the Regulation (UE) N° 231/2013 of 19 December 2012 known as the Regulation of Management of Alternative Investment Funds (the “**Regulation on AIFM**”) and Article 254 of the Regulation (UE) 2015/35 of 10 October 2014 (the “**Regulation on Solvency II**”) the Assignor has informed the Management Company that it will retain during the term of the Fund, in a constant manner, a significant net economic interest pursuant to the terms required by the Regulation on CRR. In this respect, the Assignor has informed the Management Company that the words “in a constant manner” mean that the net economic interest retained will not be subject to reduction in the credit risk, to short positions or to other types of hedge and that it will not be sold. The Assignor will undertake, by virtue of the Deed of Incorporation, to include in the web page, https://www.grupbancsabadell.com/es/XTD/INDEX/?url=/es/INFORMACION_ACCIONISTAS_E_INVERSORES/INFORMACION_FINANCIERA/EMISIONES_Y_FOLLETOS/COMPROMISO_DE_RETENCION/index.html (or any other web page that replaces it in the future) a reference to the location where all the updated details on the retention requirement of net economic interest can be found.

Notwithstanding the foregoing, certain details relating to the said retention are provided below in this Prospectus. In particular:

- That, in compliance with the provisions of letter c) of the said Article 405 and letter c) of paragraph 1 of Article 51 of the Regulation on AIFM, the Assignor, in its capacity of originator of the securitization, will undertake in the Deed of Incorporation to retain, in a constant manner, the principal of the Subordinated Loan for the Reserve Fund, the Subordinated Loan for Initial Expenses or the outstanding balance of the Class B Notes, equivalent to, at least, five per cent (5%) of the nominal value of the securitized exposures.

- That, under the Deed of Incorporation, the Assignor will undertake to communicate the Management Company, on a monthly basis, the compliance with the retention commitment assumed so that the latter can publish such information on its web site (www.imtitulizacion.com). For the purposes of this communication, the Assignor 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 on CRR, the Assignor 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.

2.2.9 Substitution of the Assets.

In the case of prepayment of the Assets initially pooled together due to the prepayment of the corresponding Loan, the affected Assets will not be substituted.

If subsequent to the Date of Incorporation, it is detected that an Asset does not conform on the Date of Incorporation to the conditions and characteristics contained in section 2.2.8 of this Additional Building Block, as the corresponding Loan does not so conform, the party that has become aware of such circumstance, whether it be the Assignor or the Management Company, shall notify the other party of such circumstance in writing. BANCO SABADELL undertakes within a thirty (30) calendar days period from the mentioned notification to immediately substitute or, if applicable, prepay the corresponding MTC (if applicable) subject to the prior consent of the Management Company and the Rating Agencies so that such substitution does not entail a reduction in the credit rating of the Notes.

The substitution will be made through the incorporation of Assets deriving from Loans part of BANCO SABADELL'S portfolio that can be included within a Securitisation Fund with the same characteristics as the Asset being substituted.

In the event that thirty (30) calendar days have elapsed from the notification above mentioned and there are no loans in BANCO SABADELL's portfolio with characteristics similar to the Loan underpinning the substituted Asset, BANCO SABADELL undertakes to prepay the affected Asset, immediately repaying the outstanding principal in cash, the interest due and unpaid as well as any amount that may correspond to the Fund at such date by virtue of the corresponding Asset.

In any of the above cases, the aforementioned replacement of the Assets shall be communicated to the CNMV and to the Rating Agencies.

2.2.10 Relevant insurance policies relating to the Loans

There is no any global insurance policy for the loans and there is no also information available on the insurance policies relating to the Loans. In this sense there could be concentration in a single insurance company.

2.2.11 Information relating to the Obligors where the Assets comprise obligations of five (5) or fewer Obligors which are legal persons, or where an Obligor accounts for twenty percent (20%) or more of the Assets, or where an Obligor accounts for a material portion of the Assets.

Not applicable.

2.2.12 Details of the relationship between the Issuer, the guarantor and the Obligor if it is material to the issue.

To best of our knowledge there are not significant relationships concerning the issue of the Notes as regards the Fund, the Assignor, 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 Assets comprise fixed income securities, a description of the principle terms and conditions

Not applicable.

2.2.14 Where the Assets comprise equity securities, a description of the principal terms and conditions.

Not applicable.

2.2.15 Where more than ten percent (10%) of the Assets 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 Assets 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.

As concerns the Assets deriving from SME Mortgage Loans, the valuation of the property securing the real estate mortgage has been performed by appraisers that comply with BANCO SABADELL's requirements:

- Ranking of the Top 20
- Without holding shares on the capital of any financial institution,
- With national implementation,
- All of them are ratified by and registered in the corresponding registry of the Bank of Spain.

The policy above applies both for the SME Mortgage Loans and for the total mortgage portfolio of BANCO SABADELL.

Such appraisal is carried out in accordance with the provisions of Order ECO/805/2003. The appraisals of the properties relating to the SME Mortgage Loans were performed on the date of the SME

Mortgage Loans and in some cases updated after that date. The criteria used by BANCO SABADELL for updating the initial valuations of its whole portfolio are those set out in paragraphs 79 to 81 and 130 of Annex 1 of Circular 4/2016 of Bank of Spain. That instruction states that entities will have until December 31, 2017 to complete the update of the valuations of reference of all collateral and foreclosed assets or received in payment of debts requiring complete individual appraisals, under the Order ECO 805 / 2003 of 27 March. The distribution between initial and updated appraisals is included in section 2.2.2.20.

2.3 Actively managed assets backing the issue.

Not applicable.

2.4 Where an Issuer proposes to issue further securities backed by the same Assets, 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.

BANCO SABADELL will assign to the Fund directly the Assets deriving from SME Loans, and the Assets deriving from SME Mortgage Loans through the issuance of the MTCs.

The Fund will acquire the Assets and will issue the Notes from which it will obtain the funds or resources for the purchase of the Assets. It will periodically obtain funds from the repayment of the principal and interest on the Loans which will be used to repay the Notes and to pay interest to the holders thereof. This transaction will be formalised through the Deed of Incorporation, which will be executed by the Management Company, on behalf and at the expense of the Fund, and by BANCO SABADELL.

Thus, through the Deed of Incorporation of the Fund the following will take place:

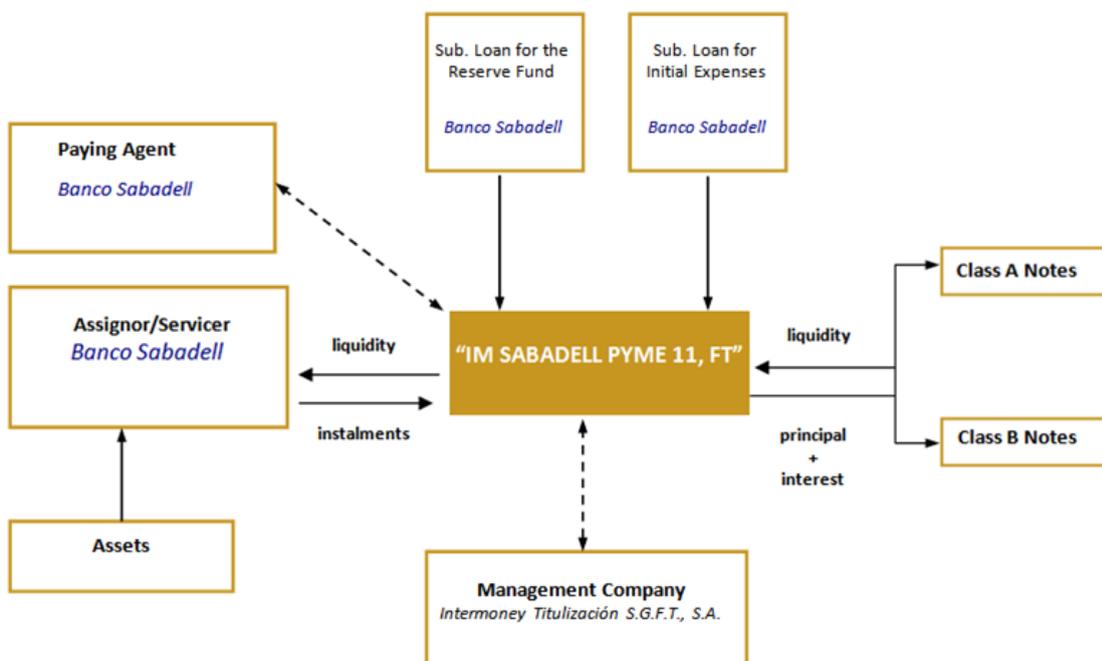
- a) the assignment to the Fund of the Assets deriving from Loans. In the case of Assets deriving from SME Mortgage Loans the assignment will be made through the issuance by BANCO SABADELL and the subsequent subscription by the Fund of the corresponding MTCs, and
- b) the issuance of Notes in the amount of ONE THOUSAND NINE HUNDRED MILLION EUROS (€1,900,000,000), distributed in two (2) classes of Notes.

A copy of the Deed of Incorporation will be delivered to the CNMV and to Iberclear to be included in their official registers prior to the Subscription Date.

In order to consolidate its financial structure and achieve the broadest possible hedge of the risks inherent to the issue of Notes, the Management Company, on behalf of the Fund, will enter into, among others, the following agreements:

- Subordinated Loan for Initial Expenses Fund Agreement, with BANCO SABADELL, which will be used to finance the expenses of the incorporation of the Fund and the issuance of the Notes and which will be applied to comply with the payment obligations set forth in the Priority of Payments described in sections 3.4.6 b) and 3.4.6 c) of the Additional Building Block, respectively.
- Subordinated Loan for the Reserve Fund Agreement, with BANCO SABADELL, which will be used to finance the Reserve Fund and which will be applied to comply with the payment obligations set forth in the Priority of Payments described in sections 3.4.6 b) and 3.4.6 c) of the Additional Building Block, respectively.
- Financial Agency Agreement with BANCO SABADELL, by virtue of which BANCO SABADELL will provide an agreed variable return for the amounts deposited by the Fund through its Management Company in the Treasury Account and will act as Paying Agent.

The following is an explanatory diagram of the transaction:



Initial balance sheet of the Fund

The balance sheet of the Fund at the Disbursement Date will be as follows:

| ASSETS | | LIABILITIES | |
|---------------------|----------------------|--------------------------------|----------------------|
| Credit Rights | 1,900,000,000 | A Bonds | 1,567,500,000 |
| | | B Bonds | 332,500,000 |
| Treasury | 94,000,000 | Sub. Loan for Initial Expenses | 900,000 |
| | | Sub. Loan for the Reserve Fund | 93,100,000 |
| Total Assets | 1,994,000,000 | Total Liabilities | 1,994,000,000 |

3.2 Description of the entities participating in the issue and description of the functions to be performed by them

The description of the entities which are participating in the issue and the functions which they carry out are contained in sections 5.2 of the Registration Document and 3.1 of the Securities Note.

3.3 Description of the method and of the date of sale, transfer, novation or assignment of the Assets

a) Assignment of the Assets

The assignment of the Assets by BANCO SABADELL will be effective from the Date of Incorporation of the Fund. It will be implemented through the Deed of Incorporation and will be carried out as determined below.

The Obligors will not be notified of the assignment of the Assets to the Fund by BANCO SABADELL. However, in the event of insolvency proceedings, liquidation or indications of insolvency, or if the Management Company considers it to be reasonably justified, the Management Company shall request the Servicer to notify the Obligors and any respective guarantors and insurance company thereof, of the transfer of the outstanding Assets to the Fund, as well as the fact that the payments deriving from such Assets will only release the debt if payment is made into the Treasury Account opened in the name of the Fund. However, if the Servicer has not given the notice to the Obligors within five (5) Business Days of receipt of the request, or in the case of insolvency proceedings as regards the Servicer, the Management Company itself, either directly or through a new servicer it has designated, will notify the Obligors and any respective guarantors and insurance company thereof.

The Assets deriving from SME Mortgage Loans will be assigned also in the Date of Incorporation through the issuance of the MTCs by BANCO SABADELL.

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). Each MTC relates to 100% of the outstanding principal of each of the Assets deriving from SME Mortgage Loans which it assigns; it will have the same term and will accrue an interest rate equal to the nominal rate duly accrued on the corresponding SME Mortgage Loan and imply the transfer, from the Date of Incorporation, of all accessory rights deriving from the corresponding SME Mortgage Loan under the terms provided in the respective contracts that are inherent to them.

The participation in the SME Mortgage Loans through the issue of MTCs will be for the whole of the remaining period until the final maturity of the SME Mortgage Loans.

The MTCs issued pursuant to the provisions of the Deed of Incorporation will be represented by one Multiple Title issued by the Assignor, representing the corresponding MTCs issued. This Multiple Title will be deposited with the Paying Agent.

Both in the event that any MTC should be substituted as prescribed in section 2.2.9 of this Additional Building Block, and in the event that the Management Company, acting for and on behalf of the Fund, should proceed to foreclose a SME Mortgage Loan, and moreover if upon Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, the corresponding MTCs have to be sold to a third party, BANCO SABADELL agrees to split, as the case may be, any multiple title into such individual or multiple titles as may be required, or to substitute or exchange the same for the above purposes.

BANCO SABADELL, as issuing entity, will keep a special book in which it will note the MTCs issued and the changes of address of which it has been notified by the holder of each one of the SME Mortgage Loans, and will also record (i) the dates of execution and maturity of the SME Mortgage Loans, (ii) their amounts and form of settlement, and (iii) the registration data of the mortgages securing the SME Mortgage Loans.

The Management Company, on behalf of the Fund, will subscribe the MTCs issued by BANCO SABADELL in the Deed of Incorporation so that they may be immediately included within the Fund.

Given the nature of the Fund as a qualified investor and the subscription by the latter of the MTCs, for the purposes of paragraph two, Article 29.1 of Royal Decree 716/2009, the issuance of the MTCs shall not be subject to a marginal notation in each recording of the mortgage pertaining to each of the Mortgage Transfers with the Land Registry.

As established by Royal Decree 716/2009, the MTCs shall be transferable through a written declaration on the certificate itself and, in general, by any of the means permitted by law.

Notice of the transfer of the MTC and the address of the new holder shall be given by the transferee to the Assignor.

The transferor will not be liable as regards the solvency of BANCO SABADELL or for the solvency of the Obligor, or for the sufficiency of the mortgage it guarantees.

b) Terms and conditions of the assignment of the Assets

The assignment of the Assets will be full and unconditional and for the whole of the remaining period up to the maturity of each Loan. BANCO SABADELL, as Assignor and in accordance with Article 348 of the Commercial Code and Article 1,529 of the Civil Code, will be responsible to the Fund for the existence and lawfulness of the Assets, as well as for its legal standing to effect the assignment and issue of the MTCs, but it will not be responsible for the solvency of the Obligors.

The Assignor does not assume the risk of non-payment of the Assets and therefore does not assume any liability for non-payment by the Obligors, whether of principal, interest or of any other amount they may owe with respect to the Assets, nor does it assume the effectiveness of the security therefor. Nor will it in any other manner assume liability as regards directly or indirectly guaranteeing the success of the transaction, or the Notes or enter into repurchase or substitution agreements as regards the Assets, except as described in section 2.2.9 of this Additional Building Block or, if applicable, a potential repurchase further to the exercise of the Optional Redemption set forth in section 4.9.3 of the Securities Note.

The assignment of each Asset will be made for the whole of the outstanding balance on the Date of Incorporation and will be for the whole of the ordinary and default interest with respect to each Asset being assigned on such date.

Specifically, and by way of description and not limitation, the assignment will include all accessory rights in accordance with the provisions of Article 1,528 of the Civil Code; thus, it will give the Fund the following rights as regards the Loans:

1. All amounts due for the repayment of the principal of the Loans.
2. All amounts due for the ordinary interest on the Loans.
3. All amounts due for the default interest on the Loans.
4. For the Assets deriving from SME Mortgage Loans, any amounts or assets received through judicial or notarial enforcement of the guarantees or due to the availability or use of the property awarded to the Fund in enforcement of the mortgage security or in the temporary administration or possession of the property (in the process of foreclosure) up to the amount owed by the respective Obligor, the acquisition at the auction price or for the amount determined by judicial resolution.
5. All potential rights or indemnities in favour of BANCO SABADELL, including those arising from any accessory right to the Loans as well as from the insurance agreements, when exists.

In the event of prepayment of the Loans by total or partial advanced repayment of the principal, the substitution of the affected Assets will not take place.

All the above mentioned rights will accrue in favour of the Fund as from the Date of Incorporation.

The rights of the Fund arising from the Loans are linked to the payments made by the Obligors against the Loans and are therefore directly affected by the evolution, delays, prepayments or any other incidents regarding these Loans.

All possible expenses or costs that may arise for the Assignor from recovery actions in the event of the Obligor failing to comply with its obligations, including enforcement actions against such Obligors, will be paid by the Fund.

c) Price for sale or assignment of the Assets.

The price of the sale or assignment of the Assets will be at par, that is to say, for the unpaid principal of the Loans, and will be paid into the Treasury Account on the Disbursement Date.

The Assignor will not receive interest for the deferral of the payment of the sale price from the Date of Incorporation to the Disbursement Date.

In the event of termination of the incorporation of the Fund, and thus the assignment of the Assets, (i) the obligation of the Fund to pay the price for the acquisition of the Assets will be extinguished, (ii) the Management Company will be obliged to reimburse BANCO SABADELL as regards any rights that may have accrued to the Fund due to the assignment of the Assets, and (iii) it will cancel the MTCs.

d) Compensation.

Exceptionally and without prejudice to what is stated in Clause 2.2.8. of the Additional Building Block, in the event that any of the Obligors maintains a legal or contractually compensable right to the Assignor and, therefore, it turns out that any of the Assets was fully or partially offset , against such credit right, the Assignor will remedy this circumstance with the Debtor, or, if it is not possible to remedy it, the Assignor will proceed to transfer to the Fund the amount that would have been offset plus the accrued interest that would have corresponded to the Fund until the day in which the income is produced calculated in accordance with the applicable conditions provided for in the Loan contract from which the corresponding Asset is derived.

3.4 Explanation of the flow of funds

3.4.1 How the cash flow from the Assets will meet the Issuer's obligations to the holders of the securities

In accordance with this section, the Fund will attend all payment obligations derived from the Notes and its remaining liabilities by applying the cash flows generated by the Assets and any other applicable rights of the Fund.

The amounts received by the Fund deriving from the Assets will be deposited by the Servicer into the Treasury Account before midnight (12:00 p.m.) on the day following receipt. Therefore, the Fund will be receiving daily income in the Treasury Account due to the amounts received for the Assets.

The collection dates of the Fund will be all Business Days on which payments are made by the Obligors as regards the Loans.

In the event that it is considered necessary in order to better defend the interests of the Noteholders and on the condition that there is a compulsory substitution of the Assignor as Servicer of the Loans, the Management Company will instruct the Assignor to give notice thereof to each of the Obligors of the Loans (and the respective guarantors and insurance companies), and, from the time this notification takes effect, the Obligors will directly pay the amounts they are obliged to pay as regards the Loans into the Treasury Account, opened in the name of the Fund with the Fund's counterparty to the Financial Agency Agreement.

In no case will the Assignor pay any amounts to the Fund that it has not previously received from the Obligors in payment of Loans.

On a quarterly basis, on each Payment Date, the holders of the Notes will be paid the interest due and the repayment of the principal of the Notes will occur in accordance with the terms set out in sections 4.6.1 and 4.6.2 of the Securities Note and the Priority of Payments included in section 3.4.6 of this Additional Building Block.

On each Payment Date, the Available Resources to pay the obligations of the Issuer to the Noteholders will be the income obtained from the Loans (detailed in section 3.3 b) of the Additional Building Block) calculated on each Determination Date, the interest due from the Cash Flow Treasury, the amount in the Reserve Fund, , the proceeds of any liquidation, and when applicable, the Assets of the Fund.

3.4.2 Information on any credit enhancements

3.4.2.1 Credit enhancements

In order to strengthen the financial structure of the Fund, to increase the security or the regularity of the payment of the Notes, to cover temporary mismatches of the schedule of flows of principal and interest on the Loans and the Notes, or generally to transform the financial characteristics of the Notes issued, and to complement the management of the Fund, the Management Company, on behalf of the Fund, will enter into the agreements and transactions described below in the instrument of execution of the Deed of Incorporation, in accordance with applicable legal provisions.

The credit enhancements included in the structure of the Fund are as follows:

a) Reserve Fund.

This mitigates the possible losses derived from defaulted Loans. It is included using funds from Subordinated Loan for the Reserve Fund, as specified in section 3.4.2.2 below. On the Date of Incorporation, the Reserve Fund will be equal to 4.90% of the Initial Principal Balance of the Assets.

b) Financial Agency Agreement.

The account opened in the name of the Fund by the Management Company (Treasury Account) is remunerated at certain rates and will guarantee a return for the amounts deposited with a minimum floor of 0%.

c) Subordination and postponement of payment of principal and interest between the Class A and the Class B Notes.

Class B Notes will be repaid after full repayment of the Class A Notes.

3.4.2.2 Reserve Fund

On the Disbursement Date the Reserve Fund will be initially funded from the Subordinated Loan for the Reserve Fund.

The provider of Subordinated Loan for the Reserve Fund will not be required to replenish the Reserve Fund or to pay any additional amount after the Date of Incorporation. If the Reserve Fund needs to be adjusted in order to comply with the Initial Reserve Fund Required Amount, such adjustment shall be made by the Management Company, to the extent there are Available Resources, up to the Initial Reserve Fund Required Amount pursuant to the applicable Priority of Payment.

a) Reserve Fund Amount:

1. On the Disbursement Date, the Reserve Fund will be funded from the Subordinated Loan for the Reserve Fund, for an amount equal to NINETY THREE MILLION ONE HUNDRED THOUSAND (€93,100,000.00) (the “**Initial Reserve Fund Required Amount**”), equivalent to 4.90% of the Initial Principal Balance of the Assets.
2. On each Payment Date, other than a date of liquidation, the Management Company will calculate the Reserve Fund Amount as the maximum between (i) zero and (ii) the difference between the Initial Reserve Fund Required Amount minus the accumulated amount of all the withdrawals from the Reserve Fund on prior Payment Dates, plus the accumulated amount of all the amounts applied on

prior Payment Dates to the provision of the Initial Reserve Fund Required Amount (point (4) of section 3.4.6. b) of the Additional Building Block).

On each Payment Date, other than a date of liquidation, the withdrawal from the Reserve Fund shall be the lesser of the following:

- i. the Reserve Fund Amount; and
- ii. the positive difference between (a) the amounts due for taxes and Ordinary and Extraordinary expenses of the Fund and interest accrued by the Class A Notes (and once these are fully amortised, interest accrued by the Class B Notes); and (b) items (1), (2), (3) and (5) of the Available Resources as described in section 3.4.6. of the Additional Building Block; if the difference is negative, then zero.

On the Final Date or in any other date of liquidation, the withdrawal from the Reserve Fund will be the Reserve Fund Amount.

The amount of this Reserve Fund will be deposited in the Treasury Account on the Disbursement Date, and will be the subject of the Financial Agency Agreement to be signed with BANCO SABADELL in accordance with section 3.4.4. of the Additional Building Block.

b) Purpose of the Reserve Fund:

The Reserve Fund will be applied on each Payment Date in order to comply with the payment obligations contained in the Priority of Payments included in section 3.4.6 b) below. On each Payment Date, other than the Liquidation Date, the Reserve Fund will be applied to pay interest on the Class A Notes and, once the Class A Notes are fully amortised, to pay interest on the Class B Notes. On the Date of Liquidation of the Fund, the amounts of the Reserve Fund will become part of the Available Resources in order to make the corresponding payments, in accordance with the Liquidation Priority of Payments.

3.4.3 Details of any subordinated debt finance

BANCO SABADELL will grant the Fund the subordinated loans, the main terms and conditions whereof are described below.

a) Subordinated Loan for the Reserve Fund Agreement

The Management Company, on behalf of the Fund, will enter into a Subordinated Loan for the Reserve Fund Agreement with BANCO SABADELL in the total amount of NINETY THREE MILLION ONE HUNDRED THOUSAND EUROS (€ 93,100,000), and which will be used for financing the Reserve Fund as described in paragraph 3.4.2.2. above.

The Subordinated Loan for the Reserve Fund Agreement shall be fully terminated in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes

as final ratings before or during the Subscription Date or in the event that, prior to the Disbursement Date, an unforeseeable or inevitable event renders impossible the fulfilment of the Reserve Fund Agreement in accordance with Article 1105 of the Civil Code.

All amounts due under the Subordinated Loan for the Reserve Fund Agreement corresponding to the principal used shall be payable on each Payment Date as long as the Available Resources allow such payment in the Priority of Payments or, upon liquidation of the Fund, in the Liquidation Priority of Payments.

Subordinated Loan for the Reserve Fund will accrue nominal annual interest, payable on each Payment Date, calculated each quarter for each Interest Accrual Period, which will be the higher of (i) zero and (ii) the sum of (a) the Reference Interest Rate of the Notes plus (b) a margin of 1.00% per annum to the Final Date.

Interest will only be paid if the Fund has sufficient liquidity in accordance with the Priority of Payments or, where applicable, the Liquidation Priority of Payments described in sections 3.4.6 b) and 3.4.6 c) below, respectively. Interest accrued, which should be paid on a particular Payment Date, will be calculated on the basis of (i) the number of days in each Interest Accrual Period and (ii) a year containing three hundred and sixty (360) days.

The amounts due and not paid from the Loan will not accrue penalty interest in favour of the creditors.

b) Subordinated Loan for Initial Expenses Agreement

The Management Company, on behalf of the Fund, will enter into a Subordinated Loan for Initial Expenses Agreement with BANCO SABADELL in the total amount of NINE HUNDRED THOUSAND EUROS (€ 900,000), and which will be used for financing the expenses of incorporation of the Fund and the expenses of the issuance of the Notes.

The Subordinated Loan for Initial Expenses Agreement shall be fully terminated in the event that the Rating Agencies do not confirm the provisional ratings assigned to the Notes as final ratings before or during the Subscription Date except for the initial expenses of incorporation of the Fund and the issuance of the Notes or in the event that, prior to the Disbursement Date, an unforeseeable or inevitable event renders impossible the fulfilment of the Subordinated Loan for Initial Expenses Agreement in accordance with Article 1105 of the Civil Code.

All amounts due under the Subordinated Loan for Initial Expenses Agreement corresponding to the principal used shall be payable on each Payment Date as long as the Available Resources allow such payment in the Priority of Payments or, upon liquidation of the Fund, in the Liquidation Priority of Payments.

Subordinated Loan for Initial Expenses will accrue nominal annual interest, payable on each

Payment Date, calculated each quarter for each Interest Accrual Period, which will be the higher of (i) zero and (ii) the sum of (a) the Reference Interest Rate of the Notes plus (b) a margin of 1.00% per annum to the Final Date. Interest will only be paid if the Fund has sufficient liquidity in accordance with the Priority of Payments or, where applicable, the Liquidation Priority of Payments described in sections 3.4.6 b) and 3.4.6 c) below, respectively. Interest accrued, which should be paid on a particular Payment Date, will be calculated on the basis of (i) the number of days in each Interest Accrual Period and (ii) a year containing three hundred and sixty (360) days.

The amounts due and not paid from the Loan will not accrue penalty interest in favour of the creditors.

c) Rules of subordination among the Class A Notes and the Class B Notes

- A. The payment of interest due on the Class A Notes occupies (2nd) (second) place in the Priority of Payments provided for in section 3.4.6 b) of this Additional Building Block.
- B. The payment of interest due on the Class B Notes occupies (5th) (fifth) place in the Priority of Payments provided for in section 3.4.6 b) of this Additional Building Block, and consequently is reduced in rank as regards the payment of interest and repayment of principal due on the Class A Notes.

Sections 4.6.1 and 4.6.2 of the Securities Note provide details on the priority of the payment of interest and repayment of the principal on the Class A Notes and of the Class B Notes in the Priority of Payments of the Fund.

3.4.4 An indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment

On the Date of Incorporation the Management Company, on behalf of the Fund, will enter into the Financial Agency Agreement with BANCO SABADELL. The purpose of the Financial Agency Agreement is to set out the terms and conditions of the opening of the Treasury Account and the operation of such account

The Management Company will open (in the name and on behalf of the Fund) the Treasury Account, in which all the income of the Fund will be deposited and through which all payments due will be made in accordance with the Prospectus and the Deed of Incorporation.

Specifically, the Financial Agency Agreement will determine the amounts the Fund receives as:

- i. principal and interest on the Assets;
- ii. any other amounts that are received in payment of the ordinary principal or interest and default interest regarding the Assets;
- iii. the amount which constitutes the Reserve Fund at any time;
- iv. the sum to which the return on the balance of the Treasury Account amounts; and
- v. any other amount that in accordance with the Deed of Incorporation and the Prospectus should be deposited in the Treasury Account.
- vi. The proceeds of the liquidation, if any, and where applicable, of the Fund's assets.

All collections and payments during the whole life of the Fund will be centralised in the Treasury Account or in any other account that could be opened to carry out the same function.

On the Disbursement Date, the Treasury Account will receive the effective amount of the payment for the subscription of the issued Notes and the initial amount of the Subordinated Loan for Initial Expenses and the Subordinated Loan for the Reserve Fund, and will pay the price to acquire the Assets assigned by BANCO SABADELL at the initial amount and the expenses of constituting the Fund.

Through its Management Company, BANCO SABADELL guarantees the Fund an annual return for the amounts deposited in the Treasury Account, equal to the highest between (i) zero and (ii) 3-month EURIBOR reference rate.

The calculation of the return on the Treasury Account will be made by taking the effective days based on a year of three hundred and sixty-five (365) days. The settlement of interest will be monthly, on the last day of each month.

DBRS Criteria

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 2017. The entity providing the Treasury Account or the account opened by the Fund to replace or complement it must have a long-term risk rating on the DBRS scale of no less than BBB not under review negative, according to the DBRS Minimum Rating Required.

In the event that the provider of the Treasury 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 of 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 from one or more entities with DBRS Minimum Rating Required of at least BBB

(senior long term) by DBRS, an unconditional and irrevocable guarantee on first demand, securing, upon first request of the Management Company, the timely compliance by the account holder with 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 providing entity to another account or accounts opened on behalf of the Fund in one or more entities whose DBRS Minimum Rating Required has a minimum rating of BBB (senior long term) by DBRS . The Management Company shall arrange the highest possible return for the balance of the aforementioned accounts.

In the event that the BANCO SABADELL regains its DBRS Minimum Rating Required of BBB and in the event of situation ii), the Management Company will then subsequently return the balance back to BANCO SABADELL.

The provider of the Treasury Account undertakes to immediately notify the Management Company, and throughout the life of the Note issue, of any modification or withdrawal of the rating assigned by the Credit Rating Agencies.

All costs, expenses and taxes incurred by the implementation and execution of the above options will be considered Extraordinary Expenses of the Fund.

The Management Company will be entitled to replace the provider of the Treasury Account –in all or some of its functions covered in the Financial Agency Agreement- provided (i) it is legally possible, (ii) the ratings assigned to the Notes are not downgraded and (iii), when necessary, the appropriate authorisations from the relevant authorities have been issued. The replacement will be notified to the CNMV and to the Rating Agencies.

3.4.5 How payments are collected in respect of the Assets.

As is specified in section 3.7.1 of the present Additional Building Block, as the collection agent on behalf of the Fund in an account opened with BANCO SABADELL, BANCO SABADELL will receive any amounts paid by the Obligors deriving from the Assets as regards both principal and interest, plus amounts for prepayment of the Loans and for the insurance policies, if any, assigned to the Fund, depositing such amounts in the Treasury Account in favour of the Fund. At the same time, it will receive whatever amounts are paid by the Obligors by way of cancellation and prepayment fees and will deposit them daily in the Treasury Account, regardless they can be paid back to Banco Sabadell afterwards.

The Servicer will diligently ensure that the payments to be made by the Obligors are collected in accordance with the contractual terms and conditions of the respective Loans.

Each Collection Period is defined as the calendar month from the Date of Incorporation and until the extinction of the Fund. Exceptionally, the first Collection Period will begin on the Date of Incorporation and will end on 31 December 2017. Payments from the Servicer will take place every Business Day of each Collection Date into the Treasury Account, and will correspond to the amount paid by the Obligors of the Loans in the immediately prior day.

Nevertheless, if the Management Company considers it necessary in the best interest of the Noteholders and in the event of the forced replacement of the Servicer, it will instruct the Servicer to notify each Obligor to pay the amount due directly into the Treasury Account or the account opened to such purpose by the Management Company, provided DBRS's criteria requirements described in section 3.4.4. of the Additional Building Block are met.

In no case will the Servicer pay any amount that has not been previously received from the Obligors in payment of the Loans.

Control of the deposited amounts originated by the Assets

In the first five (5) Business Days of each month the Assignor, as Servicer, will forward to the Fund, as information relating to the Loans administered, a detailed report including the following:

- Outstanding principal to be paid from each Loan, differentiating between matured and outstanding.
- The amounts received during the previous Collection Period from the established principal from each Loan, including prior default recoveries.
- Amounts received during the previous Collection Period from prepayments of principal of each Loan, indicating the value date of such prepayments.
- Amounts received during the previous Collection Period from regular interest from each Loan (including prior default recoveries).
- Amounts received during the previous Collection Period from penalty interest from each Loan (including prior default recoveries).
- Current quota and date of the next payment by Loan.
- Current interest rate for each Loan and starting date, if applicable.
- Margin over the current interest rate, if applicable.
- Term to maturity (in months) of each Loan.
- List of Loans declared Defaulted during the previous Collection Period.
- Amount defaulted of each Loan of principal, due and not paid.
- Amount of the defaulted of each Loan of interest, due and not paid.
- Number of defaulted quotas for each Loan.
- Modifications carried out on the Loan conditions, in particular those that relate to Loans in default.

Additionally, the Assignor will provide any other information related to the Loans that is requested by the Management Company and that is necessary to carry out its functions.

The Collection Adjustment Date is the 15th of each month or the Business Day that immediately precedes them. On this date, the Management Company and the Assignor will proceed to adjust the amounts effectively deposited in the Treasury Account in the Collection

Period that corresponds to the month immediately prior to such date, to those that should have been deposited in accordance with each of the agreements of the Assets.

In the event of discrepancies between the Assignor and the Management Company regarding the amount of adjustment on the Collection Adjustment Date, all parties will try and resolve such discrepancies, despite the fact that in the event that no agreement is reached prior to such date, the Assignor will provisionally forward to the Fund the amount established by the Management Company, sufficiently justified, regardless of whether adjustments are made to this amount at a later date.

3.4.6 Sources and application of funds

On the Disbursement Date the Fund will receive the amounts from the subscription of the Notes, the Subordinated Loan for Initial Expenses and the Subordinated Loan for the Reserve Fund and will apply such amounts to the following payments: sale price for assignment of the Assets, payment of the expenses of incorporation of the Fund and issuance of the Notes, and endowment of the Reserve Fund.

From the Disbursement Date until the total repayment of the Notes, the source and application of the amounts that may be drawn by the Fund will be as described below:

a) Sources:

The Available Resources on each Payment Date will come from the following:

1. Revenue obtained from the Assets as interest.
2. The return obtained from the reinvestment of the Reserve Fund as well as from the amounts deposited in the Treasury Account.
3. Revenue obtained from the Assets as principal.
4. The amount corresponding to the Reserve Fund.
5. Any other amounts that the Fund may receive, including the revenue from the enforcement of the security for the Assets.

The Available Resources will be applied in order to address the payments described in the Priority of Payments described below in section b).

b) Application:

On each Payment Date, the Management Company, on behalf of the Fund, will apply the Available Resources amount to the following payments and retentions, in accordance with the Priority of Payments described below.

1. Payment of the Ordinary Expenses and Extraordinary Expenses of the Fund.

2. Payment of interest due and payable on the Class A Notes.
3. Repayment of the Outstanding Principal Balance of the Class A Notes.
4. Retention of a sufficient amount to reach the Initial Reserve Fund Required Amount, in accordance with the stipulations in section 3.4.2.2 of this Additional Building Block. Once the Class A Notes are fully amortised, the retention will be postponed to the payment of Outstanding Principal Balance of the Class B Notes.
5. Payment of interest due and payable on the Class B Notes.
6. Repayment of the Outstanding Principal Balance of the Class B Notes.
7. Payment of interest due and payable on the Subordinated Loan for Initial Expenses Agreement.
8. Payment of interest due and payable on the Subordinated Loan for the Reserve Fund Agreement.
9. Payment of principal due on the Subordinated Loan for Initial Expenses Agreement.
10. Payment of principal due on the Subordinated Loan for the Reserve Fund Agreement.
11. A quarterly payment of a variable amount to BANCO SABADELL as remuneration or compensation for the financial intermediation performed, which will be equal to the difference between the income and expenses booked for the Fund on the corresponding Payment Date, the “**Variable Commission**”.

The Ordinary Expenses in first place in the above order of priority are broken down, solely for purposes of information, into the following:

- Expenses incurred in verifying registrations and compulsory official authorisations.
- Expenses incurred in keeping the book-entry registry of the Notes and placing them on organised secondary markets.
- Expenses incurred in administering the Fund including the Management Company fees.
- Expenses incurred in administering the portfolio to the Servicer including the Servicer fees.
- Expenses incurred in repaying the Notes including the Paying Agent fees.
- Expenses deriving from the annual audits of the financial statements of the Fund.
- Notary expenses.
- Expenses deriving from the maintenance of the ratings of the Notes.

- Expenses related to the notifications that must be made to the holders of outstanding Notes in accordance with the provisions of this Prospectus.
- Expenses in connection with the European Data Warehouse .
- Expenses derived from the updating of the PDR.
- Expenses derived from the supervision and inspection by the CNMV of the information provided by the Fund.
- In general, any other expenses incurred by the Management Company and deriving from their work of representation and management of the Fund.

The estimated Ordinary Expenses of the Fund for 2017 are 170,000 euros. Since Ordinary Expenses have fixed and variable elements, an estimation of the percentage will represent on the Outstanding Balance of the Assets cannot be established. In any case, since a part of said current expenses is variable and linked to the Outstanding Balance of the Assets, we estimate that the Ordinary Expenses will decrease over the life of the Fund.

Extraordinary Expenses

Extraordinary Expenses are those expenses derived from preparation and execution of the amendment of the Deed of Incorporation and the agreements, and by the execution of additional agreements; the amount of the initial expenses of incorporation of the Fund and issuance of Notes exceeding the principal amount of Subordinated Loan for Initial Expenses; the extraordinary expenses of audits and legal advice; ; all expenses that may arise from the sale of credit rights and the remaining assets of the Fund for the liquidation thereof; those necessary to commence enforcement of the Loans and those arising from the required actions for recovery; and generally, all other extraordinary expenses borne by the Fund.

If an item remains unpaid on a Payment Date prior to the current Payment Date, the Priority of Payments will be followed strictly in this section, beginning with the oldest item.

c) Liquidation Priority of Payments

The Management Company will liquidate the Fund when its liquidation takes place on the Final Date or at any time at which the Early Liquidation of the Fund takes place according to sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following Available Resources (the “**Available Resources for Liquidation**”): (i) Available Resources, and (ii) amounts obtained by the Fund from time to time upon disposing of the Assets (including the MTCs), in the following order of payment priority (the “**Liquidation Priority of Payments**”):

1. Reserve to pay the Liquidation Expenses of the Fund.
2. Payment of the Ordinary Expenses and the Extraordinary Expenses.

3. Payment of the interest of the Class A Notes.
4. Repayment of the Outstanding Principal Balance of the Class A Notes.
5. Payment of the interest of the Class B Notes.
6. Repayment of the Outstanding Principal Balance of the Class B Notes.
7. Payment of the interest of the Subordinated Loan for the Initial Expenses Agreement.
8. Payment of the interest of the Subordinated Loan for the Reserve Fund Agreement.
9. Payment of the outstanding balance due on the Subordinated Loan for Initial Expenses Agreement.
10. Payment of the outstanding balance due on the Subordinated Loan for the Reserve Fund Agreement.
11. Payment to BANCO SABADELL of the Variable Commission.

3.5 Name, address and significant business activities of the Assignor

The Assignor of the Assets is BANCO SABADELL, with a registered office at Avda. Óscar Esplá 37, 03007 Alicante. As a financial credit entity, its main activity consists of banking activities, although it has some interests in insurance, investment and pension fund management, financial mediation, global custody, equity management and mediation both in domestic and international markets.

The following table shows a comparison of the relevant information for BANCO SABADELL at December 2015, December 2016 and third quarter of 2017.

The consolidated annual financial statements of the Assignor for 2015 and 2016 have been audited and deposited with the CNMV, being both without any qualification. The information regarding the third quarter of 2017 has not been audited.

They have been prepared in accordance with the International Financial Reporting Standards applicable to BANCO SABADELL under Regulation EC 1606/2002 and Bank of Spain Circular 6/2008.

Main Figures

| | Excl. TSB | | | Total group | | |
|----------------------------------------------------|-----------|----------|----------|-------------|----------|----------|
| | 31.12.15 | 31.12.16 | 30.09.17 | 31.12.15 | 31.12.16 | 30.09.17 |
| Profit and loss account (€million) | | | | | | |
| Net interest income | 2.663 | 2.787 | 2.102 | 3.203 | 3.838 | 2.878 |
| Gross operating income | 4.861 | 4.258 | 3.649 | 5.478 | 5.471 | 4.583 |
| Pre-provisions income | 2.764 | 2.118 | 2.064 | 2.863 | 2.411 | 2.238 |
| Profit before tax | 646 | 759 | 539 | 745 | 1019 | 654 |
| Attributable net profit | 586 | 531 | 579 | 708 | 710 | 654 |
| Balance sheet (€million) | | | | | | |
| Total assets | 165.250 | 168.787 | 163.944 | 208.628 | 212.508 | 211.076 |
| Performing gross loans | 104.537 | 106.305 | 102.035 | 140.368 | 140.557 | 137.833 |
| Gross loans to customers | 117.363 | 115.648 | 112.250 | 153.425 | 150.095 | 148.242 |
| On-balance sheet funds | 123.224 | 121.979 | 118.657 | 162.974 | 160.983 | 156.295 |
| Of which: Customer funds | 96.227 | 99.123 | 96.958 | 131.489 | 133.457 | 131.295 |
| Mutual funds | 21.427 | 22.594 | 26.920 | 21.427 | 22.594 | 26.920 |
| Pension funds and third-party insurance products | 11.952 | 14.360 | 14.187 | 11.952 | 14.360 | 14.187 |
| Funds under management | 160.605 | 162.585 | 163.786 | 200.355 | 201.589 | 201.424 |
| Equity | -- | -- | -- | 12.768 | 13.083 | 13.205 |
| Shareholders' equity | -- | -- | -- | 12.275 | 12.926 | 13.372 |
| Profitability and cost-to-income ratios (%) | | | | | | |
| ROA | -- | -- | -- | 0,38 | 0,35 | 0,37 |
| RORWA | -- | -- | -- | 0,80 | 0,83 | 0,97 |
| ROE | -- | -- | -- | 6,34 | 5,84 | 6,05 |
| ROTE | -- | -- | -- | 7,58 | 7,01 | 7,20 |
| Cost / income | 44,59 | 42,66 | 42,58 | 48,96 | 48,68 | 51,20 |
| Risk management | | | | | | |
| Non-performing exposures (€million) | 12.344 | 9.583 | 8.186 | 12.561 | 9.746 | 8.345 |
| Total problematic assets | 21.579 | 18.617 | 16.949 | 21.795 | 18.781 | 17.108 |
| NPL ratio (%) | 9,86 | 7,72 | 6,90 | 7,79 | 6,14 | 5,40 |
| NPL coverage ratio (%) | 53,1 | 51,5 | 48,7 | 53,6 | 51,6 | 48,8 |
| Capital management | | | | | | |
| Risk weighted assets (RWA) | -- | -- | -- | 88.769 | 86.070 | 81.345 |
| Common Equity Tier 1 (%) | -- | -- | -- | 11,5 | 12,0 | 13,2 |
| Tier I (%) | -- | -- | -- | 11,5 | 12,0 | 13,6 |
| Total capital ratio (%) | -- | -- | -- | 12,9 | 13,8 | 15,5 |
| Leverage ratio (%) | -- | -- | -- | 4,80 | 4,74 | 5,22 |
| Liquidity management | | | | | | |
| Loan-to-deposits ratio (%) | 108,2 | 106,8 | 105,5 | 106,5 | 105,1 | 104,5 |
| Share data (period end) | | | | | | |
| Number of shareholders | -- | -- | -- | 265.935 | 260.948 | 239.871 |
| Number of shares (million) | -- | -- | -- | 5.439 | 5.616 | 5.573 |
| Share price (€) | -- | -- | -- | 1.635 | 1.323 | 1.766 |
| Market capitalisation (€million) | -- | -- | -- | 8.893 | 7.430 | 9.842 |
| Earnings per share (EPS) (€) | -- | -- | -- | 0,13 | 0,13 | 0,14 |
| Book value per share (€) | -- | -- | -- | 2,26 | 2,30 | 2,39 |
| Price / Book value (times) | -- | -- | -- | 0,72 | 0,57 | 0,74 |
| Price / Earnings ratio (P/E) (times) | -- | -- | -- | 12,55 | 10,46 | 12,78 |
| Other data | | | | | | |
| Branches | 2.259 | 2.180 | 1.971 | 2.873 | 2.767 | 2.522 |
| Employees | 17.866 | 17.885 | 17.589 | 26.090 | 25.945 | 25.972 |

On the date of register in CNMV, total capital requirement requested to Banco Sabadell by the European Central Bank is 10.875% (being CET 1 capital requirement equal to 7.375%), calculated over regulatory capital phased-in.

At the end of the third quarter of 2017 BANCO SABADELL's delinquency rate and mortgage delinquency rate are 6.90% and 7.51% respectively.

3.6 Return on and/or repayment of the security is linked to others which are not Assets of the Issuer.

Not applicable.

3.7 Servicer of the Loans and responsibilities of the Management Company.

3.7.1 Servicer of the Loans

The Fund will pool the Assets deriving from the SME Mortgage Loans and from non-mortgage SME Loans. The Fund will be incorporated by "INTERMONEY TITULIZACIÓN, S.G.F.T., S.A." as the Management Company duly authorised for such purposes and, consequently, to act as the manager and legal representative of the Fund, pursuant to the provisions of Law 5/2015, and in particular it will be responsible in accordance with Article 26.1 b) of Law 5/2015 of the administration and management of the non-mortgage SME Loans pooled in the Fund in its condition as Master Servicer.

In accordance with paragraph 3.3.a) of the Additional Building Block, the assignment of the Assets deriving from SME Mortgage Loans will be implemented through the subscription by the Fund of the Mortgage Transfer Certificates issued by BANCO SABADELL. In accordance with Article 26.3 of the Royal Decree 716/2009, BANCO SABADELL will retain the administration and custody of the SME Mortgage Loans from which the Assets assigned to the Fund are derived.

Without prejudice to the provisions of the two paragraphs above, for the purposes of developing the activities of the administration and management of the Loans (both SME Mortgage Loans and non-mortgage SME Loans) acquired by the Fund, the Management Company will agree with BANCO SABADELL on the Deed of Incorporation the terms for the Loans administration.

BANCO SABADELL, as Servicer of the Loans, assumes the commitments referred above, to the Management Company and to the Fund, until the total extinguishment of the SME Loans or until the cancellation or liquidation of the SME Loans, as appropriate, being obliged to take whatever actions be necessary to the effectiveness and success of the Loans in accordance with the terms agreed on the Deed of Incorporation. Those terms are summarized below.

The Servicer, BANCO SABADELL, will accept the mandate received from the Management Company and it is committed to exercise the administration, management and custody of the non- mortgage SME Loans and the administration and custody of the SME Mortgage Loans in the terms agreed on the Deed of Incorporation and summarized in this paragraph 3.7.1., and, if necessary, to comply with the instructions of the Management Company in relation to the Loans. The Servicer agrees to indemnify, as appropriate, to the Management Company or to the Fund for the breach of the obligations assumed as Servicer in the Deed of Incorporation.

The Servicer may carry out any actions it considers reasonably necessary or appropriate within the limits set out in this section and in the Deed of Incorporation.

The mandate of the Management Company in favor of the Servicer will have, to the extent that the law permits, the character of revocable so that, in the event that the Servicer verify a breach on the terms agreed on the Deed of Incorporation or in the Prospectus or in case of the occurrence of events that, in the opinion of the Management Company, damages or risks the financial structure of the Fund or the rights and interests of the Noteholders, including among

others, the cases of insolvency, intervention by the Bank of Spain or liquidation of the Servicer or in case of process of resolution on the terms contained in the Act 11/2015, the Management Company shall, as long as permitted by current legislation, (i) replace the Servicer or (ii) instruct the Servicer to subcontract or delegate such functions to another entity that, in its opinion, has the technical capacity to carry them out, provided previous notification to the Rating Agencies and as long as the ratings assigned to the Notes are not affected. All this, without prejudice to the obligations and responsibilities under Article 26.1 b) and 30.4. Law 5/2015 regarding the administration and management of the Fund's assets that correspond to the Management Company.

The Management Company will take into consideration proposals made by the Servicer in relation to its replacement. The Servicer is obliged to carry out such subcontracting or delegation.

The Servicer, by virtue of the mandate given by the Management Company, undertakes the following:

- i. To carry out the administration and management of the Assets acquired by the Fund as established by the ordinary rules and procedures of administration and management set out in the Deed of Incorporation;
- ii. To continue to administer the Loans, dedicating the same time and attention and the same level of expertise, care and diligence in its administration as it would dedicate and exercise in the administration of its own loans. In any case, it will exercise an appropriate level of expertise, care and diligence as regards the provision of the services stipulated in this Additional Building Block and in the Deed of Incorporation;
- iii. That the procedures it applies and will apply for the administration and management of the Loans are and will continue to be in accordance with applicable laws and legal provisions;
- iv. To faithfully comply with the instructions given by the Management Company;
- v. To compensate the Fund for the damages that may derive from failure to comply with the obligations acquired.

A brief description of the ordinary rules and procedures of administration and custody of the Loans governed by the Deed of Incorporation of the Fund is set forth in the following sections.

1. Term

The services will be provided by BANCO SABADELL until all obligations assumed by BANCO SABADELL in relation to such Loans are extinguished upon full repayment of the Loans, without prejudice to the possible early revocation of its mandate if legally possible.

In the case of a breach by the Servicer of the obligations established in this Additional Building Block due to a drop in its credit rating that entails a prejudice or risk to the financial structure of the Fund or to the rights and interests of the Noteholders, as well as due to insolvency of the Servicer, or if the Management Company considers it to be reasonably

justified, the Management Company, if legally possible, and with prior notice to the Rating Agencies, shall take one of the following actions. This is without prejudice of the obligation and responsibilities derived from Article 26.1 b) and 30.4, of the 5/2015 Law in relation to the servicing and management of the Assets grouped in the asset Fund correspond to the Management Company:

- i. replace the Servicer with another entity that, in the opinion of the Management Company, has the suitable legal and technical capacity, provided that the rating of the Notes is not adversely affected; or
- ii. require the Servicer to subcontract, delegate or be guaranteed in the performance of such obligations by another entity that, in the opinion of the Management Company, has the suitable legal and technical capacity, provided that the rating of the Notes is not adversely affected.

In the case of insolvency of the Servicer, the only possible action will be (i) above.

The Management Company will take into account the proposals made by the Servicer both in connection with the subcontracting, delegation or appointment of the new servicing provider for the fulfilment of its obligations, and in connection with the entity that may guarantee the performance of such obligations.

Notwithstanding the foregoing, the Management Company, on behalf of the Fund, will have the final decision as regards the appointment of the new servicer and any of the aforementioned actions.

The Servicer may voluntarily resign from the administration and management of the Loans if allowed by applicable law, provided that (i) such resignation is approved by the Management Company, (ii) the Management Company has designated a new servicing provider, (iii) the Servicer has compensated the Fund for the damages that the resignation and substitution may cause thereto, and (iv) there is no negative impact on the rating of the Notes.

The Servicer shall be responsible for all those direct or indirect taxes, fees or expenses accrued or incurred in the custody and administration and management of the Loans from which the Assets assigned to the Fund are derived, without prejudice to their right to have them reimbursed, as the case may be, by the Obligors, or by the Fund in the event that the latter recovers them.

2. Custody of the deeds, documents and files.

The Servicer will maintain all the deeds, policies, documents and IT files related to the Assets and will not abandon their custody or control unless there is written prior authorisation from the Management Company, except when a document is requested to initiate recovery proceedings of a SME Loan, or it is requested by any other authorised entity, in which case it will notify the Management Company.

The Servicer will provide reasonable access, at any given time, to any such deeds, policies, documents and IT files, to the Management Company or to the auditors of the Fund, with the authorisation of the Management Company. Furthermore, if the Management Company requests it, it will provide, within fifteen (15) Business Days following such request and free of charge, copy or photocopy of any of such documents.

3. Collection management.

The Servicer will continue to manage the collection of all the amounts owed by the Obligors and that derive from the Loans, together with any other concept. The Servicer will employ the due diligence to guarantee that the payments are collected in accordance with the terms and contractual conditions of the Loans.

The Servicer's payment to the Fund of the amounts received from such Loans will be carried out following section 3.4.5 above.

4. Determining the interest rate.

For Loans with a variable interest rate the Servicer will continue to determine such interest rates in accordance with the appropriate policies or public deeds of the loans, undertaking the necessary notifications.

5. Information.

On the Date of Incorporation, the Servicer will deposit at the notary an encrypted file with the personal data necessary to issue the collection orders to the Obligors (hereon, **Personal Data Register** or **PDR**) and its decrypting key. In addition, the Servicer agrees to annually update the information contained in the PDR with the data corresponding end of each year. The distribution of this file is limited by the Data Protection Act and the notary will only provide such information to the Management Company, upon written request of the latter, if necessary in connection with the management of the Assets. The access to the file to the Management Company cannot be denied.

6. Servicer fee

The Servicer will receive on each Payment Date a quarterly fee of 0.01% calculated on the Outstanding Balance of the Assets on the previous Payment Date. This fee will be understood gross, including any direct or indirect tax or withholding it might be subject to. The Fund will pay this fee, in accordance with the Priority of Payments and the Liquidation Priority of Payment described in sections 3.4.6. of the Additional Building Block.

7. Servicer Alert

The Management Company, as part of its role of surveillance and control of the servicing of the Loans, is in a position to detect breaches in the level of diligence

expected from the Servicer and the possibility of a Servicer Alert situation. It is the obligation of the Management Company to identify if the nature of the deterioration of the service will require the replacement of the Servicer. If this need is confirmed, the Management Company will notify:

- The Servicer.
- The CNMV, as supervisor of the Fund.
- The European Central Bank, through the single supervisory mechanism, as supervisor of the Servicer.
- The creditors of the Fund, through a material event notice.
- The bankruptcy administrator for the Servicer, if applicable.
- The Credit Rating Agencies.

A Servicer Alert will be: (i) any interruption of the flow of periodical information originating at the Servicer and (ii) the deterioration of the contents of such information. In any event, and irrespective of the causes the Management Company believes may trigger the procedure that predates a possible replacement, an Administration Alert will also be: (iii) the deterioration of the solvency of the Servicer, measured by current legislation during a period of six (6) months and (iv) when the Servicer is declared bankrupt or it is undergoing a resolution process, as described in Law 11/2015.

In the event that this breach is detected or in the event of a Service Alert:

- i. firstly, the Management Company will notify the affected Servicer, who will have a term of thirty (30) Business Days to assess and, if necessary, resolve the Service Alert; and
- ii. secondly, and if such Service Alert is not adequately resolved and the affected Servicer must be replaced, the Management Company will notify this situation to:
 - the CNMV, as supervisor of the Fund;
 - the European Central Bank, through the single supervisory mechanism, as supervisor of the Servicer;
 - the creditors of the Fund, as a relevant notice;
 - the administrator of the bankruptcy of the Servicer, if applicable; and
 - the Credit Rating Agencies.

7.1. Preliminary procedure in the event of the replacement of the Servicer

In the event of a Servicer Alert or when the Management Company considers a Servicer Alert has been triggered, and therefore, a substitution is possible, the following procedure will be followed:

- The Management Company will request a consultation of the PDR that has been deposited at a notary.

- The Management Company will carry out tests in the form of an issue of SME Loan payment invoices to the Obligors and will have the process audited externally to guarantee the precision of the result.
- The Management Company will select an entity that could eventually replace the Servicer. It may contact entities supervised by the Bank of Spain and included in its registers, in the following order of preference:
 - Bank and Credit Cooperatives, incorporated in Spain.
 - Branches of EU Credit Entities with permanent residence in Spain.
 - Branches of non-EU Credit Entities with permanent residence in Spain.
 - Credit Finance establishments incorporated as public limited company in Spain.
 - Only in the event that none of the above can be appointed may other entities be contacted.
- To appoint the new servicer, the Management Company will take the following into consideration: (i) experience in loan servicing, (ii) experience in arrears loan servicing, (iii) experience in defaulted loan servicing, (vi) regional presence, (v) solvency, (vi) information and control systems and mechanisms, and (vii) cost. The Management Company may request expert reports (to be paid by the Fund) to conclude the decision-making process.

7.2. Specific Servicer replacement situations

In any event, the replacement of the Servicer must be justified by:

- i. Breach of the servicing obligations, proven by the Management Company.
- ii. A corporate, administrative or legal decision to liquidate and dissolve the Servicer.
- iii. The disappearance of the Servicer for any other reason.
- iv. The occurrence of events related to the Servicer or the performance of its duties that, in the opinion of the Management Company, imply damage or risk to the financial structure of the Fund or to the rights and interests of the Noteholders.
- v. The Servicer is undergoing a resolution process, as described in Law 11/2015.

The replacement of the Servicer will follow the terms and conditions established in the Deed of Incorporation.

In the event of a Servicer Alert or whenever the Management Company considers that a Servicer Alert has been triggered, it will implement the replacement process to substitute the Servicer in a term of sixty (60) days.

7.3. Contingency plan to replace the Servicer

In accordance with the Deed of Incorporation, once the Management Company has

made the decision to replace the Servicer, the following processes will take place:

- a) Formalisation of the new servicing agreement with the new servicer.

- b) Activation of the information recovery procedure necessary for the management of the Loans. This includes:
 - Asset database and document transfer from the Servicer.
 - Recovery of the PDR file generated by the Servicer.
 - Forwarding of all the Asset data in the hands of the Management Company to the new servicer.

- c) Activation of the process to notify the Obligors of the sale together with the updating of the payment instruction process. This process will follow the terms set out in the Deed of Incorporation and the Prospectus. In accordance with section 3.3 of this Additional Building Block, payments derived from Assets to which the Fund is entitled will only be releasable if they are made in its name into the Treasury Account or into the account designated by the Management Company to such effect.

- d) Notification of the decision to replace to all parties involved, including the CNMV and the Credit Rating Agencies.

In any event, the Management Company may consider the following as causes for the Liquidation of the Fund, under the terms described in section 4.4.3.(ii) of the Registration Document:

- i. A reasonable expectation that the replacement process could take longer than six (6) months, or
- ii. Once the process has been set in motion, it takes longer than nine (9) months to conclude.

8. Subrogation of the Obligor to the Loans

The Servicer will be authorised to permit subrogations in the position of the Obligor in the SME Loan agreements only in those cases in which the new Obligor has similar features in respect of risk profile and others to those of the previous Obligor and such features conform to the Loan assignment standards described in section 2.2.7 of this Additional Building Block, and provided that the expenses deriving from such subrogation are paid in full by the Obligor.

The Management Company may totally or partially limit this authority of the Servicer, or subject the power to conditions, if such subrogations may negatively affect the ratings of the Notes given by the Rating Agencies.

The Management Company must in any case be immediately notified of any

subrogation by the Servicer in accordance with the preceding paragraph. The subrogation of the Loan must not adversely or otherwise affect the Loan portfolio.

In addition the Obligor may request subrogation of the Loans to the Servicer pursuant to Law 2/1994 on the subrogation and amendment of Loans.

The subrogation of a new creditor in the Loan and the resulting payment of the amount owed will give rise to a mandatory prepayment of the Loan and the extinction of the corresponding MTC.

9. Powers and actions relating to procedures for renegotiation of the Loans.

The Management Company generally authorises the Servicer to enter into renegotiations with respect of the Loans, without its prior consent, under the terms and conditions described below.

The Servicer may not release security for any reason other than the payment of the Loans, waive or compromise on such security, forgive the Loans in whole or in part or generally perform any act that reduces the rank, legal effectiveness or economic value of the Loans.

Under no circumstances may BANCO SABADELL enter into renegotiations on the interest rate that could result in a reduction in the interest rate applicable to an asset on its own initiative and without a request to this end from an Obligor.

The Management Company authorises BANCO SABADELL to renegotiate the interest rate on loans when requested to do so by an Obligor. The renegotiation of the applicable interest rate cannot result in the interest rate being adjusted to a level or index other than the interest rates or indexes used in loans provided by BANCO SABADELL.

Any such renegotiation will need to comply with the following requirements:

- a) In renegotiating the interest rate clause of the loans, BANCO SABADELL must ensure that the new terms are at the market interest rate and are no different than those applied by the Servicer in renegotiating its loans. For purposes of this procedure, a market interest rate is the interest rate offered by lenders in the Spanish loan market.
- b) Interest rates may be renegotiated to change a given variable interest rate to another fixed rate of interest.

The powers of renegotiation given to BANCO SABADELL in this section are subject to the following limitations:

- a) No increase in the amount of credit will be allowed.
- b) Renegotiations of a reduction in the instalments agreed will be allowed, with a limit of 15% of the Initial Principal Balance of the Assets.
- c) The margin on the reference index may not be renegotiated below the weighted average margin of the Notes on the date on which modification is made.
- d) The maturity date on a loan may be extended, provided that the new maturity date of the loan does not occur after the Final Maturity Date.

In any event, after any renegotiation in accordance with the provisions of this section, BANCO SABADELL will immediately inform the Management Company of the terms and conditions resulting from such renegotiation.

Under exceptional circumstances, the Management Company, on behalf of the Fund, may suspend or amend the authorisation and requirements for renegotiation by the Servicer set forth in this section.

If the Servicer fails to comply with the provisions of this section in relation to the renegotiation of any of the Loans, the replacement procedure described in section 2.2.9 of this Additional Building Block shall apply with respect to the Asset in question (without prejudice to the liability of the Servicer for such circumstance). This does not mean that the Servicer guarantees the successful conclusion of the transaction, but rather the remedy of the effects of the breach of its obligations, in accordance with Article 1,124 of the Civil Code. The Management Company will immediately inform the CNMV of the repayment of the Assets resulting from the Servicer's breach. The costs incurred to cure the Servicer's breach must be paid by the Servicer and cannot be passed on to the Fund.

In connection with Section IV of Law 1/2013, it should be noted that BANCO SABADELL has adhered to the amendments to the Code of Good Practice endorsed by the aforementioned Law 1/2013, modified by Royal Decree 1/2015, of 27 February and Royal Decree-Law 5/2017 of 17 March. As a result, to the extent that the Management Company acknowledges and agrees that BANCO SABADELL 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 SME Loans), and which may entail an extension of the period for foreclosure proceedings and cause a loss in the value of the SME Mortgage Loans.

10. Procedure in the event of arrears

In the event of Obligor arrears related to the Assets, the Servicer will carry out the standard procedures for this type of situation if it still held ownership of the Assets in this situation and in accordance with good banking practice, as long as such actions do

not damage the management of the Fund or the rating assigned to the Notes. Any legal action considered necessary by the Servicer in order to reclaim and collect the amounts due from the Obligor are also included in the mandate.

11. Legal actions

The Servicer and the Management Company, as legal representative of the Fund, will carry out the appropriate actions against the Obligor that are in breach of their payment obligations derived from the Assets. Such actions must follow legal foreclosure procedures set out in Art.517 and following of *Ley de Enjuiciamiento Civil* or the alternative applicable procedure. If this is not possible, the Servicer and the Management Company will initiate the appropriate judicial or extra-judicial procedures. Specifically, the Servicer undertakes to: (i) carry out any judicial or extrajudicial action of the Fund against the Obligor, in its own name and in the interest of the Management Company, as legal representative of the Fund; and (ii) carry out any necessary or convenient actions for the full effectiveness of such actions.

Furthermore, the Management Company, as manager of the Fund, and holder of the Assets, will also participate with the same rights as the Servicer in the judicial or extra-judicial procedure initiated to claim the amounts due to the Fund.

When necessary, the Management Company grants in the Deed of Incorporation a power wide and sufficient enough in the Law to the Assignor so that may, acting through any of their authorised representatives, in accordance with the instructions of the Management Company in the name and on behalf of the Fund, or in its own name but on behalf of the Management Company, request through any judicial or extrajudicial method for the Obligor the payment of the debt, and to act judicially against them making use of its faculties as Servicer. These powers may be extended and modified through another deed if necessary.

Furthermore, the Servicer will carry out legal actions if, during a period of six (6) months (provided there are no circumstances or regulatory changes that justify failing this period and following its own administration criteria), the Obligor of a Defaulted Asset does not reinstate payment to the Servicer and if the latter, with the consent of the Management Company, does not obtain a satisfactory payment compromise for the Fund. The Assignor, as Servicer, in any event, will immediately proceed to present the legal action if the Management Company, in the name of the Fund, and prior analysis of the specifics of the case, deems it necessary.

If after six (6) months from the oldest arrear (provided that there are no circumstances or regulatory changes that justify it and following its own administration criteria), and without the reinstating of payments by the Obligor or without restructuring the debt, the BANCO SABADELL, as Servicer has, without due justification, not presented the legal action, injunction or other, the Management Company, in the name of the Fund,

will directly proceed to the corresponding judicial or out-of-court procedure to recover the debt in full, despite the responsibilities of the Servicer in this matter.

In the event of the halting of the Servicer's recovery procedure without sufficient reason, the Management Company, in the name of the Fund, may continue with the judicial procedure if legally possible.

In any event, the Management Company will be entitled, in the terms established by current legislation, to request the allocation as payment of its credit, of the properties and goods being repossessed through any of the procedures initiated to demand the fulfilment of the obligations of the Obligors of the Assets assigned to the Fund.

Once the judicial or extra-judicial procedures to claim the amounts due from the Obligor, the Servicer must protect the interests of the Fund under any circumstance, and will carry out any actions that generate the least damage during the corresponding procedure.

The Servicer undertakes to duly notify of the extra-judicial payment claims made to the Obligors. Equally, the Servicer undertakes to notify every month of the situation of the judicial or extra-judicial procedures initiated against the Obligors (initiating the claim, the notification of the foreclosure, the legal claim for payment, the Obligor's opposition, the initiation of urgent request and the conclusion of the procedure), together with any other circumstances that affect the collection of the amounts due and pending payment from the Assets. Further, the Servicer will provide the Management Company with all the documentation requested in relation with such Assets, and in particular, the specific documentation necessary for the Management Company to initiate or continue, in each case, the judicial or extra-judicial actions.

Specifically, the Servicer undertakes to notify the Management Company the resolution that agrees the auctions of the goods or properties and rights, in the fifteen (15) days following the final notification of the judicial sentence that forces the celebration of the auction, so that the Management Company can adopt the measures it considers necessary and can instruct the Servicer, on how to proceed.

The Servicer undertakes to attend the auctions under the instructions of the Management Company (that, in any case, they must comply with the stated in the Law of Civil Procedure), and to proceed in such a way that it will only bid or request the property in favour of the Fund in accordance with such instructions. In the absence of instruction, the Servicer will act, depending on each case, in such a way as it considers convenient and subject to the identical procedures used with the remainder of the loans in its portfolio, and always taking into consideration the interests of the Fund.

In the event that goods, properties or rights of any type are assigned to the Fund, the Servicer will proceed to sell them in the shortest possible term and under market conditions.

Among the roles of the Servicer, is the management of such sale. Specifically, the Servicer undertakes to compile all the necessary documentation for the sale and forward it to the Management Company (among others the legal documentation and, in its case, the purchase deed), and to coordinate the sale with the notary selected to such end. Additionally, and in relation with the properties assigned to the Fund as a consequence of the execution of the guarantees associated to the Assets, or via any other procedure, the Servicer undertakes to (i) find a real estate agency and use it to carry out all the necessary actions in order to sell the property (if the Servicer does not have their own real estate department or any company of the group); and (ii) carry out all the necessary procedures with the Property Register in relation to the sale of the property.

BANCO SABADELL will enjoy a preferential right to purchase the goods or properties assigned to the Fund during the ten (10) Business Days that follow the date in which the Management Company notifies its intention to sell the good, property or right. This right implies that the Servicer may purchase the goods, properties or rights under the same conditions as were offered to the Management Company.

3.7.2 Management Company.

The administration and legal representation of the Fund is vested in the Management Company (“Intermoney Titulización”), whose name, address and significant business activities are described in section 6 of the Registration Document upon the terms established by Law 5/2015 (especially those related to Article 26) and other applicable regulations, without prejudice to the provisions of the Deed of Incorporation. In accordance with Article 30.4 of the Law 5/2015, the responsibility of the Management Company will not be, in any case, affected by the fact that delegated functions to third parties or by a new sub-delegation, nor shall the Management Company delegate its functions to the extent of becoming an instrument or entity devoid of content.

The Management Company is also responsible for representing and defending the interests of the Noteholders and of the financiers of the Fund (“*financiadores del Fondo*”). Accordingly, the Management Company shall at all times take into account the interests of the Noteholders, acting in the defence thereof and adhering to applicable law and regulations for such purpose.

By way of example and without prejudice to other actions provided for in this Additional Building Block, the duties to be performed by the Management Company, according to the legislation applicable at the registration of the Prospectus, will be as follows:

- (i) verify that the amount of income actually received by the Fund corresponds to the amounts to be received by the Fund in accordance with the terms and conditions of each Asset and the terms and conditions of the various contracts;
- (ii) validate and control the information it receives from the Servicer regarding the Loans as regards collections of ordinary payments, prepayments of principal, payments of unpaid

instalments, and status and control of non-payments;

- (iii) calculate the Available Resources and the movements of funds it will have to make once they have been applied in accordance with the relevant Priority of Payments, ordering transfers of funds between the various asset and liability accounts and making the applicable payment instructions, including those allocated to pay the financial servicing on the Notes;
- (iv) calculate and settle the amounts for interest and fees that must be received and paid by the various asset and liability financial accounts, as well as the fees to be paid for the various agreed financial services and the amounts pertaining to the Notes for the repayment of principal and for interest;
- (v) handle the accounting of the Fund with due separation thereof from that of the Management Company, and render accounts and comply with the tax or other legal obligations applicable to the Fund;
- (vi) furnish the holders of Notes issued against the Fund, the CNMV and the Rating Agencies with such information and notices as are established by applicable legal provisions, and especially those contemplated in this Prospectus;
- (vii) enter into, extend or amend agreements it has executed on behalf of the Fund, replace each of the providers of services to the Fund by virtue of such agreements, and also, if necessary, enter into additional agreements, all of the foregoing subject to applicable law, after obtaining the prior authorisation, if required, from the CNMV or competent governmental body, and after notifying the Rating Agencies, and provided that such actions do not lead to a decrease in the rating of the Notes and do not impair the interests of the Noteholders, so as to ensure that the Fund operates in accordance with the terms set forth herein and by law in force from time to time;
- (viii) appoint and replace, as applicable, the financial auditor charged with auditing the annual financial statements of the Fund;
- (ix) prepare and submit to the CNMV and other competent bodies all documents and information that must be submitted pursuant to applicable legal provisions and the terms of this Prospectus, or when so requested by the CNMV and other competent bodies, as well as preparing and submitting to the Rating Agencies any information they may reasonably request thereof;
- (x) make appropriate decisions in relation to the liquidation of the Fund, including the decision for early termination of the Notes issued and liquidation of the Fund, in accordance with the provisions of this Prospectus; and

- (xi) pay the Ordinary Expenses and the Extraordinary Expenses incurred by the Management Company on behalf of the Fund.

The Management Company shall perform its activities with the diligence required thereof in accordance with Law 5/2015, representing the Fund and defending the interests of the Noteholders and of the financiers of the Fund as if handling its own interests, caring for the levels of diligence, reporting and defence of the interests of the former and avoiding situations involving conflicts of interest, and giving priority to the interests of the Noteholders and to those of the financiers of the Fund over its own. The Management Company will be liable to the Noteholders and financiers of the Fund for all damages caused thereto by a breach of its duties or failure to observe the provisions of the Deed of Incorporation and of this Prospectus. It will be liable for the penalties applicable thereto pursuant to the provisions of Law 5/2015.

The Management Company has the necessary resources, including suitable technology information systems, to discharge its duties of administering the Fund as attributed thereto by Law 5/2015.

Resignation and replacement of the Management Company

The Management Company shall be replaced in managing and representing the Fund in accordance with the provisions established by applicable law. Thus, in accordance with the provisions of Article 32 and Article 33 of Law 5/2015, the Management Company will be replaced using the following procedure:

- (a) Resignation of the Management Company

In accordance with Article 32 of Law 5/2015, the Management Company may resign from its duties when it so deems appropriate and voluntarily request its replacement in a written communication addressed to the CNMV disclosing the appointment of the replacement management company. In no case may the Management Company resign from the performance of its duties until all of the requisites and formalities for its replacement to be able to fully assume its duties in relation to the Fund have been met. All expenses arising from such replacement shall be paid by the Management Company itself, and may not in any event be passed on to the Fund.

- (b) Forced substitution of the Management Company

- (i) The Management Company shall be replaced if it is subject to any of the grounds for dissolution under Articles 360 et seq. of the Companies Act (*Ley de Sociedades de Capital*). The Management Company shall notify the CNMV of the occurrence of any of such grounds. In such case, the Management Company must comply with the provisions of paragraph (a) above prior to its dissolution.

- (ii) If the Management Company is declared insolvent, in accordance with Articles 33, or its authorisation (granting in accordance with Article 27 of Law 5/2015) revoked, respectively, a management company must be appointed to replace it. The replacement must become effective within four (4) months of the date of occurrence of the event causing the replacement. If the Management Company has not appointed a new management company within four (4) months of the event causing the replacement, there shall be an Early Liquidation of the Fund and Early Redemption of the Notes, requiring the actions contemplated in section 4.4.3 of the Registration Document.
- (iii) The replacement of the Management Company and appointment of the new company, approved by the CNMV in accordance with the provisions of the above paragraphs, shall be reported to the Rating Agencies and shall be published within a period of fifteen (15) days by means of an announcement in the bulletin of the AIAF.

The Management Company undertakes to execute any public or private documents needed to proceed with the replacement thereof by another management company in accordance with the procedure explained in the preceding paragraphs of this section. The replacement management company shall subrogate to the rights and obligations of the Management Company as established in this Additional Building Block. Furthermore, the Management Company must deliver to the new management company any documents and accounting and database records relating to the Fund that are in its possession.

Subcontracting of the Management Company

Pursuant to Article 30.4 of the Law 5/2015 and the provisions of the Prospectus, the Management Company will be entitled to subcontract or delegate the provision of any of the services to be performed in its duties of administration and legal representation of the Fund to third parties with acknowledged solvency and capacity, provided that the subcontractor or delegate waives any actions against the Fund for liability.

In any case, the subcontracting or delegation of any service (i) cannot involve any additional cost or expense for the Fund, (ii) must be legally possible, (iii) must not cause a decrease in the rating of the Notes by the Rating Agencies, and (iv) shall be communicated to the CNMV, and if legally required shall have the prior approval thereof. Notwithstanding any subcontracting or delegation, the Management Company will not be exonerated nor released from any of the liabilities assumed by virtue of this Prospectus which are legally attributable to or required from it.

Remuneration of the Management Company for the performance of its duties

The Deed of Incorporation shall provide that the Management Company has the right to receive an initial fee and, on each Payment Date of the Notes, provided the Fund has Available Resources in the Treasury Account in accordance with the Priority of Payments contemplated under section 3.4.6 b) of

the Additional Building Block, to a periodic administration fee payable quarterly on each Payment Date equal to a fixed amount and a variable amount calculated on the Outstanding Balance of the Assets, on the immediately prior Payment Date. The fee accruing from the Date of Incorporation of the Fund to the First Payment Date of the Notes shall be adjusted in proportion to the days elapsing between both dates, calculated on the nominal value of the Notes issued.

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.

Section 5.2 of the Registration Document contains a brief description of the counterparties to the contracts described below.

a) Financial Agency Agreement.

BANCO SABADELL is the Fund's counterparty to the Financial Agency Agreement.

A description of the agreement is included in section 3.4.4 of this Additional Building Block.

b) Subordinated Loan for the Reserve Fund Agreement

BANCO SABADELL is the Fund's counterparty to the Subordinated Loan for the Reserve Fund Agreement. A description of the Subordinated Loan for the Reserve Fund Agreement is included in section 3.4.3 a) of this Additional Building Block.

c) Subordinated Loan for Initial Expenses Fund Agreement

BANCO SABADELL is the Fund's counterparty to the Subordinated Loan for Initial Expenses Agreement. A description of the Subordinated Loan for Initial Expenses Agreement is included in section 3.4.3 b) of this Additional Building Block.

4. POST-ISSUANCE REPORTING

The Management Company will publish the information related to the Fund, its assets and liabilities contained in this sections, in the manner generally accepted by the market to guarantee their adequate diffusion in time and content, unless another method is set out legally or in this Prospectus.

The information set out in this section will be available on the web site of the Management Company: www.imtitulizacion.com.

The Management Company will make available to the public all the documentation and information required by the Deed of Incorporation and the Prospectus.

The publication of this information will not affect any other to which the Management Company is obliged to, in the name and in representation of the Fund. In any event, this information will comply with Circular 2/2016 and the requisites of the *CNMV*.

4.1 Notification of the principal and interest amounts due to the Noteholders

The interest and the repayment of the principal of the Notes will be published using channels generally accepted by the market that guarantee the adequate diffusion in time and content at least one (1) calendar day in advance of 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 monthly report including the following information:
 - The Outstanding Balance Not Due of the Assets.
 - The redemption rate experienced by the Assets.
 - The default rate of the Assets.
 - The Outstanding Balance of the Assets that have become Defaulted during the previous month.
 - The accumulated Outstanding Balance since the start of the transaction of the Assets that are Defaulted.
 - The term to redemption of the Assets.
 - The average interest rate of the Assets 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 monthly information, the Management Company will issue a report with the following information:
 - The Outstanding Balance of the Notes before and after the corresponding payment of the Payment Date of the current month;
 - The repayment of principal of the Notes.
 - The percentage of Notes pending redemption;
 - 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 in previous Payment Dates.

In accordance with Art.35 of Act 5/2015, the Management Company will present the CNMV with the annual audited accounts of the Fund together with their audit reports in the 4 months following the end of the fiscal year. Equally, it will also present the quarterly reports to the CNMV in the two months following the end of each quarter for the latter to include them in the relevant register.

The Board of Directors of the Management Company has designated Ernst & Young 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 notify significant events

The Management Company, in representation of the Fund, undertakes to immediately notify in writing the CNMV, the Credit Rating Agencies and the Note holders of the occurrence of any significant event, during the life of the Fund, related to the Assets, 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 Note holders 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 notification will be made through any means that guarantee the adequate dissemination of the information, including the website of the Management Company.

4.4 Reporting to the CNMV

Information regarding the Fund will be forwarded to the CNMV according to the formats contained in Circular 2/2016, as well as any information in addition to the above that is required by the CNMV or pursuant to the applicable legal provisions at any time.

4.5 Reporting to the Rating Agencies

The Management Company shall provide the Rating Agencies with periodic information on the status of the Fund and the performance of the Loans so that they may monitor the ratings of the Notes and the 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

In accordance with the above sections, periodic ordinary notifications will be published in the daily bulletin of the AIAF or through any other that replaces it in the future or that shares similar characteristics.

4.7 Information to be provided by BANCO SABADELL to the Management Company.

In addition, BANCO SABADELL undertakes to inform the Management Company, on behalf of the Fund, on a monthly basis and in any case at the request thereof, of any non- payments, prepayments or changes in interest rates, and promptly notify BANCO SABADELL of payment demands, judicial actions, and any other circumstances that affect the Loans.

BANCO SABADELL shall also provide the Management Company with all documentation the latter may request in relation to such Loans, and particularly the documentation required by the Management Company to commence any judicial actions.

MR JOSE ANTONIO TRUJILLO DEL VALLE, for and on behalf of INTERMONEY TITULIZACIÓN, S.G.F.T., acting in his capacity as Managing Director of the Management Company, hereby signs this Prospectus in Madrid on 14 December 2017.

DEFINITIONS

In order to properly understand this Prospectus, the terms written with capital letters 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 to them as defined terms in this Prospectus. The terms which are not expressly defined will be understood in their natural and obvious meanings in accordance with their general use. The terms which are in singular include the plural and vice-versa to the extent that the text so requires.

The capitalised terms listed below will have the following meanings:

“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 14 December 2017.

“AIAF” means 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.

“AIFMR” means 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.

“Assets” means the credit rights deriving from the Loans granted by the Assignor, which will be integrated in the assets of the Fund.

“Assignor” means BANCO DE SABADELL, S.A.

“Audit Report on the Preliminary Portfolio” means the audit report on the Preliminary Portfolio from which the Loans to be assigned to the Fund will be extracted, drafted by Ernst & Young.

“Auditors of the Fund” means Ernst & Young, S.L.

“Available Resources” means the amounts received by the Fund as principal and interest on the Assets, the returns on the Treasury Account, the Reserve Fund and any amounts that the Fund may receive as established in section 3.4.6 a) of the Additional Building Block, which will be applied on each Payment Date to the payments established in the Priority of Payments included in section 3.4.6 b) of the Additional Building Block.

“BANCO SABADELL” means BANCO DE SABADELL, S.A.

“Business Day” means any day that is not one of the following (i) Saturday; (ii) Sunday; (iii) a holiday according to the TARGET calendar; and (iv) a public holidays in the city of Madrid.

“Circular 2/2016” means Circular 2/2016 of 20 April, on accounting standards, annual financial statements, public financial statements and confidential statistical information statements of Securitisation Funds, as amended from time to time.

“Civil Code” means the Spanish Civil Code (*“Código Civil”*) published by virtue of Royal Decree of 24 July 1889 and the other preparatory provisions.

“Civil Procedural Act” or **“Law 1/2000”** means Law 1/2000 of 7 January on Civil Procedure.

“Class A Notes” means the securitisation Notes issued against the Fund in the total nominal amount of ONE THOUSAND FIVE HUNDRED AND SIXTY SEVEN MILLION FIVE HUNDRED THOUSAND EUROS (€1,567,500,000), made up of SIXTEEN THOUSAND FIVE HUNDRED (15,675) 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 THREE HUNDRED AND THIRTY TWO MILLION FIVE HUNDRED THOUSAND EUROS (€332,500,000), made up of THREE THOUSAND THREE HUNDRED AND TWENTY FIVE (3,325) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“CNMV” means the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

“Collection Adjustment Date” means the 15th of each month (or the immediately prior Business Day) in which the Management Company will proceed to adjust with the Servicer the amounts they have effectively deposited in Treasury Account during the Collection Period of the calendar month immediately prior to such Date, with those that should have been deposited in accordance with the agreement of each Loan.

“Collection Period” means each calendar month from the Date of Incorporation until the extinction of the Fund. The first Collection Period will begin on the Date of Incorporation and end on 31 December 2017.

“Commercial Code” means the Commercial Code (*“Código de Comercio”*) published by virtue of Royal Decree of 22 August 1885.

“CPR” means Constant Annual Pre-Payment Rate (*“Tasa de Amortización Anticipada”*).

“Date of Incorporation” means the day on which the Deed of Incorporation is authorised. The Date of Incorporation is scheduled for 15 December 2017.

“DBRS” means DBRS Ratings Limited.

“DBRS Minimum Rating Required” is the higher of:

- (i) in case the entity has long-term *Critical Obligation Rating* (“**COR**”) by DBRS, a notch lower than such COR; and
- (ii) the public rating assigned by DBRS to the entity or, if the public rating does not exist, the private rating or internal valuation done by DBRS (“**DBRS Rating**”);

“DBRS RATING” means as the Public rating assigned by DBRS, or if it does not exist the Internal Rating assigned by DBRS and if it does not exist DBRS Internal assessment.

“Deed of Incorporation” means the public deed of incorporation of the Fund (“*Escritura de Constitución*”) IM SABADELL PYME 11 Assignment of Assets and Issuance of Securitisation Notes, granted before the Notary of Barcelona Mr. Raul González Fuentes on the Date of Incorporation.

“Defaulted Assets” means those Assets that (a) are in arrears for a period equal or exceeding 12 months for amounts due; or (b) are classified as defaulted by the Management Company because there is reasonable doubt that they will be repaid in full; or (c) the Obligor has been declared insolvent.

“Determination Date” means two Business Days prior to a Payment Date.

“Direction and Subscription Agreement” means the management and subscription agreement to be entered into by the Management Company, for and on behalf of the Fund and BANCO SABADELL.

“Disbursement Date” means 20 December 2017.

“Early Liquidation of the Fund” means the early liquidation of the Fund and, hence, the early redemption of the Notes on a date prior to the Final Date, in accordance with the cases and procedure set out in section 4.4.3 of the Registration Document.

“Early Redemption of the Notes” means the redemption of the Notes on a date prior to the Final Maturity Date 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.

“Ernst & Young” means Ernst & Young, S.L.

“Final Date” means 20 June 2057.

“Final Maturity Date” means the last date of maturity of the Loans included in the Preliminary Portfolio, i.e., 15 November 2053, or, if this is not a Business Day, the immediately following Business Day.

“Financial Agency Agreement” means the guaranteed interest-rate reinvestment agreement of the Treasury Account and the paying agent agreement to be signed by the Management Company, acting on behalf and in representation of the Fund, and BANCO SABADELL, by virtue of which BANCO SABADELL will provide an agreed variable return for the amounts deposited into the Treasury Account by the Fund.

“First Interest Accrual Period” means the period from the Disbursement Date (inclusive) to the First Payment Date (exclusive).

“First Payment Date” means 20 March 2018.

“Fund” means IM SABADELL PYME 11, Fondo de Titulización.

“Fund Incorporation Date” means 15 December 2017.

“Iberclear” means the “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.”

“Initial Reserve Fund Required Amount” means the Reserve Fund created on the Disbursement Date in an amount equal to NINETY THREE MILLION ONE HUNDRED THOUSAND EUROS (€93,100,000).

“Interest Accrual Periods” 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.

“INTERMONEY TITULIZACIÓN” means Intermoney Titulización, S.G.F.T., S.A.

“IRR” means the Internal Rate of Return for the Noteholders.

“Issuer” means IM SABADELL PYME 11, FONDO DE TITULIZACIÓN.

“Law 2/1981” means Law 2/1981 of 25 March, on Regulation of the Mortgage Market.

“Law 37/1992” means Law 37/1992 of 28 December on Value Added Tax.

“Law 22/2003” or **“Insolvency Act”** means Law 22/2003 of 9 July on Insolvency.

“Law 5/2015” means Law 5/2015 of 27 April on the Promotion of Corporate Finance.

“Law 27/2014” means Law 27/2014 of 27 November on Corporate Income Tax.

“Law 11/2015” means Law 11/2015 of 18 June on the recovery and resolution of credit institutions and investment firms.

“Liquidation Expenses” means those that arise from the liquidation of the Fund.

“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 Resources for Liquidation.

“Loans” means SME Loans and SME Mortgage Loans.

“LTV” means **“Loan-to-Value”**, i.e., the ratio between the outstanding principal balance and the appraisal of each SME Mortgage Loan.

“Management Company” means INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. or the entity who may substitute it in such roles.

“Master Servicer” means INTERMONEY TITULIZACIÓN, S.G.F.T., S.A. or the entity who may substitute it in such roles.

“Moody’s” means Moody’s Investors Service España, S.A.

“Mortgage Transfer Certificates” or **“MTC”** means the mortgage transfer certificates (*“Certificados de Transmisión de Hipoteca”* or *“CTHs”*) to be issued by BANCO SABADELL regarding the SME Mortgage Loans included in the SME portfolio in accordance with the provisions of section 3.3.a) of the Additional Building Block.

“Multiple Title” means each security instrument representing the MTCs issued by BANCO SABADELL on the SME Mortgage Loans.

“Nominal Interest Rate” means the interest rate applicable to the Class A and Class B Notes on each interest Payment Date obtained from adding the margin corresponding to the Notes to the Reference Interest Rate.

“Non-defaulted Assets” means those loans not considered as Defaulted Assets.

“Notes” means the securitisation Notes issued against the Fund in the total nominal amount of ONE THOUSAND NINE HUNDRED MILLION EUROS (€1,900,000,000), made up of NINETEEN THOUSAND (19.000) Notes each with a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000).

“Noteholders” means the holders of the Notes.

“Obligors” means the self-employed individuals residing in Spain and SME incorporated in Spain to whom BANCO SABADELL has provided the Loans from which the securitised Assets derive.

“Order EHA/3537/2005” means Order EHA/3537/2005, of 10 November, which develops article 27.4 of Law 24/1988, of 28 July, of the Securities Market.

“Outstanding Balance of the Assets” means the principal amounts due and uncollected together with the principal amounts of the Assets not yet due.

“Outstanding Principal Balance of the Notes” means, on each day, the Outstanding Principal Balance of the Class A Notes plus the Outstanding Principal Balance of the Class B Notes.

“Outstanding Principal 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 Principal 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.

“Paying Agent” means BANCO SABADELL.

“Payment Dates” means the 20 day of March, June, September and December of each year, or, if any of such dates is not a Business Day, the Business Day immediately thereafter.

“PDR” means Personal Data Register.

“Preliminary Portfolio” means the preliminary portfolio of loans from which the Loans giving rise to the Assets to be assigned to the Fund will be extracted on the Date of Incorporation, and it is made up of the Preliminary Portfolio.

“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 Resources.

“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.

“Rate Setting Date” means the second Business Day in accordance with the Tran-European Automated Real-time Gross Settlement Express Transfer System (TARGET) calendar prior to the commencement of each Interest Accrual Period. For the avoidance of doubt, the Rate Setting Date for the First Interest Accrual Period will be the second Business Day prior to the Disbursement Date.

“Rating Agencies” or **“Credit Rating Agencies”** means DBRS and Moody’s.

“Reference Interest Rate” means the interest rate used as the base rate for purposes of calculating the Nominal Interest Rate.

“Registration Document” means the Registration Document, prepared in accordance with Annex VII of Regulation (EC) No 809/2004 and approved by the CNMV on 14 December 2017.

“Regulation on AIFM”: means the Regulations (UE) n° 231/2013, of 19th December 2012, known as the Regulations of Alternative Management Investment Funds.

“Regulation on 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.

“Regulation on Solvency II”: means the Regulations (UE) 2015/35, of 10th October 2014.

“Regulation (EC) No 809/2004” means 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.

“Regulation (EC) 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.

“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.

“Reserve Fund Amount” means the minimum Reserve Fund amount in accordance with the provisions of section 3.4.2.2 of the Additional Building Block.

“Royal Decree 1065/2007”: means Royal Decree 1065/2007 of 27th July, which enacted the General Regulations on tax inspection and management actions and procedures and implementing the common rules on applicable tax procedures.

“Royal Decree 716/2009” means Royal Decree 716/2009 of 24th 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.

“Royal Decree 1310/2005” means Royal Decree 1310/2005 of 4th November partially implementing Law 24/1988 of 28 July on the Stock Market as regards the admission to negotiation of securities on official secondary markets, public offers of sale or subscription and the prospectus required for such purposes.

“Royal Decree 634/2015” means Royal Decree 634/2015 of 10 July approving the Corporate Income Tax Regulations.

“Royal Decree 878/2015” means Royal Decree 878/2015 of 2 October on the clearing, settlement and registration of negotiable securities represented by book entries representations of book entry and the clearing and settlement of stock market operations.

“Royal Decree-Law 4/2015” means Royal Decree-law 4/2015 of 23rd October approving the restated text of the Spanish Securities Market Act.

“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 10 March 2016.

“Servicer” means BANCO SABADELL in its capacity as servicer (or any authorised substitute) of the Loans (both SME Mortgage Loans as non-mortgage SME Loans).

“Servicer Alert” means the conditions and procedure described in section 3.7.1.7. of the Additional Building Block for the replacement of the Servicer.

“SME” means non-financial small and medium corporates as defined in Technical Application No. 9/2016, of the Bank of Spain.

“SME Loans” means loans provided by BANCO SABADELL to SME or self-employed individuals to finance transactions involving SME activities.

“SME Mortgage Loans” means loans provided by BANCO SABADELL to SME or self-employed individuals to finance transactions involving SME activities, secured by property mortgages.

“Subordinated Loan for Initial Expenses” means the loan formalised pursuant to the Subordinated Loan for Initial Expenses Agreement defined below.

“Subordinated Loan for the Reserve Fund” means the loan formalised pursuant to the Subordinated Loan for the Reserve Fund Agreement defined below.

“Subordinated Loan for Initial Expenses Agreement” means the Subordinated Loan for Initial Expenses Agreement in the amount of NINE HUNDRED THOUSAND(€900,000) EUROS to be signed by the Management Company on behalf of the Fund and BANCO SABADELL, which will be used to finance the expenses of incorporation of the Fund and the issuance of the Notes.

“Subordinated Loan for the Reserve Fund Agreement” means the Subordinated Loan for the Reserve Fund Agreement in the amount of NINETY THREE MILLION ONE HUNDRED THOUSAND EUROS (€93,100,000)to be signed by the Management Company on behalf of the Fund and BANCO SABADELL, which will be used to finance the Reserve Fund.

“Subscription Date” means 19 December 2017.

“Theoretical Amount” means the positive difference on the Payment Date between (a) the Outstanding Principal Balance of the Notes, and (b) the sum of the Outstanding Balance of the Non-defaulted Assets that correspond to the last day of the month prior to the month of the Payment Date.

“Transfer Tax and Stamp Duty Law” means Royal Legislative Decree 1/1993 of 24th September.

“Treasury Account” means the account to be opened in the name of the Fund by the Management Company at BANCO SABADELL, the operation of which will be covered by the Financial Agency Agreement.

“V.A.T.” means Value Added Tax (*“Impuesto sobre el Valor Añadido”*).

“IM SABADELL PYME 11, FONDO DE TITULIZACIÓN”

A securisation fund (*fondo de titulización*)
incorporated in Spain, pursuant to the provisions of Law 5/2015

**ASSIGNOR, SERVICER, SUBORDINATED LOAN FOR INITIAL EXPENSES
PROVIDER, SUBORDINATED LOAN FOR RESERVE FUND PROVIDER AND
FINANCIAL AGENT**

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