

FONCAIXA HIPOTECARIO 2, Fondo de Titulización Hipotecaria, Bonos de Titulización Hipotecaria

Spain

CLOSING DATE:

March 2, 2001

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| Series | A | B |
|----------------------------------|---|-----------------|
| Rating: | Aaa | A1 |
| Amount € mill: | 580.5 mill EUROS | 19.5 mill EUROS |
| Reference: | Euribor 3M | Euribor 3M |
| Coupon: | 15 bps | 40 bps |
| Payment Dates: | January 15th, April 15th, Jul 15th, Oct 15th | |
| Issuer: | FONCAIXA HIPOTECARIO 2, Fondo de Titulización Hipotecaria | |
| Originators/ Administrators: | Caixa D'Estalvis I Pensions de Barcelona (La Caixa) Aa3/P-1 | |
| Management Company (Gestora): | Gesticaixa, S.G.F.T.H., S.A.. | |
| Depository/ Paying Agent: | Caixa D'Estalvis I Pensions de Barcelona | |
| Swap Counterparty: | Caixa D'Estalvis I Pensions de Barcelona | |

Collateral Characteristics

| | |
|-------------------------|---|
| Type: | Mortgage shares (Participaciones Hipotecarias: PHs) |
| Coupon: | Underlying mortgage rate |
| Count: | 17323 |
| Total Amount (Approx.): | 137.245 mill pesetas |

Provisional Pool of Underlying Mortgage Loans

| | |
|-----------------------|---|
| Type: | Primary residential mortgage loans |
| WALTV: | 60.32% |
| Average Loans: | 7.92 mill pesetas |
| WAC (Current): | 5.38% |
| Interest Basis: | Variable |
| Indices: | IRPH, IRMH, EURIBOR, MIBOR |
| Orig. Loan Purpose: | Purchase, Construction and Renovation |
| Geog. Concentrations: | Cataluña (30.82%), Madrid (29.86%), Andalucía (7.42%) |
| Final Maturity: | August 1st, 2048 |
| Structure: | Senior/Mezzanine/RF |
| Credit Enhancement: | 3.25%B Tranche, 1.65% RF, and Spread |
| Issue Date: | February 28th, 2001 |



RATING OPINION

Moody's has assigned a **Aaa** rating to the Series A Bonds and a **A1** rating to the Series B Bonds issued by FONCAIXA HIPOTECARIO 2. These ratings are based on:

- A loan by loan analysis of the quality of the mortgage loans underlying the bonds;
- The analysis of other types of risk, including operational risk, prepayment, interest rate, and liquidity risk, as well as legal risk;
- The adequate credit enhancement, i.e. the subordination available to each rated class which partially off-sets the above risks, (the subordinate position of the Series B Mezzanine Bonds with respect to the Series A Bonds);
- The strength of the cash flows, including the reserve fund and any excess spread available to cover losses;
- The experience of the Gestora GESTICAIXA, SGFTGH, S.A. and the supporting guarantee of the Gestora obligations by all of its shareholders; and

The contractual obligations and credit strength of the parties to the transaction.

Moody's evaluation included the legal and regulatory context of the primary and secondary mortgage market and of structured transactions in Spain.

The ratings assigned to the BTHs address the timely payment of interest and payment of principal on or before the final maturity of the transaction in January 15th, 2049.

RATING SUMMARY

Collateral

Second Issuance by La Caixa – Still Good Quality Mortgage Loans

La Caixa taps the market for the second time with the issuance of FONCAIXA HIPOTECARIO 2. As with the first deal (See comparison between the 2 deals, the collateral of loans is of very good quality, with average LTVs of 60.32%, seasoning of approximately 2 years, and the benefit from La Caixa's solid credit fundamentals including its ample liquidity, low risk profile and strong economic capital. In terms of geographical concentration, this pool is naturally concentrated in Cataluña (30.82%) and Madrid (29.86%).

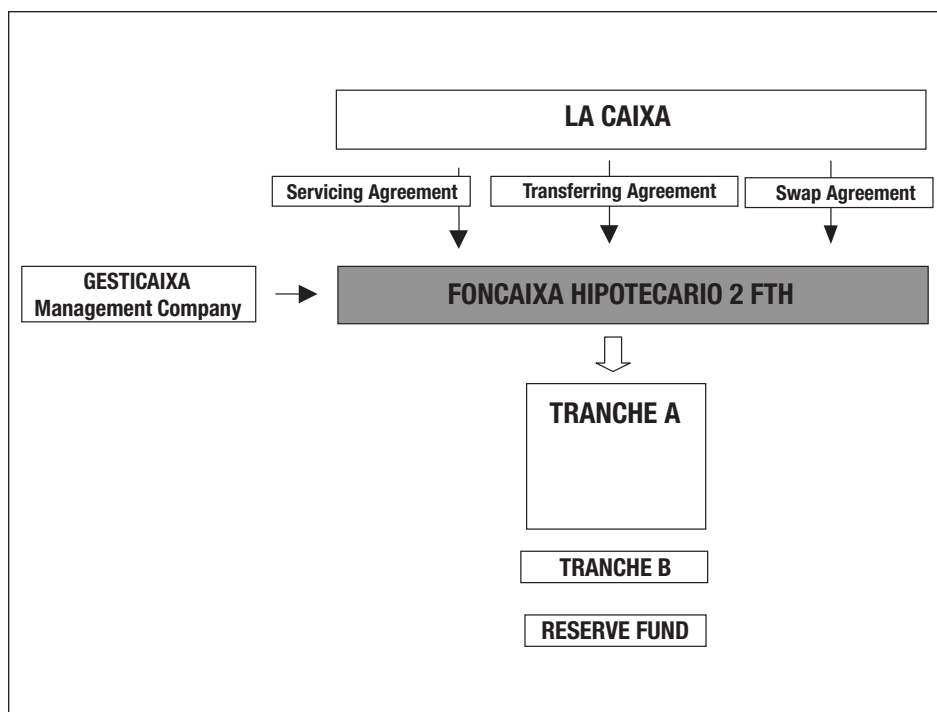
| | FONCAIXA HIP 1 | FONCAIXA HIP 2 |
|------------------------|-----------------|----------------|
| Total Balance | 600 mill EUROS | 600 mill EUROS |
| Number of Loans | 17801 | 17323 |
| Avg. LTV | 46.14% | 60.32% |
| Regional Concentration | | |
| | Cataluña 37.39% | 30.82% |
| | Madrid 18.24% | 29.86% |
| Seasoning | 5 | 2 |

STRUCTURE SUMMARY

Foncaixa Hipotecario 2 FTH, will have the same structure as the previous Foncaixa deal; that is a Senior Bond, with a Subordinated bond and a Reserve Fund. The transaction is also protected by a basis swap to cover any possible interest rate risk between the fact that the mortgages are mostly linked to variable indexes and the bonds are referenced to EURIBOR 3M.

The Bonds are issued by a securitization fund (Fondo de titulización Hipotecaria) which was created and is managed by Gesticaixa, SGFT, S.A., the Management Company.

All of the mortgage loans securing the bonds were originated by Caixa D'Estalvis I Pensions de Barcelona (La Caixa) (**Aa3/P-1**) who will continue to service the loans and will substitute or repurchase any PH that is found to be backed by a loan that fails to meet various criteria.



SWAP FUNCTIONING

The transaction will have a basis swap for each different tranche of Bonds. On each payment date, should the difference between the interest to be paid by the Bonds and the Participaciones Hipotecarias be positive (that is should the amount of interest on the Bonds be larger than the available interest amount on the Participaciones Hipotecarias) Caixa d'Estalvis I Pensions de Barcelona would pay the Fondo an amount equal to the difference between the two mentioned amounts.

On the other hand, on each payment date, should the difference between the interest to be paid by the Bonds and the Participaciones Hipotecarias be negative (that is should the amount of interest on the Participaciones Hipotecarias be larger than the amount of Bonds), the Management Company would pay Caixa d'Estalvis I Pensions de Barcelona an amount equal to the difference between the two mentioned amounts.

Should Caixa d'Estalvis I Pensions de Barcelona loose its **P-1** rating, the Management Company would have to find a third party with a **P-1** rating that would guarantee the obligations of Caixa d'Estalvis I Pensions de Barcelona. Should a third party not be found, the Management Company would have to substitute Caixa d'Estalvis I Pensions de Barcelona as the swap counterparty for another entity with the highest short term rating assigned by Moody's.

LEGAL SUMMARY

The (BTHs) are issued by a mortgage securitization fund (fondo de titulización hipotecaria) which was created and is managed by Gesticaixa, SGFTH, S.A., the management company. The BTH's are secured by PHs.

Under Spanish law each PH represents a certain percentage of a single mortgage loan for the entirety of its remaining life and grants to its holder the right to undertake executory action against the originator and, under certain circumstances, the right to pursue the mortgage debtor. As the Fondo does not possess juridic personality any such action must be taken on its behalf by the Gestora. In this transaction all of the PH's represent 100% of the underlying mortgage loan and pay interest at the mortgage rate. Payments of interest on PHs purchased by a mortgage securitization fund are not subject to withholding tax. However, interest payments on the BTHs issued by the fund are subject to withholding tax.

All of the mortgage loan securing the PH's were originated by La Caixa (**Aa3/P-1**) which will continue to service the loans and will substitute or repurchase any PH that is found to be backed by a loan that fails to meet various criteria.

CREDIT ENHANCEMENT

The certificate holders are protected from losses primarily with a traditional senior/subordinated structure with a Reserve Fund.

- The first layer of protection is spread in the transaction, which is the difference between the note rate paid to the bondholders (Peseta EURIBOR plus 15 bp on the series A Bonos, and Peseta EURIBOR plus 40 bp on the series B Bonos) and the payment received from the swap counterparty. La Caixa, S.A. (**Aa3**), as provider of the swap, receives the rate on the PHs less 65 bp and pays the Fondo the note rate on the balance of the performing mortgages.

The value of the ongoing spread was assessed under a variety of adverse conditions which would minimize its availability, including high prepayment speeds, various loss distributions, and high arrears levels. Spread that is not used to cover shortfalls of interest or principal or to replenish one of the reserve funds within each interest period is not trapped within the structure.

- The second layer of protection for investors is the Reserve Fund. At any moment the maximum credit amount will be, equal to the minimum of the following quantities: 1.65% of the initial PH balance or 4% of the outstanding principal balance of the PHs. The floor on the Reserve Fund will be 50 bp of the PH original balance.
- The third layer of protection is the Series B Bonds which initially amount to 3.25% of the PH original balance. Amortization of the Series B Bonds will take place when the Series A Bonds are fully amortized.

Origination/Servicing

Moody's reviewed the facilities, underwriting and collections procedures, and servicing systems of the originators and compared them with the overall lending practices of banks and mortgage lenders in Spain.

Moody's believes La Caixa (**Aa3/P-1**) is capable of fulfilling its servicing obligations in the transaction.

Management Company (Gestora)

The Management Company (Sociedad Gestora) has broad powers under the Spanish securitization law.

The obligations of Gesticaixa S.G.F.T.H., S.A. within the structure are backed by its shareholders.

Doc ID# SF10139

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