

## Credit Products/Spain Presale Report

## FONCAIXA FTGENCAT 3, FONDO DE TITULIZACIÓN DE ACTIVOS

### Expected Ratings\*

Series	Amount (EURm)	Legal Final Maturity	Rating	CE (%) <sup>3</sup>
A(S)	175.70	Sept. 2038	AA+	4.85
A(G) <sup>1</sup>	449.30	Sept. 2038	AAA	4.85
B	10.70	Sept. 2038	AA	3.20
C	7.80	Sept. 2038	BBB+	2.00
D	6.50	Sept. 2038	BB+	1.00
E <sup>2</sup>	6.50	Sept. 2038	CCC-	n.a.

<sup>1</sup> The *Generalitat de Catalunya* (rated 'AA-/F1+') will guarantee the ultimate payment of interest and principal on the Series A (G) notes.

<sup>2</sup> Uncollateralised notes issued to finance the creation of the reserve fund at closing.

<sup>3</sup> These Credit Enhancement ("CE") levels are assuming a weighted average excess spread of 50.0bp payable by the swap counterparty to the issuer.

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\* Expected ratings do not reflect final ratings, are based on information provided by the issuer as of 2 November 2005, and are subject to receiving satisfactory final legal opinion.

### ■ Summary

This transaction is a cash flow securitisation of a EUR650.0 million static pool of loans ("the collateral") granted by Caja de Ahorros y Pensiones de Barcelona ("la Caixa" or "the originator", rated 'AA-/F1+') to small and medium-sized Spanish enterprises ("SMEs"). Fitch Ratings has assigned expected ratings to the notes ("the notes") to be issued by FONCAIXA FTGENCAT 3, FTA ("the issuer") as indicated at left. The Autonomous Community of Catalonia ("*Generalitat de Catalunya*", rated 'AA-/F1+', "the guarantor") will guarantee ultimate payment of interest and principal on the Series A(G) notes.

This is the second stand-alone SME loan securitisation transaction to be brought to the market by la Caixa. The first was rated by Fitch in December 2003, and its new issue report entitled "*Foncaixa FTPYME I, FTA*" is available at [www.fitchratings.com](http://www.fitchratings.com). Moreover, la Caixa has participated in two multi-seller SME CDOs, one of which was rated by Fitch in April 2003; the new issue report is available at [www.fitchratings.com](http://www.fitchratings.com) entitled "*GC FTGENCAT II, FTA*".

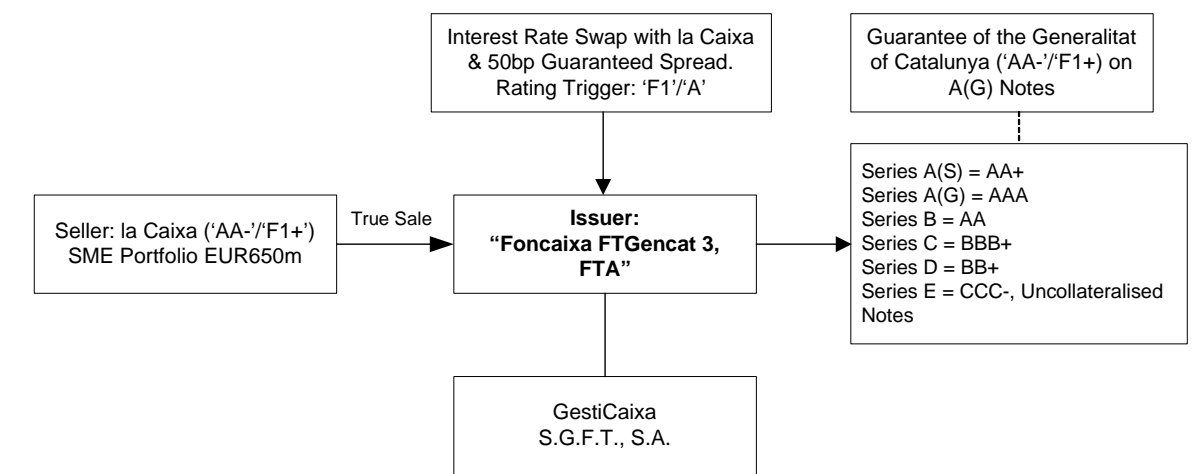
The issuer will be legally represented and managed by GestiCaixa SGFT, SA ("the *Sociedad Gestora*"), a special-purpose management company with limited liability incorporated under the laws of Spain. The expected ratings are based on the quality of the collateral, available credit enhancement ("CE"), the financial structure of the deal, the underwriting and servicing of the collateral and the *Sociedad Gestora*'s administrative capabilities.

The expected ratings address payment of interest on the notes according to the terms and conditions of the documentation, subject to a deferral trigger on Series B, C and D, as well as the repayment of principal by legal maturity. The expected rating on the Series E notes is supported by the recovery rate that noteholders are expected to receive during the life of the transaction, which has been calculated on the basis of principal and accrued interest as a proportion of the original Series E note balance.

### ■ Credit Committee Highlights

- Approximately 40.0% of the collateral in volume terms refers to secured flexible loans, also called *Credito Abierto* ("CA"). These CAs offer borrowers the following options: i) redraw, subject to a maximum limit of loan to value ("LTV"); and ii) principal payment holidays, whereby the borrower can defer principal payments for a predetermined period of time while continuing to pay interest. Fitch has stressed these risks within its recovery analysis and cash flow modelling. See *Collateral and Credit Analysis*.

Structure Diagram



Source: Transaction documents

- Although potential redraws can be made under CAs, the issuer will not be exposed to additional credit risk as further drawings will not be securitised. However, as recovery proceeds would be divided on a pro rata basis, between the first – securitised – draw and subsequent redraws in the event of a CA borrower defaulting, Fitch has accounted in its analysis for lower final recovery proceeds. In addition, the agency has accommodated in its cash flow model the potential delay in principal collections on the CAs following their payment holiday option.
- CE available for the guaranteed A(G) notes is at a ‘AA+’ level. Nevertheless the guarantee from the *Generalitat de Catalunya* allows these notes to achieve a ‘AAA’ expected rating. These bonds are credit-linked to the *Generalitat de Catalunya* (see *Guarantee and Liquidity Facility*).
- Although the collateral is granular at the obligor level, it is highly exposed to the region of Catalunya. This concentration element is a feature required under the terms and conditions of the guarantee, as it has also been applicable in previous transactions such as “*GC FTGENCAT II, FTA*” rated by Fitch in April 2003. Fitch addressed this concentration risk through a stress on the cumulative default rates (see *Credit Analysis*).
- As roughly 55.4% of the secured collateral in this transaction is linked to first-ranking commercial real estate assets, Fitch’s credit analysis combined elements of the collateralised debt obligation (“CDO”) approach, which it uses to rate Spanish SME CDO transactions,

with elements of its commercial mortgage-backed securities (“CMBS”) approach (see *Credit Analysis*).

- The Series E notes will be issued to finance the reserve fund (see *Reserve Fund* below) at closing. The good performance of the Series E notes requires very favourable conditions for the collateral backing the Series A to D notes. As the Series E are likely to default, Fitch conducted a sensitivity analysis using its cash flow model to stress the variables that affect the cash available to pay down the Series E notes and, in turn, to calculate their expected recovery rate based on the present value of interest and principal payments (see *Credit Analysis*).

■ Structure

The issuer is a limited-liability special-purpose vehicle incorporated under the laws of Spain, whose sole purpose is to acquire credit rights from la Caixa as collateral for the issuance of floating-rate, amortising and quarterly-paying securities.

In the structure, la Caixa acts, *inter alia*, as the servicer of the collateral, the account bank, the swap counterparty and the paying agent. However, for the protection of investors, if la Caixa is unable to continue to administer the collateral, the *Sociedad Gestora* must appoint a replacement administrator, in accordance with Spanish securitisation law.

Interest and principal collections are dealt with jointly through the combined priority of payments described below. A treasury account will be held in the name of the issuer at la Caixa in which all the funds received from the collateral will be deposited daily. However, as the first principal payment date

## Key Information

### Portfolio Characteristics

**As of 24 October 2005**

**Provisional Portfolio:** 11,267 loans

**Total Amount:** EUR793.2m

### Structure

**Issuer:** FONCAIXA FTGENCAT 3, FTA

**Total Amount:** EUR650m

**Management Company:** GestiCaixa SGFT, SA

**Originator:** Caja de Ahorros y Pensiones de Barcelona ("la Caixa", rated 'AA-(AA minus)/F1+')

**Structurer:** GestiCaixa SGFT, SA

**Paying Agent:** la Caixa

**Swap Counterparty:** la Caixa

**Treasury Account (GIC accounts):** la Caixa

**Scheduled Final Maturity:** September 2035

**Final Legal Maturity:** September 2038

will be in June 2007, principal collections on the underlying collateral will be accumulated until this payment date in a separate amortisation account, which will also be held in the name of the issuer at la Caixa.

The monies credited to the above mentioned accounts will receive a guaranteed rate equal to the three-month EURIBOR. As account-holder, in the event of la Caixa's Short-term rating being downgraded below 'F1', the *Sociedad Gestora* will take one of the following steps within 30 days:

1. find a third party rated at least 'F1' to guarantee la Caixa's obligations;
2. transfer the treasury and amortisation accounts to another entity rated at least 'F1';
3. if unable to effect either of the above, provide a guarantee in the form of financial assets rated at least on a par with the Kingdom of Spain ('AAA'/F1+); or
4. if unable to effect either of the above, invest the balance of these accounts temporarily, and until the next payment date, in fixed-income assets rated at least:
  - 'F1' for investments maturing within 30 days; or
  - 'F1+' maturing in more than 30 days.

## Priority of Payments

On each quarterly payment date, commencing in March 2006, the combined ordinary priority of payments will be as follows:

1. expenses, taxes and servicing fees;

2. payment under the swap agreement (if applicable);
3. Series A(S) and A(G) interest *pari passu*, and reimbursement to the Generalitat de Catalunya of any amount drawn under the guarantee;
4. remuneration of the liquidity facility if applicable (see *Guarantee and Liquidity Facility*);
5. Series B interest (if not deferred);
6. Series C interest (if not deferred);
7. Series D interest (if not deferred);
8. principal in order of seniority, excluding the Series E notes (see *Amortisation of the Notes*);
9. Series B interest if deferred, which will occur if the principal deficiency ledger ("PDL") exceeds 80% of the outstanding balance of these notes, plus 100% of the combined Series C and D note outstanding balances;
10. Series C interest if deferred, which will occur if the PDL exceeds 100% of the outstanding balance of these notes, plus 100% of the Series D note outstanding balance;
11. Series D interest if deferred, which will occur if the PDL exceeds 100% of the outstanding balance of these notes;
12. reserve fund top-up if required (see *Reserve Fund*);
13. Series E interest and principal; and
14. other subordinated amounts including reimbursement and remuneration of the subordinated loan to cover the initial expenses.

A PDL is defined on every payment date as the difference between the balance outstanding on the Series A to D notes and the outstanding balance of non-defaulted loans (i.e. those that are less than 12 months in arrears). The structure will meet ordinary and extraordinary expenses out of available excess spread. Initial expenses will be covered via a subordinated loan agreement granted to the issuer by la Caixa before closing.

## Amortisation of the Notes

Principal due on the A to D notes on any payment date will be capped at the difference between the balance outstanding on these notes and the balance of the non-defaulted collateral. It will be paid, subject to the availability of funds, according to the priority of payments.

The first principal payment date on the notes will be June 2007 and quarterly thereafter. All Series will amortise sequentially on a pass-through basis after the A(S) notes have been redeemed in full. However, when the ratio of the performing collateral balance (loans less than 90 days in arrears) plus the amount of principal collections credited to the treasury account during the previous collection period,

divided by the current balance of the Series A(S) and A(G) notes plus any drawings made under the guarantee is equal to or below 1, the outstanding balances of the A(S) and A(G) notes will amortise *pro rata*.

In addition, the outstanding balances of the B, C and D notes may amortise *pro rata* with the Series A (together A(S) plus A(G)) notes once their respective sizes represent 3.29%, 2.40% and 2.00% of the outstanding balance of all the Series A to D notes. This will be subject to:

- the delinquency ratio (i.e. loans over 90 days in arrears as a proportion of the outstanding balance of the non-defaulted collateral) being less than 1.25%, 1.00% and 0.75% for Series B, C and D respectively;
- the reserve fund (see *Reserve Fund* below) being at its required level; and
- the outstanding balance of non-defaulted loans exceeding 10% of the original collateral balance.

The E notes will only be paid down using monies released from the reserve fund, if any (see *Reserve Fund* below). Because the reserve fund is subject to an absolute floor of 0.77% of the original note balance, these funds will only be released to the Series E noteholders at legal final maturity, unless the 10% clean-up call (see below) is exercised and sufficient funds are available after redeeming the Series A to D notes in their entirety.

### Call Option

All notes are subject to a clean-up call option in favour of the *Sociedad Gestora* when less than 10% of the initial collateral balance remains outstanding.

The clean-up call will only be executed if the A to D notes are redeemed in full. The clean-up call does not guarantee the full or partial redemption of the E notes.

### Reserve Fund

A reserve fund equivalent to 1.00% of the original balance of the Series A to D notes will be funded at closing using the proceeds of the Series E note issuance, and will be credited to the treasury account. Subject to the following conditions, the reserve fund will be permitted to amortise to the greater of: i) 0.77% of the original collateral balance; or ii) 2.00% of the outstanding balance of the A to D notes:

- the balance of loans in arrears over 90 days is less than 1.0% of the outstanding non-defaulted collateral;
- on the preceding payment date, the reserve fund was at its required amount; and

- the closing date of the transaction was more than three years earlier.

### Swap Agreement

Under the swap agreement, the issuer will pay to la Caixa, as the swap counterparty, the sum of interest collected and accrued on the non-defaulted portion of the collateral plus the yield generated by the amortisation account. It will, in return, receive the WA (weighted average) coupon on the A to D notes plus a guaranteed spread of 50bp multiplied by a notional that is equivalent to the outstanding balance of the Series A to D notes.

This swap will have the following main effects:

1. it will provide credit support to the structure by making good the loss of interest arising from loans that default over the life of the deal. Fitch included the benefit of these payments in its analysis of full and timely payment of interest on the C and D notes. The agency believes this swap to be fairly illiquid. Hence, the ratings of the C and D notes are dependent on the solvency of the swap counterparty. Moreover, Fitch did not factor this credit support into the expected ratings assigned to the Series A(S), A(G) and B notes, and accordingly these are not dependent on the solvency of la Caixa;
2. it will hedge the interest rate, basis, payment and reset frequency, negative carry, and margin compression risks within the structure; and
3. it will produce a stable spread of 50bp on the outstanding balance of the notes.

In the event the swap counterparty is downgraded below 'A/F1', it will, within 30 days, take one of the following steps:

- find an entity rated at least 'A'/'F1' to guarantee its obligations under the swap agreement;
- find a replacement counterparty rated at least 'A'/'F1'; or
- cash- or security-collateralise its obligations in an amount sufficient to comply with existing Fitch criteria.

### Guarantee and Liquidity Facility

The *Generalitat de Catalunya* guarantees the ultimate payment of interest and principal on the Series A(G) notes. This guarantee essentially has the same features as that provided by the Kingdom of Spain in several other Spanish SME CDO transactions rated by Fitch, the most recent being "*FTPYME Bancaja 4, FTA*" dated 24 October 2005 and available at [www.fitchratings.com](http://www.fitchratings.com). Under the terms of the

guarantee all the loans securitised must be to Catalan companies, 80.0% of which should be SMEs as classified by the European Commission.

Any amounts paid by the guarantee will become a payment obligation of the issuer. Principal will be repaid to the *Generalitat de Catalunya* through the priority of payments, and will rank *pari passu* with interest on the series A(G) notes. No cost or fees will be due on the guarantee.

The guarantee becomes payable within three months of being called. In view of this potential timing mismatch, the issuer has entered into a EUR10.0m liquidity facility agreement with la Caixa that will amortise in line with the A(G) notes. In the event that la Caixa's Short-term rating is downgraded below 'F1', an alternative liquidity provider or guarantor must be found within 30 days.

CE available for the guaranteed A(G) notes is at a 'AA+' level. Nevertheless the guarantee from the *Generalitat de Catalunya* allows these notes to achieve a 'AAA' expected rating. These bonds are credit-linked to the *Generalitat de Catalunya*.

## ■ Collateral

At closing, the final portfolio will have an outstanding balance of EUR650.0m and will consist of loans selected from a provisional portfolio of 11,267. As of 24 October 2005, the provisional portfolio's main characteristics, in volume terms, were:

1. the largest obligor represented 0.5%, the three largest 1.5% and the 10 largest 3.8%;
2. the average outstanding balance was EUR70,397;
3. flexible CAs represented 40.0% (see *Credito Abierto - CA*);
4. 77.3% was secured on first-ranking mortgages – of which approximately 55.4% corresponded to commercial properties;
5. 100.0% was located in the region of Catalunya;
6. approximately 28.0% was linked to real estate activities, which can include "buy-to-let" businesses, property management and marketing of offices, industrial warehouses, hotels, shopping centres and residential units;
7. the WA seasoning was 31 months;
8. the original and current LTV ratios of the first ranking mortgages were 56.2% and 48.9%, respectively; and
9. the earliest maturity was January 2007 and the latest September 2035.

## *Credito Abierto - CA*

CAs are flexible credit products that offer borrowers the option of redraws, and have been primarily designed to assist SMEs in the acquisition of fixed or productive assets. All the CAs included in the portfolio are secured on residential or commercial properties, and only the first CA drawdown will be securitised.

A borrower may apply for further redraws during the life of the product, which can vary between 15 and 30 years depending on the security available. la Caixa will approve these redraws only if the SME passes a new credit risk assessment, regardless of previous redraws. Redraws are also limited in terms of LTV ratios and purpose of investment, and will rank on a *pari passu* basis with the first drawings in the event of the obligor defaulting. For example, if the intention is to purchase or extend the production facilities, a maximum LTV of 70% will apply.

Another feature of the CAs is the option of taking one or more principal payment holidays, subject to the approval of la Caixa's credit committee authorities and compliance with certain criteria. While c.60.0% of the CAs in the collateral by volume of origination will allow only 1 period of forbearance, the WA is limited to a maximum of six.

## ■ Credit Analysis

The key sections of Fitch's analysis were the calculation of default probability, mainly derived from vintage data provided by the originator, and the definition of tiered recovery rates. These results were combined with the structural features of the transaction and analysed in a cash flow model. CE levels were sized to ensure that each series of bonds would receive interest and ultimate repayment of principal according to the documentation, under its respective stress scenario.

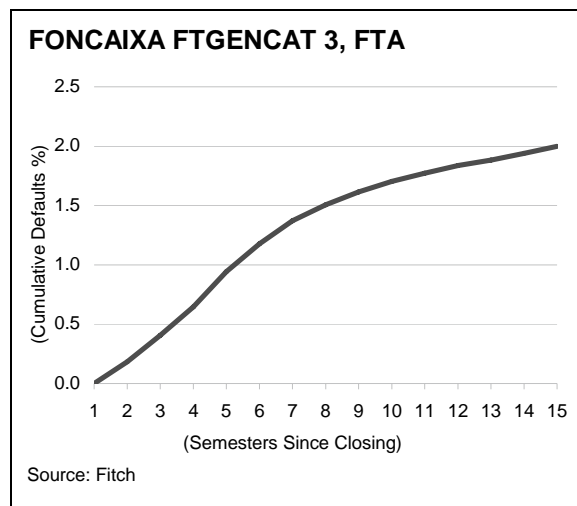
Since the obligation to repay all the loans lies solely with the borrowers themselves rather than relying on the real estate assets or any tenancy agreement linked to the properties securing the collateral, Fitch based its default probability analysis on the credit quality of the borrowers rather than the income-generating capacity of the underlying properties. As indicated below, the specific characteristics of the commercial and residential properties securing the loans were studied as part of the recovery analysis.

## Default Probability

Using historical default data provided by the originator dating back to 2000, which included both CAs and traditional loans, Fitch was able to derive a WA cumulative base default rate. The agency then applied multiples to this to obtain the default

probabilities for the higher rating categories. These rates also account for the 100% geographical concentration of the pool in the Cataluña region.

Based on Fitch's Pan-European SME CDO Performance Tracker methodology (see report "*Pan-European SME CDO Performance Tracker*", dated 5 October 2005 and available at [www.fitchratings.com](http://www.fitchratings.com)), the chart below illustrates the expected cumulative base-case defaults for this transaction.



### Recovery Rate

Fitch conducted a loan-by-loan analysis of the collateral. Key to the agency's recovery analysis is the estimated stressed value of the assets under the different rating scenarios, which is determined by identifying Market Value Decline ("MVD") ratios for the different property types.

For the loans secured on commercial properties, MVDs were calculated in accordance with Fitch's standard analytical approach to CMBS, which uses rental value decline ("RVD") indicators and income capitalisation rates for specific property types. RVDs are based on historical volatility observations for the real estate market in Europe: the greater the volatility of a particular property type, the lower the potential stressed rent achieved in the future and, therefore, the higher its RVD.

The income capitalisation rate of a property can be expressed as the yield generated in the market by properties with similar features and use (e.g. hotels will normally return a different yield from retail units). More information on Fitch's CMBS methodology can be found in the special report "*European Property Income Model – "The Logic"*" dated 9 June 2004 and available at [www.fitchratings.com](http://www.fitchratings.com). The resulting MVDs were

calibrated to reflect the geographic concentration of the collateral in this portfolio.

### Credit Analysis

(%)	Cumulative WA Default Probability	WA Recovery Rates
AA+	9.0	70.2
AA	8.0	72.7
BBB+	4.7	79.6
BB+	3.3	83.0

Source: Fitch

For those loans secured on residential properties, Fitch applied the MVD ratios that are detailed in its criteria report "*Spanish Mortgage Default Model III*" dated 15 September 2005 and available at [www.fitchratings.com](http://www.fitchratings.com). Moreover, the agency assigned the senior unsecured recovery assumption defined by VECTOR to the unsecured loans, (see "*Global Rating Criteria for Collateralised Debt Obligations*", dated 13 September 2004 and available at [www.fitchratings.com](http://www.fitchratings.com)), and took into account the impact of potential changes on the LTVs of the portfolio that additional redraws under CAs could trigger.

The final WA recovery rates were calculated by blending those rates of the secured and unsecured sub-portfolios based on their respective sizes in volume terms.

### Cash Flow Modelling

Fitch modelled the cash flow mechanics of this transaction using the default probabilities and recovery rates detailed above. The cash flow model assumed that defaults can occur in front- and back-loaded sequences. Although dependent on the specific amortisation profile of the collateral, a back-loaded sequence is generally more stressful, as most of the defaults would peak well into the life of the transaction. Therefore, substantial amounts of excess spread would already have been paid out by the structure before any provisioning mechanism was triggered.

The analysis calculated the cost of carrying defaulted loans as the difference between the performing balance of the collateral and the notional note balance until all the recovery proceeds are collected. Excess spread, the reserve fund and principal collections must be sufficient to cover the carrying cost until all recoveries are received. Interest rates were stressed upwards over time as per the criteria definitions included in the report "*Global Rating Criteria for Collateralised Debt Obligations*", dated 13 September 2004 and available at [www.fitchratings.com](http://www.fitchratings.com). Fitch's recovery calculation assumed foreclosure costs to be 10% of the

outstanding loan amount, and it also assumed a three-year lapse between the date of default and the recovery date.

CE analysis accounted for the interest deferral mechanism in place on the B, C and D notes, which will redirect funds away from the junior notes and towards the more senior notes. Should the triggers be hit, while interest on the B to D notes may be deferred for a period, it will ultimately be paid prior to the maturity date.

The agency also modelled prepayments, which can affect certain components of a transaction. Primarily, they lower the absolute amount of excess spread, which is key to the total CE in this structure. On the other hand, since the principal repayment is directed to the senior Series, those notes benefit from higher CE as a result of the increase in subordination. Prepayments may also cause adverse selection as the strongest obligors are likely to be most inclined to prepay, which would leave the pool dominated by weaker obligors as the collateral ages.

Finally, considering that CAs borrowers are allowed principal payment holidays, Fitch accommodated in the cash flow model the potential lower volume of principal amortisation from the collateral for a limited period of time.

## Series E Notes

Because funds available for the amortisation of the Series E notes will be limited to those released from the reserve fund (if any), repayments will be highly dependent on very favourable conditions for the collateral backing the A to D notes. Fitch calculated an expected recovery rate for the E notes after testing several cash flow scenarios commensurate with the speculative rating levels. In its sensitivity analysis, it tested several variables that affect the release of the reserve fund, and, consequently, the availability of funds for interest and principal payments on the E notes.

The 'CCC-(CCC minus)' expected rating on the Series E notes is supported by the expected recovery rates. As a default of the E notes appears probable, Fitch assessed the distribution of potential recovery rates. These were calculated based on the present value of expected interest and principal payouts on the Series E notes measured as a proportion of the original outstanding note balance. Based on Fitch's calculation, the expected recovery rates were between 40% and 50%.

## ■ Origination and Servicing

la Caixa is Spain's third-largest banking group (and its largest savings bank) by assets. At end-2004, it

had 4,841 branches and 24,827 staff. In spite of large equity holdings, core activities are retail banking-related and centred in Spain. It also offers bancassurance and asset management services. A detailed credit analysis on la Caixa is available at [www.fitchratings.com](http://www.fitchratings.com) in a report under the title "*Caja de Ahorros y Pensiones de Barcelona (la Caixa)*" dated 27 July 2005.

As part of its rating process, during an on-site visit Fitch reviewed la Caixa's operating and servicing functions in October 2005. la Caixa uses a comprehensive proprietary ratings system, which was developed internally and calibrated for the different segments of the overall book (e.g. SMEs or medium corporates). This evaluates financial and non-financial data for every obligor and assigns a particular score within a scale of 0 (best credit quality) to 9.5 (poorest credit quality). The internal ratings determine the default probability for each client and give an expected loss. The internal rating of an obligor is always assigned/updated when a new transaction is evaluated.

The credit analysis of SME loans includes an examination of the client's audited accounts, status on CIRBE (a Bank of Spain database with information on any Spanish entity's debt profile and default history), RAI (a database of any outstanding legal proceedings), as well as checks with credit bureaus and its own internal rating system. Depending on the total exposures to an obligor, approval can be obtained at branch, business division or regional level. More complex applications may be referred to the credit committee and executive commission.

If the loan is secured on mortgaged property, independent valuation companies approved by the Bank of Spain will provide input to the credit analysis process.

Delinquent borrowers are identified through a system of automatic alerts, which branch managers and analysts can receive as often as on a daily basis. Loans in arrears are managed by the branches for the first 60 days approximately, and are subsequently handled by the risk department. A number of automatically generated letters are sent, their frequency and content depending on the level of la Caixa's exposure to the borrower. In la Caixa's experience, the length of the overall recovery process, since the day an interest or principal payment is interrupted, averages 24 months for secured loans and 36 months for unsecured. The above average calculated since the beginning of the legal proceedings is 18 months for secured exposures.

## ■ Performance Analytics

Fitch will monitor the transaction on a regular basis and as warranted by events. Its structured finance Performance Analytics ensures that the assigned ratings remain, in the agency's view, an appropriate reflection of the issued notes' credit risk.

Fitch will report the performance of this transaction against the base case default curve outlined in the

report "Pan European SME CDO Performance Tracker". Along with this tool, other details of the transaction's performance will be available to subscribers at [www.fitchresearch.com](http://www.fitchresearch.com). Please call the Fitch analysts listed on the first page of this report for any queries regarding the initial analysis or the ongoing performance.



■ FONCAIXA FTGENCAT 3, F.T.A.

Spain/CDO

## Capital Structure

Series	Rating	Size (%) <sup>3</sup>	Size (EURm)	CE (%) <sup>4</sup>	PMT Freq	Final Legal Maturity	Coupon
A(S)	AA+	27.03	175.70	4.85	Quarterly	September 2038	Floating
A(G) <sup>1</sup>	AAA	69.12	449.30	4.85	Quarterly	September 2038	Floating
B	AA	1.65	10.70	3.20	Quarterly	September 2038	Floating
C	BBB+	1.20	7.80	2.00	Quarterly	September 2038	Floating
D	BB+	1.00	6.50	1.00	Quarterly	September 2038	Floating
E <sup>2</sup>	CCC-	1.00	6.50	n.a.	Quarterly	September 2038	Floating

<sup>1</sup> The *Generalitat de Catalunya* (rated 'AA-/F1+') will guarantee the ultimate payment of interest and principal on the Series A(G) notes.

<sup>2</sup> Uncollateralised notes issued to finance the creation of the reserve fund at closing.

<sup>3</sup> As a percentage of the A to D notes.

<sup>4</sup> These CE levels are assuming an excess spread of 50.0bp payable by the swap counterparty to the issuer.

## Key Information

Closing Date	17 November 2005 (expected)	Role	Party (Trigger)
Country of Assets	Spain	Structurer	la Caixa, GestíCaixa SGFT SA
Structure	Pass Through, Sequential, Pro-Rata Under Certain Conditions	Originator/Servicer of the Loans	la Caixa ('F1')
Type of Assets	SME Loans	Issuer	FONCAIXA FTGENCAT 3, F.T.A.
Currency of Assets	EUR	Servicer of the Notes	GestíCaixa SGFT SA
Currency of Notes	EUR	Paying Agent	la Caixa ('F1')
Primary Analyst	juan.garcia@fitchratings.com	Swap Counterparty	la Caixa ('A/F1')
Secondary Analyst	henry.gallego@fitchratings.com	Guarantor	<i>Generalitat de Catalunya</i>
Performance Analyst	lidia.rios@fitchratings.com	Liquidity Provider	la Caixa ('F1')

## Collateral – Pool Characteristics as of 24 October 2005

Current Principal Balance (EUR)	793,167,547	Obligors (#)	9,230
Loans (#)	11,267	Region of Catalunya (%)	100.0
CAs (%) <sup>*</sup>	40.0%	Top Five Industry Sectors (%)	66.0
Current WAL (Zero Prepayments, Years)	7.5	Backed by First-Ranking Mortgage (%)	77.3
Current WAL (10% Prepayments, Years)	5.8	WA Current LTV (for Mortgages) (%)	48.9
WA Coupon	3.5	Longest Maturity	Sep 2035
WA Spread	0.85	Shortest Maturity	Jan 2007
% Floating Rate	92.5	WA Seasoning (Months)	31.0
Top 3 Obligors (%)	1.5	WA Time to Maturity (Months)	158.0
Top 10 Obligors (%)	3.8		

<sup>\*</sup> All percentages as a proportion of outstanding balance.

Source: Transaction documents

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