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STRUCTURED FINANCE

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Presale Report: ABS/SME Loans/Spain

Foncaixa FTGENCAT 5, Fondo de Titulización de Activos

€1,026.5 Million Floating-Rate Notes

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Series	Prelim. rating*	Prelim. amount (Mil. €)	Available credit support (%)	Interest	Legal final maturity
AS	AAA	513.10	6.40	Three-month EURIBOR plus a margin	April 1, 2053
AG¶	AAA	449.40	6.40	Three-month EURIBOR plus a margin	April 1, 2053
B	AA-	21.00	4.30	Three-month EURIBOR plus a margin	April 1, 2053
C	BBB+	16.50	2.65	Three-month EURIBOR plus a margin	April 1, 2053
D	CCC-	26.50	N/A	Three-month EURIBOR plus a margin	April 1, 2053

**The rating on each series of securities is preliminary as of Nov. 8, 2007, and subject to change at any time. Initial credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal.*
¶The series AG notes are protected by a guarantee from the Autonomous Community of Catalonia. The standalone preliminary ratings on the series AG notes are 'AAA'.
N/A—Not applicable

Transaction Participants	
Originator	Caja de Ahorros y Pensiones de Barcelona
Arranger	Gesticaixa S.G.F.T., S.A.
Trustee	Gesticaixa S.G.F.T., S.A.
Servicer	Caja de Ahorros y Pensiones de Barcelona
Interest swap counterparty	Caja de Ahorros y Pensiones de Barcelona
GIC and bank accounts provider	Caja de Ahorros y Pensiones de Barcelona
Underwriters	Caja de Ahorros y Pensiones de Barcelona and an underwriter yet to be determined
Guarantor	Government of the Autonomous Community of Catalonia
Start-up loan provider	Caja de Ahorros y Pensiones de Barcelona

Supporting Ratings	
Institution/role	Ratings
Caja de Ahorros y Pensiones de Barcelona as servicer, GIC and bank accounts provider, startup loan provider, and interest swap counterparty	AA-/Stable/A-1+
The Autonomous Community of Catalonia as guarantor for the series AG notes	AA/Stable/—

Transaction Key Features*	
Expected closing date	November 2007
Collateral	Loans and Credit Facilities (the assets) granted to Spanish SMEs and Spanish self-employed borrowers
Principal outstanding preliminary pool (Mil. €)	1,582.93
Country of origination	Spain
Concentration	Largest 10 obligors (3.38% of provisional pool and always lower than 5.50% of the final pool after the revolving period). Regional concentration: Catalonia (100%). Industrial concentration: real estate (17.35%), retail trade (14.32%), hotels and restaurants (11.38%), and construction (9.75%). The 10 major industries represent 83.04% of the pool
Average current loan size balance (€)	57,028
Loan size range (€)	4.58 to 9,754,367
Weighted-average interest rate (%)	5.27
Arrears	There will be no loans or credit facilities with arrears for more than one month at closing
Portfolio management type	Revolving
Revolving period	30 months subject to triggers
Excess spread at closing¶ (bps)	50
Reserve fund (Mil. €)	26.50

**Pool data as of Oct. 29, 2007.*
¶Available through the interest swap contract.

Transaction Summary

Standard & Poor's Ratings Services has assigned preliminary credit ratings to the €1,026.5 million floating-rate notes to be issued by Foncaixa FTGENCAT 5, Fondo de Titulización de Activos (Foncaixa FTGENCAT 5).

The originator is Caja de Ahorros y Pensiones de Barcelona (La Caixa), the third-largest Spanish institution.

At closing, La Caixa will sell to Foncaixa FTGENCAT 5 a €1 billion portfolio of secured and unsecured loans and credit facilities granted to Spanish SMEs and self-employed borrowers. There will be a 30-month revolving period. During this time, on each substitution date (every two payment dates)—and subject to strict eligibility criteria and performance triggers—the issuer will use all principal collections received from the loan portfolio to purchase new assets from La Caixa.

To fund this purchase, Gesticaixa S.G.F.T., S.A., the trustee, will issue four series of floating-rate, quarterly paying notes on behalf of Foncaixa FTGENCAT 5.

The guarantee program by the Government of the Autonomous Community of Catalonia (FTGENCAT) was set up in late 2002 to promote access to a more diversified source of financing for the Catalonian SME ("PYME") sector.

The following conditions must be met to access the guarantee program:

- The lending entity must have signed an agreement with the Finance and Economy Department of the Government of the Autonomous Community of Catalonia.
- The assets to be securitized must not be lent to financial entities.
- The total issuance amount must be at least €200 million.
- At least 80% of the borrowers must comply with the definition of an SME as provided in the European Commission (EC) circular 2003/361/CE dated May 6, 2003.
- The assets to be securitized must have a maturity greater than one year.
- 100% of the portfolio to be securitized must be loans to SMEs located in Catalonia.
- The tranche that benefits from the guarantee must be rated at least 'AA' without the guarantee.

Under the terms of the guarantee, the Catalonian Regional Department of Economy and Finance will irrevocably and unconditionally guarantee interest and principal payments under the classes AG notes in a maximum of 90 days after the request by the *gestora*.

Notable Features

Foncaixa FTGENCAT 5 will be the fifth SME transaction to be completed by La Caixa. This securitization will comprise a mixed pool of underlying mortgage-backed and other guarantee assets.

The preliminary ratings on the notes reflect the subordination of the respective classes of notes below them, the reserve fund, the presence of the interest rate swap (which provides excess spread of 50 bps), comfort provided by various other contracts, the rating on La Caixa (AA-/Stable/A-1+), and the downgrade language in all of that entity's roles, including that of servicer.

Strengths, Concerns and Mitigating Factors

Strengths

- Credit enhancement will adequately cover the various stresses applied to the transaction. Credit enhancement will be provided by subordination, the available excess spread, the rating on the servicer, and the issuance of the series D notes, which will fully fund the reserve fund on the closing date.
- La Caixa is an experienced originator and servicer.
- Of the pool, 70.69% are first-lien mortgage loans.
- A swap agreement will hedge the interest rate risk, leave a spread of 50 bps in the transaction, the weighted-average spread of bonds, and the servicer fees in case of replacement of the servicer.
- Principal amortization of the notes will be accelerated if there are loans more than 12 months past due, using trapped excess spread and by the amount equivalent to the outstanding balance of those overdue loans.
- Good-quality historical information has been provided on the loan pool has been provided to Standard & Poor's.
- There are strong eligibility criteria and triggers during the 30-month revolving period.

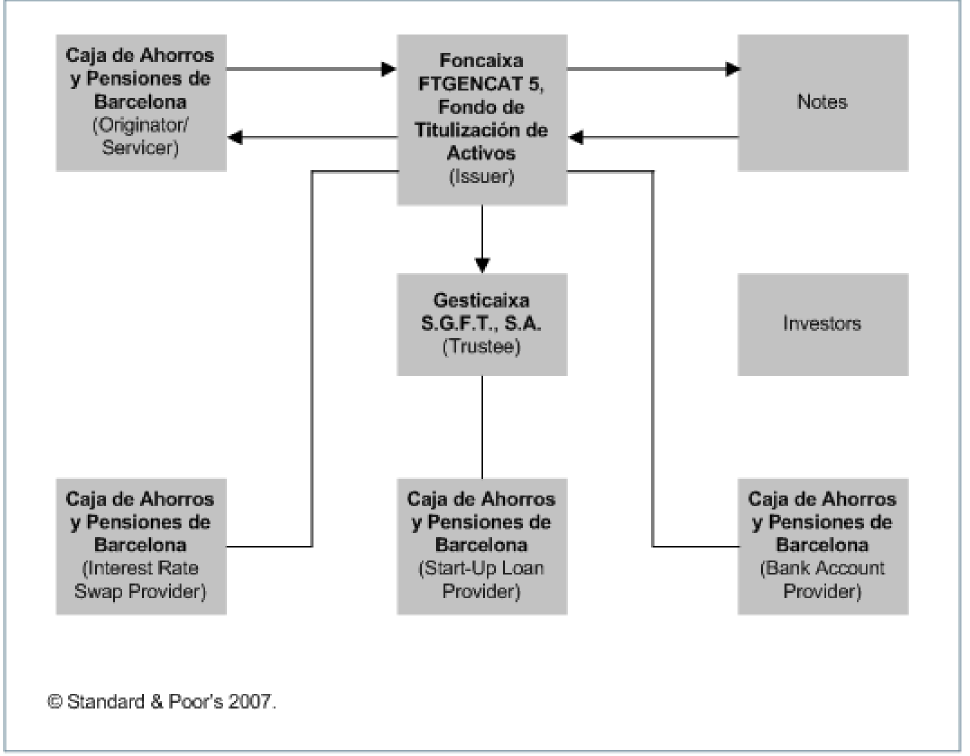
Concerns and mitigating factors

- The first drawdowns made under a credit facility will be secured on a property to be purchased. These secured credit facilities may be drawn several times, up to the initial LTV ratio (see "*Collateral Description*" for further information). Standard & Poor's analysis has taken into account the fact that further drawdowns will be secured by the same underlying property and will rank pari passu with the original mortgage loan. None of these further drawdowns are mandatory for the originator; La Caixa may decline granting further loans. Only the first drawdowns will be securitized in this transaction.
- There is geographical concentration risk because 100% of the outstanding balance of the pool is Catalonia. This was taken into account in our credit analysis.
- There is a high industry concentration risk, as the top 10 industries represent 82.93% of the pool; the top four industries are real estate, retail trade, hotels and restaurants, and construction. Industry concentrations have been taken into account in the credit analysis stressing the default rates at each rating level.
- Credit facilities and loans can have grace periods of a maximum of 36 months, when the borrower can pay only interest. During this grace period, new drawdowns are not permitted. The effect of the grace periods has been incorporated into the analysis of the transaction.
- Credit facilities granted to self-employed borrowers have the option of having 12 months of payment holidays (no interest and principal payments). The effect of a principal payment holiday has been incorporated into the analysis of the transaction.

Transaction Structure

At closing, La Caixa will sell to Foncaixa FTGENCAT 5 an initial portfolio of loans and credit facilities that have been granted to Spanish SMEs and self-employed borrowers. Foncaixa FTGENCAT 5 will fund this purchase by issuing four series of notes through the trustee, Gesticaixa S.G.F.T., S.A. (see chart 1). Series D will be issued to fund the reserve fund.

Chart 1: Foncaixa FTGENCAT 5, Fondo de Titulización de Activos Structure Chart



The issuer is a "*fondo de titulización de activos*" created for the sole purpose of purchasing the assets from La Caixa, issuing the notes, and carrying out related activities. The assets will be insulated from the insolvency of the originator and the trustee.

The principal and interest on the notes will be paid quarterly following a determined priority of payments.

The transaction will feature some structural enhancements provided by the swap agreement, amortization of the notes, the reserve fund, and the servicing provided by La Caixa.

As in other Spanish transactions, interest and principal from the underlying assets will be combined into a single priority of payments. A cumulative default ratio test will protect senior noteholders by subordinating the payment of junior interest further down the priority of payments.

From closing, and under the receivable sale agreement, during the first 30 months of the transaction, the issuer may purchase, semi-annually, new assets during the revolving period. These assets will be subject to eligibility criteria. The revolving period will be subject to triggers that, if breached, would start amortizing the notes.

In this transaction, GestiCaixa S.G.F.T., S.A. will be the "*sociedad gestora*" (trustee). The creation of the *sociedad gestora* was authorized by the Ministry of Economy and Treasury in August 1994. Under the legislation for mortgage securitization in Spain, the issuer's day-to-day operations are managed by the *sociedad gestora*, which represents and defends the interests of the noteholders.

The *sociedad gestora*, on the issuer's behalf, will enter into certain contracts (GICs, a swap agreement, and a subordinated loan agreement) needed to protect it against certain credit losses that are assumed to arise in connection with holding the assets.

In this transaction, the main responsibilities of the *sociedad gestora* will be to represent the issuer, issue the notes on its behalf, calculate the interest rate on the notes, notify noteholders of any relevant information applicable to the notes and assets, and organize the annual audit.

Revolving Period

During the first 30 months of the transaction, the trustee will acquire additional assets on each substitution date.

The revolving period will stop and the amortization of the notes will start if any of the following events occur:

- The outstanding balance of the assets in arrears (more than 90 days in arrears) is greater than 1% of the outstanding balance of the non-defaulted assets (defaulted are more than 12 months is arrears);
- Cumulative defaulted assets are equal to or greater than 2% of the outstanding balance of the initial pool;
- The reserve fund not at its required amount;
- There is a change in the tax law detrimental to La Caixa;
- La Caixa defaults or losses its faculty to grant loans;
- La Caixa is substituted as servicer;
- On each substitution date the outstanding principal balance of the performing assets is lower than 80% of the outstanding principal balance of the notes;
- There is a shortfall of interest on any series of notes except series D due to insufficient available funds;
- There is a cancellation on the swap agreement and none of the options described in the downgrade languages are taken; or
- Audit reports during the revolving period present any reservations with respect to the solvency of La Caixa or the type of assets sold to the fund.

Eligibility Criteria

The amount used to buy new assets will be equal to the available funds. All the amounts not used for this purpose will be held in the principal funds account.

On an individual loan basis, the main eligibility criteria for new assets are that:

- It is granted by La Caixa;
- It is euro-denominated;
- The initial term of the loan has not been increased and the purpose of the loan is not to remortgage;
- The assets are granted to Catalan enterprises;
- It has as a maturity greater than 12 months;
- Payments are made by direct debit;
- No assets more than 30 days in arrears;
- It reached maturity before or on Oct. 1, 2049;
- At least two installments are paid;
- Not granted to developers; or
- Of the credit facilities, only first drawdowns are allowed.

Globally, the main eligibility criteria for new assets are:

- The amount of mortgages will be at least 70% of the total pool;
- Self-employed borrowers will represent around 50% of the total pool;
- The weighted-average maturity will be lower than or equal to 16 years;
- The weighted-average seasoning will be greater than or equal to 1.6 years;
- The top borrower comprises less than or equal to 0.98% of the balance of the pool at closing;
- The top 10 borrowers comprise less than or equal to 5.50%of the balance of the pool at closing;
- The top industry sector comprises less than or equal to 15% of the total pool;
- The top three industries comprise less than or equal to 40% of the total pool;
- The weighted-average LTV ratio will be no greater than 55%;
- The balance of the credit facilities will be lower than or equal to 42% of the balance of the pool at closing; and
- The loans with payment holidays will be lower than or equal to 15% of the outstanding balance.

Collateral Pool Characteristics

As of Oct. 29, 2007, the provisional pool comprised 27,757 secured and unsecured loans and credit facilities. Total borrowers amounted to 23,945. The pool was originated between 1989 and 2007. The weighted-average seasoning is 21 months.

Of the pool, 41.92% is composed of first drawdown mortgage loans or credit facilities, made under the "*crédito abierto*" (open credit). The *crédito abierto* consists of a credit facility with a maximum LTV ratio depending on the purpose of the loan, which can be drawn several times, up to its initial limit. The maximum LTV ratio is 80% if the purpose is the acquisition of a house, and 70% if the purpose is the acquisition of an office inside a house building (credit liquidities granted to self-employed borrowers can have LTV ratios greater than 80%). Depending on the guarantee, the limit could go down to 30%. The *crédito abierto* has as security the property to be purchased. Subsequent redraws are also secured on the property, but can only be made once the LTV ratio of the original mortgage loan is less than or equal to the limit. Each of the drawdowns is independent, but all of them are secured by the same property.

Credit facilities and loans can have grace periods of a maximum of 36 months, where the borrower can pay just interest. During this grace period, new drawdowns are not permitted.

Credit facilities granted to self-employed borrowers have the option of having 12 months of payment holidays (no interest and principal payments).

All the credit facilities are guaranteed by a mortgage (all of them are considered secured). Some of the loans can also be backed by a mortgage too (28.72% of the pool).

Of the outstanding amount of the pool, 70.69% is secured by mortgages over properties and commercial premises in Spain.

The largest obligor will be limited to 0.98% of the pool, and the largest 10 obligors will never represent more than 5.50%. Of the preliminary pool, 50.30% are self-employed borrowers.

The weighted-average LTV ratio of the mortgages of the pool is 52.04%. The weighted-average remaining life of the pool is 15.45 years. All of the pool is concentrated in Catalonia.

The largest industry concentration is real estate, which represents 17.35% of the pool. The second-highest concentration is retail trade (14.32%), followed by the hotels and restaurants industry (11.38%), and construction (9.75%). The 10 major industries represent 83.04% of the pool

Of the pool, 84.23% is indexed to floating rates, with nearly 64.69% of the total outstanding amount of the pool referenced to EURIBOR and MIBOR (Madrid interbank offered rate) and 19.75% referenced to IRPH (Indice de Referencia de los Prestamos Hipotecarios). The assets have a weighted-average interest rate of 5.27% and the weighted-average margin on the floating pool is 75 bps over the various indices.

Collateral risk assessment

Standard & Poor's conducted an actuarial analysis on historical data provided by the originator to assess the credit risk of the pool.

With the historical data provided by the originator, Standard & Poor's is able to determine a foreclosure probability and a loss rate at each rating level. The product of these two variables gives an estimate of the required loss protection during the life of the collateral in the absence of additional mitigating factors. The higher the targeted rating, the higher the required enhancement level

Charts 2 and 3 show the historical levels of loans and credit facilities becoming delinquent after arrears amount to 90 days (by quarter of origination).

Chart 2: Delinquent Loans (90 Days Or More)

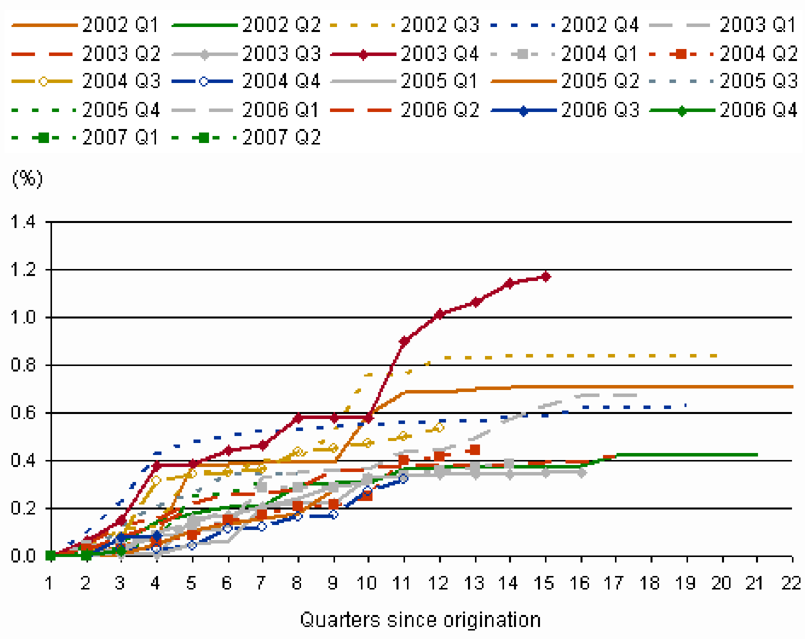
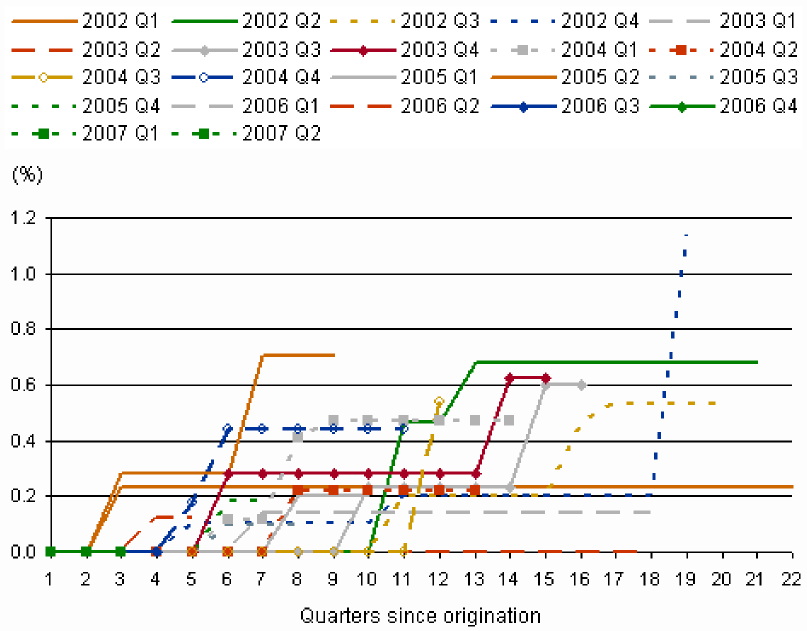


Chart 3: Delinquent Credit Facilities (90 Days Or More)



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Charts 4 and 5 show the historical levels of recoveries from the default (described as 90-day arrears) by quarter.

Chart 4: Recovery Of Loans

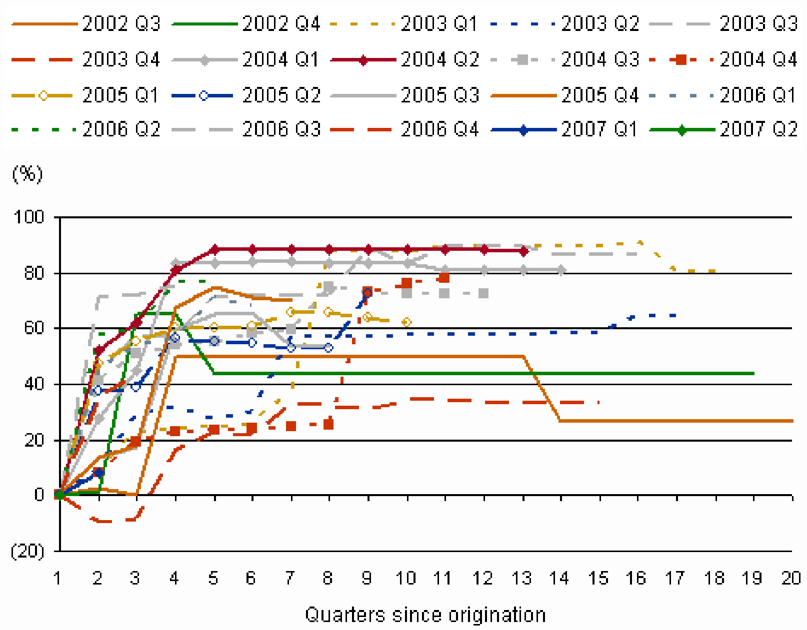

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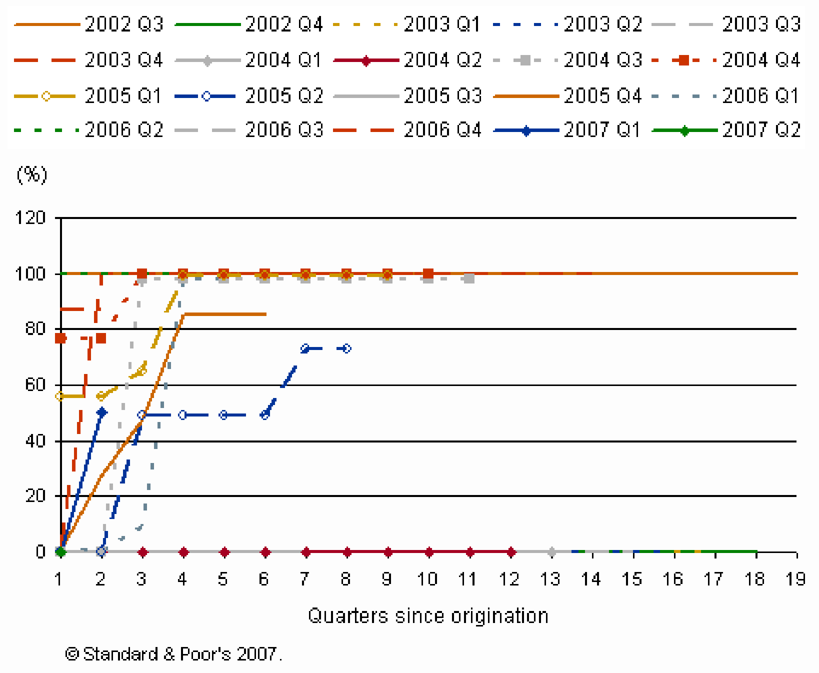
Chart 5: Recovery Of Credit Facilities



Credit Structure

Cash collection arrangements

La Caixa, as servicer, collects the amounts due under the assets and transfers them daily. Its collections to the treasury account are held on the issuer's behalf with La Caixa.

The principal account will be held by La Caixa, as the treasury account, in the name of the fund. All the amounts to be used for the acquisition of new assets during the revolving period will be held in this account.

The minimum rating required to be the bank account provider is 'A-1', so if La Caixa is downgraded below 'A-1', remedy actions should be taken following Standard & Poor's "*Revised Framework For Applying Counterparty And Supporting Party Criteria*" (see "*Criteria Referenced*").

Reserve account

The reserve fund will be fully funded at closing, through the proceeds of the issuance of series D.

The reserve fund will be fixed for the first three years, and it will be able to amortize after this initial period. Its minimum required levels will be established at the minimum amount of:

- 2.65% of the initial balance of the series A, B and C; or
- 5.30% of the outstanding principal balance of the series A, B and C.

It will not amortize if, on a previous payment date, it was not at its required minimum level, or if the arrears ratio (three months past due) is greater than 1%. The reserve fund will be used to pay interest and principal of the notes if insufficient funds are available.

Interest swap agreement

On Foncaixa FTGENCAT 5’s behalf, the trustee will enter into a swap agreement with La Caixa. This swap will provide protection against adverse interest rate resetting and movements.

The issuer will pay the swap counterparty the total of interest received from the loans.

The issuer will receive from the swap counterparty an amount equivalent to the weighted-average coupon of the notes, plus 50 bps per year on the outstanding balance of the bonds (excluding series D) and the servicing fee amount if the servicer is replaced.

The minimum rating required to be the swap counterparty is 'A-1', so if La Caixa is downgraded below 'A-1', remedy actions should be taken following the Standard & Poor's "*Revised Framework For Applying Counterparty And Supporting Party Criteria*" (see "*Criteria Referenced*").

All the costs of the remedies will be borne by the downgraded counterparty.

Redemption of the notes

On the first payment date, just after the last acquisition date (end of the revolving period), the available funds will be used to amortize the notes in this order:

- Series AS, when the revolving period is finished;
- Series AG and reimbursement of the guarantee, once the A1 series has fully amortized;
- Series B, once AG has fully amortized;
- Series C, once B has fully amortized; and
- Series D, subordinated to the reserve fund

The available amortization fund on each payment date will be equal to the difference between:

- The principal outstanding balance under all the series of notes (except the series D notes), plus the amounts to be reimbursed to the Autonomous Community of Catalonia; and
- The principal outstanding balance of all outstanding loans no more than 12 months in arrears.

Series AS and AG notes will amortize pro rata if the proportion of the (i) outstanding balance of non-delinquent loans plus the amounts of the amortization account plus the amounts received from the assets during that period, and (ii) the outstanding balance of the series AS and AG notes, plus the amounts due to the Autonomous Community of Catalonia, is less than or equal to one. If not, the amortization will be sequential.

Series B and C (the junior tranches) will amortize pro rata with series AS and AG notes if:

- The series AS and AG pro rata amortization rule does not apply;
- The reserve fund is at the required level on the current payment date; or
- The outstanding performing balance is greater than the 10% of the initial pool balance (clean-up call).

The series B notes will amortize pro rata together with series AS and AG notes if:

- The ratio of the aggregate balance of delinquent assets to the aggregate balance of non-doubtful assets is below 1.25% for series B notes; and
- The total outstanding principal balance of the series B notes represents at least twice its original percentage of the outstanding principal balance of all the notes.

The series C notes will amortize pro rata together with the series AS, AG, and B notes if:

- The ratio of the aggregate balance of delinquent assets to the aggregate balance of non-doubtful assets is below 1% for the series C notes; and
- The total outstanding principal balance of the series C represents at least twice its original percentage of the outstanding principal balance of all the notes.

The series D notes will be fully subordinated to the reserve fund in the priority of payments. This class of notes will amortize by an amount equal to the positive difference between the outstanding balance of the series D notes and the required reserve fund at that payment date. If the pool has fully redeemed, then the series D notes will benefit, whether for interest or principal payments, from the final release of amounts from the reserve fund as available funds.

Priority Of Payments

On each quarterly interest payment date, the issuer will pay in arrears the interest due to the noteholders. To make the payments, the issuer's available funds include the proceeds from the interest swap, the reserve fund, and, if necessary, principal received under the assets and any other proceeds received in connection with the assets.

All interest and principal received can be mixed to pay principal and interest due under the notes. A trigger will ensure that in a stressful economic environment, the more senior notes are amortized before interest on the subordinated series of notes is paid.

Interest on the series B and C notes will be subject to a deferral on a given payment date to a lower position in the priority of payments, in the following situations.

Class B notes

If the cumulative ratio of defaulted assets (outstanding balance of the assets when qualified as defaulted divided by the balance of the pool at closing) is greater than 18%, interest on the series B notes will pay in a lower position in the priority of payments, until the series AS and AG series redeem.

Class C notes

If the cumulative ratio of defaulted assets (outstanding balance of the assets when qualified as defaulted divided by the balance of the pool at closing) is greater than 13%, interest on the series C notes will pay in a lower position in the priority of payments, until the series AS, AG, and B series redeem.

Standard & Poor's Stress Test

Standard & Poor's analysis included a conservative assessment of the credit risk inherent in the transaction, as described in "*Collateral risk assessment*".

The credit enhancement levels were sized after analyzing the effect that severe stress scenarios would have on the loan collateral. As a result of this analysis, Standard & Poor's estimated the largest amount of potential losses that could occur as a result of these stress scenarios and set the amount of loss protection required on the notes.

A cash flow model simulating the portfolio's performance within the transaction's documented structure was run under certain rating scenarios to stress liquidity and the level of excess spread in the transaction. Prepayment levels, fees and expenses paid by the issuer, the default pattern, and interest rates were the most important parameters stressed in all the runs.

Key Performance Indicators

Key performance indicators for this transaction include:

- Rating migration of the collateral and default levels;
- The scenario default rate and the breakeven default rate for each tranche;
- Different concentrations of the collateral;
- Collateral prepayment levels and the ability to source and reinvest in suitable collateral; and
- The evolution of the ratings on the supporting parties.

Criteria Referenced

- "*Revised Framework For Applying Counterparty And Supporting Party Criteria*" (published on May 8, 2007).
- "*European Legal Criteria for Structured Finance Transactions*" (published on March 23, 2005).
- "*Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount*" (published on Feb. 26, 2004).
- "*Standard & Poor's Global Interest Rate and Swap Counterparty Rating Criteria Expanded*" (published on Dec. 17, 2003).
- "*Global Cash Flow and Synthetic Criteria*" (published on March 21, 2002).
- "*Global CBO/CLO Criteria*" (published on June 1, 1999).
- "*Standard & Poor's Rating Methodology for CLOs Backed by European Small- and Midsize-Enterprise Loans*" (published on Jan. 30, 2003).

Related Articles

- "*European Structured Finance Performance Outlook 2007—Fundamental Risks Increasing, But Forecast For Ratings Remains Benign*" (published on Jan. 10, 2007).
- "*Transition Study: 2006 Sees Upgrades Dominate For Third Successive Year In European Structured Finance*" (published on Jan. 10, 2007).
- "*Securitizing Spanish-Originated Loans to Small and Midsize Enterprises*" (published on April 7, 2003).
- "*Stellar Growth in Spanish Securitization to Help it Maintain Europe's Number Two Slot*" (published on June 2, 2004).

All criteria and related articles are available on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.