

NEW ISSUE REPORT

FONCAIXA ANDALUCIA FTEMPRESA 1, FTA

ABS/SME Loans/Spain

Closing Date

3 March 2010

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Definitive Ratings

| SERIES | RATING | AMOUNT (MILLION) | % OF NOTES | LEGAL FINAL MATURITY | COUPON | SUBORDI- NATION | RESERVE FUND | TOTAL CREDIT ENHANCEMENT* |
|--------------|------------|------------------|------------|----------------------|--------------|-----------------|--------------|---------------------------|
| AS | Aaa | 82 | 16.4 | Sep-51 | 3mEur +0.50% | 83.60% | 18.00% | 101.60% |
| AG | Aaa | 328 | 65.6 | Sep-51 | 3mEur +0.30% | 18.00% | 18.00% | 36.00% |
| B | Aa3 | 25 | 5 | Sep-51 | 3mEur +1.25% | 13.00% | 18.00% | 31.00% |
| C | A3 | 65 | 13 | Sep-51 | 3mEur +1.75% | 0.00% | 18.00% | 18.00% |
| Total | | 500 | 100 | | | | | |

The ratings address the expected loss posed to investors by the legal final maturity. [In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date.] Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

* No benefit attributed to excess spread.

Vscore for the sector: Medium/High

Vscore for the subject transaction: Medium/High

The subject transaction is a cash securitisation of small and medium enterprises (SME) extended to obligors located in Andalusia and is a static structure. The portfolio comprises initial drawdowns under lines of credits and commercial loans, some secured by real estate and some unsecured, used to fund general working capital and long-term business expansion.

Asset Summary

| | |
|-----------------------------|--|
| Sellers/Originators: | Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (Aa2/P-1/B- negative outlook) |
| Servicer(s): | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Receivables: | Loans and initial drawdowns under lines of credit to Spanish small and medium enterprises and self-employed individuals located in Andalusia |
| Methodology Used: | <ul style="list-style-type: none"> » Refining the ABS SME Approach: Moody's Probability of Default Assumptions In The Rating Analysis of Granular Small and Mid-sized Enterprise Portfolios in EMEA, March 2009 (SF141058) » Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa, June 2007 (SF90890) » Moody's Approach to Rating CDOs of SMEs in Europe, February 2007 (SF90480) |
| Model Used: | CDOROM & ABSROM |
| Total Amount: | €500 million |
| Length of Revolving Period: | Static |
| Number of Loans: | 6,418 |
| Number of Borrowers: | 5,838 |
| Effective Number: | 954 |
| WA Remaining Term: | 12.85 years |

Asset Summary (Continued)

| | |
|-------------------------------|--|
| WA Seasoning: | 2.12 years |
| WAL Years: | 7.4 years (assuming 0% CPR) |
| Interest Basis: | 3.95% |
| WA Current LTV (First Lien)*: | Considering the current drawdown amounts under the line of credits: 63.7% Considering the maximum drawable amounts under the line of credits: 64.7% |
| Delinquency Status: | No loan in arrears at closing |
| Default Rate Observed: | Historical information not provided |
| Recovery Rate Observed: | Historical information not provided |
| Coefficient of Variation: | Historical information not provided |

* Second-lien guarantees are not taken into account for this LTV calculation as "la Caixa" has not provided information on prior ranks for the second-lien mortgage loans in the portfolio

Liabilities, Credit Enhancement and Liquidity

| | |
|---|---|
| Excess Spread Range: | 0.75% guaranteed by the swap agreement |
| Credit Enhancement/Reserves: | 0.75% excess spread 18.0% reserve fund Subordination of the notes Guarantee of the Junta de Andalucía (Aa2; Negative outlook) for Series AG |
| Form of Liquidity: | Cash reserve and principal to pay interest |
| Number of Interest Payments Covered by Liquidity: | No liquidity line. However, at closing cash reserve covers more than four years of interest and senior fees even considering three-month EURIBOR equal to 4% and 0.5% of stressed senior fees |
| % of Reserve Fund Dedicated to Liquidity: | None. Cash reserve does not have a liquidity ledger |
| Interest Payments: | Quarterly in arrears on each payment date |
| Principal Payments: | Pass-through on each payment date. Lock-up period until 15 September 2011 |
| Payment Dates: | 15 March, 15 June, 15 September, 15 December First payment date: 15 June 2010 |
| Hedging Arrangements: | Interest rate swap covering the interest rate risk |
| Excess Spread Range: | 0.75% guaranteed by the swap agreement |

Counterparties

| | |
|------------------------------------|---|
| Issuer: | FONCAIXA ANDALUCIA FTEMPRESA 1, FTA |
| Sellers/Originators: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Servicer: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Back-up Servicer: | None |
| Back-up Servicer Facilitator: | None |
| Cash Manager: | GestiCaixa S.G.F.T; S.A |
| Back-up Cash Manager: | None |
| Interest Rate Swap Counterparty: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| F/X Swap Counterparty: | Not applicable |
| Basis Counterparty: | Not applicable |
| Issuer Account Bank: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Collection Account Bank: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Paying Agent: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Note Trustee (Management Company): | GestiCaixa S.G.F.T; S.A (N.R) |
| Issuer Administrator: | GestiCaixa S.G.F.T; S.A (N.R) |
| Arranger: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Lead Managers: | "la Caixa" (Aa2/P-1/B- negative outlook) GestiCaixa S.G.F.T; S.A |
| Other Parties: | N/A |

Moody's View

| | |
|---|---|
| Outlook for the Sector: | Negative |
| Unique Feature: | Asset type and structure previously seen in the market. |
| Degree of Linkage to Originator: | "la Caixa" will act as servicer (a back-up servicer will be appointed if "la Caixa" is downgraded below Baa3). |
| Originator's Securitisation History: | |
| # of Precedent Transactions in Sector: | Eight precedent SME transactions originated by "la Caixa". |
| % of Book Securitised: | Around 9% of its total SME portfolio (this deal represents 0.92%) as of November 2009 |
| Behaviour of Precedent Transactions: | The performance of previous SME deals originated by "la Caixa" is better than the market average. |
| Key Differences between Subject and Precedent Transactions: | Different regional concentration: 100% in Andalusia |
| Portfolio Relative Performance: | |
| Default Rate Assumed/Ranking: | 20%/ In line with peer group. Comparison on Default Rate can be found in "Benchmark Analysis". |
| Coefficient of Variation Assumed on Default Rate/Ranking: | 46%/In line with volatility for peer group. Comparison on Default Rate can be found in "Benchmark Analysis". |
| Recovery Rate Assumed/Ranking: | 60%/In line with peer group. Comparison on Default Rate can be found in "Benchmark Analysis". |
| Delinquencies Observed in Portfolio: | Lower than peer group. |
| Comment | |
| Potential Rating Sensitivity: | |
| Chart Interpretation: | When the rating was assigned, the model output indicated that Series AG would have achieved a "Aa range" rating even if the cumulative mean DP was as high as 25% and even assuming a recovery rate as low as 45%, whilst the Series B and Series C would have been A3 and Ba2, respectively, in the same scenario. |
| Factors Which Could Lead to a Downgrade: | In addition to the counterparty linkage, the following factors may have a significant impact on the subject transaction's ratings: further deterioration in the real estate market (beyond the recovery lag and stress that was modelled) and regulatory changes either at national or regional level. |

TABLE 1

RECOVERY RATE

| | Portfolio WA PD Assumption ³ | 60% | 52.5% | 45% |
|------------------|---|-------------|----------|---------|
| SERIES AS | 20.0% | Aaa* | Aaa (0) | Aaa (0) |
| | 22.5% | Aaa (0) | Aaa (0) | Aaa (0) |
| | 25.0% | Aaa (0) | Aaa (0) | Aaa (0) |
| SERIES AG | 20.0% | Aaa* | Aaa (0) | Aa1 (1) |
| | 22.5% | Aaa (0) | Aaa (0) | Aa1 (1) |
| | 25.0% | Aaa (0) | Aaa (0) | Aa2 (2) |
| SERIES B | 20.0% | Aa3* | A1 (1) | A1 (1) |
| | 22.5% | A1 (1) | A2 (2) | A2 (2) |
| | 25.0% | A2 (2) | A3 (3) | A3 (3) |
| SERIES C | 20.0% | A3* | Baa2 (2) | Ba1 (4) |
| | 22.5% | Baa1 (1) | Baa3 (3) | Ba1 (4) |
| | 25.0% | Baa2 (2) | Ba1 (4) | Ba2 (5) |

1. Results are model-indicated ratings, which are one of the many inputs considered by rating committees, which take quantitative and qualitative factors into account in determining actual ratings. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might have differed if key rating input parameters were varied.

2. Results under base case assumptions indicated by '*'. Change in model-indicated rating (# of notches) is noted in parentheses.

3. Moody's estimates a cumulative mean DP for the portfolio and the corresponding proxy rating applying its SME methodology, please refer to 'Refining the ABS SME Approach: Moody's Probability of Default Assumptions in the Rating Analysis of Granular Small and Mid-sized Enterprise Portfolios in EMEA' published in March 2009.

Composite V Score

| BREAKDOWN OF THE V SCORES ASSIGNED TO | | SECTOR | TRANSACTION | REMARKS |
|---------------------------------------|--|------------|-------------|---|
| Composite Score: Low, Medium or High | | M/H | M/H | |
| 1 | Sector Historical Data Adequacy and Performance Variability | M/H | M/H | |
| 1.1 | Quality of Historical Data for the Sector | M/H | M/H | |
| 1.2 | Sector's Historical Performance Variability | M/H | M/H | |
| 1.3 | Sector's Historical Downgrade Rate | M/H | M/H | |
| 2 | Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure | M/H | M/H | |
| 2.1 | Quality of Historical Data for the Issuer/Sponsor/ Originator | M/H | M/H | <ul style="list-style-type: none"> » Same as sector score. » Moody's has received data from 2003 through 2009 (as at end of year situation) on delinquencies over 90 days, split by debtor type and by product (standard loan vs. line of credit). » Internal ratings and scoring with the corresponding PD and LGD info has been provided as well on a line by line basis. » However, no cumulative historical information has been made available. » The information received on prepayments refers to the securitised portfolios. |
| 2.2 | Issuer/Sponsor/Originator's Historical Performance Variability | M/H | M | » "la Caixa" has the lowest default rate among Spanish originators. In addition, the current crisis has impacted "la Caixa" less than its peers. |
| 2.3 | Disclosure of Securitisation Collateral Pool Characteristics | L/M | L | <ul style="list-style-type: none"> » Detailed loan-by-loan data on an extensive list of fields has been provided for the analysis of the transaction. » Information on "la Caixa"'s internal rating system (certified by the Bank of Spain) has provided line by line: scoring, DPs, LGD, risk segments. |
| 2.4 | Disclosure of Securitisation Performance | M | M | <ul style="list-style-type: none"> » Same as sector score. » As for most deals in this mature market, Moody's has not received a specific template for the monitoring report. Expectations are that the management company Gesticaixa will continue providing at least the same amount and quality of data as it is currently doing for previous deals. |
| 3 | Complexity and Market Value Sensitivity | M | M | » Same as sector score. |
| 3.1 | Transaction Complexity | M | M | » Same as sector score. |
| 3.2 | Analytic Complexity | M | M | » Same as sector score. |
| 3.3 | Market Value Sensitivity | M | M | » Same as sector score. |
| 4 | Governance | L/M | L/M | |
| 4.1 | Experience of, Arrangements Among and Oversight of Transaction Parties | L/M | L/M | » Same as sector score. |
| 4.2 | Back-up Servicer Arrangement | L | L | » Same as sector score: investment grade servicer with "loss of Baa3" to appoint a new back up servicer. |
| 4.3 | Alignment of Interests | L/M | L/M | » Same as sector score. |
| 4.4 | Legal, Regulatory, or Other Uncertainty | L/M | L/M | » Same as sector score. |

Strengths and Concerns

Strengths:

- » **Performance of previous “la Caixa” deals:** Previous SME deals originated by “la Caixa” show a very strong performance, with delinquency levels below 1.1% (loans between 90-360 days in arrears over current outstanding balance).
- » **Portfolio security:** 73.2% (65.8% first-lien) of the portfolio is backed by a mortgage guarantee. 51.5% of these secured loans are backed by residential properties.
- » **Hedging:** There is a strong swap agreement provided by “la Caixa” (Aa2/-1) guaranteeing an excess spread of 0.75%.
- » **Back-up servicing:** The originator will identify a back-up servicer if “la Caixa” is downgraded below **Baa3**. At this stage, the back-up servicer will enter into a back-up servicer agreement, who will only step in at the discretion of the management company
- » **Guarantee:** Guarantee of the *Junta de Andalucía* (Aa2) for Series AG. At closing the rating of the series AG would be **Aaa** regardless of the guarantee of the *Junta de Andalucía*.

Concerns and Mitigants:

Moody’s committees particularly focused on the following factors, listed in order of those most likely to affect the ratings:

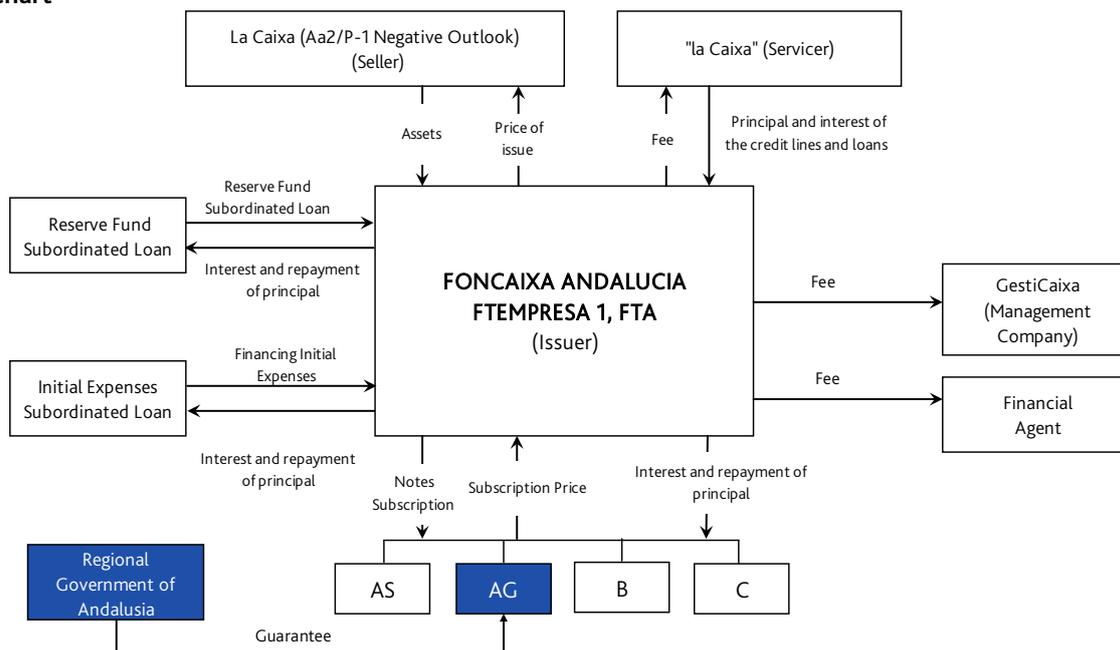
- » **Exposure to real estate:** 30% of the portfolio is exposed to the Construction and Building sector (according to Moody’s industry classification), and 5% correspond to loans granted to real estate developers. This feature has been taken into account in Moody’s quantitative analysis as more fully explained in “Treatment of Concerns”.
- » **Flexible products:** 44.5% of the portfolio corresponds to a flexible product structured as a line of credit (“*Crédito Hipotecario*”), although only including initial draw-downs. This product creates uncertainty in the LTV for the securitised drawdowns. This feature has been taken into account in Moody’s quantitative analysis as more fully explained in “Treatment of Concerns”.

- » **Second-lien loans:** 7.3% of the portfolio corresponds to second-lien loans. The prior ranks on these loans have not been reported. Moody’s has taken this into consideration when deriving the modelling assumptions.
- » **Holiday payments and principal grace periods:** The portfolio has a relatively high exposure to lines of credit with holiday payments (10.2%) and/or principal grace periods (13.6% currently in principal grace period and 0.36% that could enjoy it in the future) available by contract, although always subject to “la Caixa”’s final approval. As described in the section “Credit Analysis”, probability of default assumptions was adjusted for loans with these features.
- » **Longer tenors:** The portfolio has a relatively long weighted-average remaining term (12.85 years) and a long weighted-average life (7.4yrs). This implies a higher degree of uncertainty regarding Moody’s quantitative assumptions as more fully explained in “Treatment of Concerns”.
- » **Regional concentration:** 100% of the portfolio is concentrated in the region of Andalusia, following the guarantee programme requirements. This region, located in the south of Spain, has traditionally been less wealthy than the country average. Consequently, the arrears level in “la Caixa’s” portfolio in the region is higher compared to its total pool arrears level (5.1% vs. 3.8% as of December 2009).
- » **Commingling Risk:** The structure does not contemplate any commingling reserve if the servicer (“la Caixa”) is downgraded below Baa3. This risk is mitigated by the high rating of “la Caixa” (Aa2/P-1).
- » **Deferral of interest:** The deferral of interest payments on each of Series B and C benefits the repayment of the series senior to each of them, but increases the expected loss on them. The size of the reserve fund and the subordination take into account this deterioration on the expected loss.
- » **Pro-rata amortisation:** The pro-rata amortisation of Series B and C will lead to reduced credit enhancement of the senior series in absolute terms. This is partially mitigated by some triggers, which were envisioned to interrupt the pro-rata amortisation of the notes if the performance of the transaction deteriorates.

Structure, Legal Aspects and Associated Risks

CHART 1

Structure Chart



Allocation of Payments/Waterfall: On each quarterly payment date, the *Fondo's* available funds (i.e. amounts received from the portfolio, the reserve fund, amounts received under the swap agreement, and interest earned on the treasury account) will be applied in the following simplified order of priority:

1. Senior expenses
2. Interest on Series AS and AG
3. Interest on Series B (if not deferred)
4. Interest on Series C (if not deferred)
5. Principal repayment
6. Interest on Series B (if deferred)
7. Interest on Series C (if deferred)
8. Reserve fund replenishment
9. Junior costs

The notes will amortise sequentially, after an initial lock-up period until 15 September 2011. Then once about half of the portfolio has amortised, the amortisation will switch to pro-rata but could switch back to sequential, subject to certain triggers described below. Additionally Series AS and AG will start amortising pro-rata if the transaction deteriorates.

Guarantee on Series AG: In line with other Spanish regional guarantee programmes, such FTGENCAT (Catalonia) or FTGENVAL (Valencia), the regional government of Andalusia ("*Junta de Andalusia*") has launched its own program and will guarantee the Series AG notes.

Under the guarantee, the regional government covers any amount of interest or principal due and unpaid to the Series AG noteholders (the guarantor commits to pay in 90 days maximum). Practically, once a non-payment to Series AG is anticipated on a determination date, the management company will call on the guarantee for the relevant amount.

Moody's analysis of Series AG resulted in a Aaa rating regardless of this guarantee.

Allocation of Payments/PDL mechanism: A principal deficiency ledger (PDL) is defined as the negative difference between the principal available funds and a target principal amount. A target principal amount is the difference between the notes' outstanding principal (taking into account any amount withdrawn from the guarantee for principal payments) and the performing assets. A non-performing asset is defined as one with any amount due but unpaid for more than 12 months, one classified as such by the originator or one written off according to management's discretion.

The "artificial write-off" speeds up the amortisation of non-performing loans (NPLs); thus, the amount of notes collateralised by NPLs is minimised, and, consequently, the negative carry. However, the most significant benefit for the transaction is that the amount of excess spread trapped in the structure is larger (the excess spread between the "artificial write-off" time and the "natural write-off" time would otherwise be lost). Therefore, the transaction makes better use of the excess spread, allowing for lower levels of other credit enhancement figures.

Performance Triggers:

| TRIGGER | CONDITIONS | CONSEQUENCE |
|---|---|--|
| Interest deferral | The cumulative non-performing level exceeds 30.0% and 25.0% for Series B and C, respectively. | Interest payments on Series B and/or C notes will be brought to a more junior position on the waterfall (until the series senior to them are fully redeemed) and will be paid after the principal repayment. |
| Termination of pro-rata amortisation of Class A (Series AS and AG) and Series B | The arrears level (defined as the percentage of non-written off loans more than 90 days in arrears) exceeds 1.25% and 1.00% for Series B and C; or The reserve fund is not funded at its required level on that payment date; or The portfolio balance is less than 10% of the initial portfolio balance; or Conditions to amortise pro-rata Series AS and AG are met. | Switch back to sequential amortisation |
| Pro-rata amortisation of Series AS and AG | The aggregated outstanding amount of Series AS and AG plus the amount due to the <i>Junta de Andalucía</i> guarantee by reason of principal is equal to or greater than the outstanding amount of performing loans (including loans up to 90 days in arrears). | Series AS and AG (as well as amounts due to the <i>Junta de Andalucía</i> guarantee in concept of principal) will amortise pro-rata. |
| Termination of Reserve Fund Amortisation | The arrears level exceeds 1.0%; or The reserve fund is not funded at its required level on the previous payment date; or Less than three years have elapsed since closing. | The target amount of the reserve fund will not be reduced on any payment date on which these occur |

Reserve Fund: The reserve fund has been funded up front with a subordinated loan granted by the originator for an amount equal to 18% of the notes. It provides both credit and liquidity protection to the notes.

After the first three years of the transaction, the reserve fund may amortise over the life of the transaction so that it amounts to the lower of the following amounts:

- » 18% of the initial balance of the Series AS, AG, B and C notes

The higher of:

- » 36% of the outstanding balance of the Series AS, AG, B and C notes
- » 9% of the initial balance of the Series AS, AG, B and C notes

It will be used to cover potential shortfalls on interest or principal on an ongoing basis.

Subordination of interest: The payment of interest on Series B and C will be brought to a more junior position if, on any payment date, and for each of these series, the conditions in the table above are met.

Guarantee programme: This guarantee programme was established in 2009 for the first time and is sponsored by *Junta de Andalucía* (Aa2). Its structure is a replica of the traditional Spanish FTPYME programme. Under the guarantee, *Junta de Andalucía* covers any amount of interest or principal due and unpaid to Series AG noteholders. Once a missed payment to Series AG is anticipated on a determination date, the management company calls on the guarantee for the relevant amount. There is a 90 days guaranteed response timing period but the transaction does not have a liquidity line to ensure the timeliness of the guarantee payments. However, Series AG was Aaa rated at closing regardless of the guarantee.

Assets:**Asset transfer:**

True Sale: According to the legal opinion received, the sale of credit rights has been carried out in compliance with Spanish securitisation law.

Bankruptcy Remoteness: Under Spanish securitisation law, a Spanish SPV (FTA/FTH) is not subject to the Spanish Insolvency Act. Only the management company, acting in the best interest of the noteholders, can decide to liquidate the *Fondo*.

Claw-back risk upon default of the Originator: Claw-back risk is limited to those activities performed during a period of two years prior to the declaration of the bankruptcy state, even in the absence of fraud. However, in no case the activities performed under the regular activity of the originator may be cancelled as the transfer of credit rights forms part of the normal activity of “la Caixa”.

Interest Rate Mismatch: 11% of the portfolio corresponds to fixed-rate loans and 89% to floating-rate loans (mainly 12-month EURIBOR and IRPH), whereas the notes will be floating liabilities (three-month EURIBOR). As a result, the *Fondo* will be subject to base rate mismatch risk on the floating portion of the portfolio (i.e. the risk that the reference rate used to compute the interest amount payable on the notes will differ from the interest rate payable on the underlying SME loans) and fixed-floating risk (i.e. the risk that the reference rate of the notes will differ from the interest rates payable on this portion of the portfolio).

Mitigant: The *Fondo* will enter into a swap agreement with “la Caixa” to mitigate these risks and obtain a minimum level of excess spread. Under the swap agreement:

- » The *Fondo* will pay the actual amount of interest received from the loans since the previous payment date.

- » The swap counterparty will pay the weighted-average interest rate on the notes plus 75 bps, over a notional calculated as the outstanding amount of the non written-off loans (daily average) net of the outstanding amount of the loans which are more than 90 days plus any amount deposited in the principal account during the lockup period. Additionally, the swap counterparty will pay the servicer fee due on that payment date if “la Caixa” is replaced as servicer.

The *Fondo* will be exposed to reductions in the notional due to loans rolling into arrears over 90 days. If these loans become current again, the arrears amount, corresponding to ordinary interest, received from borrowers would be passed on to the swap counterparty.

Cash Commingling: “la Caixa” collects all of the payments under the loans in its portfolio under a direct debit scheme into its account and transfers them daily to a treasury account in the name of the SPV. As a result, in the event of insolvency of “la Caixa”, until notification is delivered to the relevant debtors to redirect their payments, payments by the underlying debtors will continue to be collected by “la Caixa” and may be commingled with other funds belonging to “la Caixa”.

The transaction does not contemplate setting up any commingling reserve if “la Caixa”’s financial strength deteriorates as protection if the servicer does not transfer received collections to the *Fondo*.

Mitigant: Payments are transferred daily to the treasury account in the name of the SPV held by “la Caixa”.

- » Triggers are in place to protect the treasury account from a possible downgrade of the GIC provider’s short-term rating. If “la Caixa”’s short-term rating falls below P-1, it will have find a suitably rated guarantor or substitute.
- » “la Caixa”’s current high rating (Aa2/P-1, negative outlook) is a significant mitigant of the insolvency risk.
- » “la Caixa” may notify the debtors of the transfer of the loans in order to perfect the sale. The management company also has the ability to carry out the notification.

Set-off: 100% of obligors have accounts with the seller.

Mitigant: Set-off is very limited because only unpaid instalments prior to the declaration of insolvency might be offset against the deposits hold by the debtors (considered as fully due and payable prior to the insolvency).

Originator Profile, Servicer Profile and Operating Risks

| | |
|----------------------------|-----------------|
| Date of Operations Review: | 11 January 2010 |
|----------------------------|-----------------|

Originator Background:

| | |
|---|--|
| Rating: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Financial Institution Group Outlook for Sector: | Negative |
| Ownership Structure: | N/A |
| Asset Size: | 68.5 billion of loans and credit to SMEs |
| % of Total Book Securitised: | Around 9% as of November 2009 |
| Transaction as % of Total Book: | 0.82% |
| % of Transaction Retained: | 100% |

Servicer & Back-Up Servicer Background:

| | |
|---|--|
| Servicer and Its Rating: | "la Caixa" (Aa2/P-1/B- negative outlook) |
| Total Number of Receivables Serviced: | N/A |
| Number of Staff: | 27,505 (5,326 branches) as of 31 December 2009 |
| Servicer Assessment: | |
| Strength of Back-up Servicer Arrangement: | N/A |
| Back-up Servicer and Its Rating: | N/A |
| Ownership Structure: | N/A |
| Regulated by: | N/A |
| Total Number of Receivables Serviced: | N/A |
| Number of Staff: | N/A |

Originator Related Triggers

| | |
|--|---|
| Key Servicer Termination Events: | Insolvency; intervention by the Bank of Spain; breach of service's obligation resulting in being substituted as servicer; or at the request of the management company (acting in the best interest of the noteholders) |
| Downgrade of Original Servicer's Rating to Certain Level | N/A |
| Appointment of Back-up Servicer Upon: | Loss of "la Caixa"'s Baa3 rating |
| Key Cash Manager Termination Events: | Insolvency |
| Notification of Obligors of True Sale | Insolvency; intervention by the Bank of Spain; breach of service's obligation resulting in being substituted as servicer; or at the request of the management company (acting in the best interest of the noteholders). |
| Conversion to Daily Sweep | None (sweep is done daily). |
| Notification of Redirection of Payments to SPV's Account | Insolvency; intervention by the Bank of Spain; breach of service's obligation resulting in being substituted as servicer; or at the request of the management company (acting in the best interest of the noteholders). |
| Accumulation of Set Off Reserve | N/A |

Receivable Administration:

| | |
|---|--------------------------------------|
| Method of Payment: | 100% by direct debit |
| % of Obligors with Account at Originator: | 100% |
| Distribution of Payment Dates: | Around 85% on day one of each month. |

Cash Manager:

| | |
|------------------------------|--|
| Cash Manager and Its Rating: | Gesticaixa S.G.F.T; S.A (N.R) |
| Main Responsibilities: | <ul style="list-style-type: none"> » Keeping the Fund's accounts separate from the management company's. » Complying with its formal, documentary and reporting duties to the CNMV, the rating agencies and any other supervisory body. » Appointing and, if necessary, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts. » Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and in the Prospectus. » Checking that the mortgage credit income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of issue of the pass-through certificates and on the terms of the relevant mortgage credits. » Calculating and determining on each determination date the principal to be amortised and repaid on each bond series on the relevant payment date. » Watching that the amounts credited to the treasury account return the yield set in the agreement. » Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the bonds. » Calculating the available funds, the available funds for amortisation of Series AS, AG, B and C, the liquidation available funds and the payment or withholding obligations to be complied with, and applying the same in the priority of payments or, as the case may be, in the liquidation priority of payments. |

» The management company may extend or amend the agreements entered into on behalf of the Fund, and substitute, as necessary, each of the Fund service providers on the terms provided for in each agreement.

| | |
|--|---|
| Calculation Timeline: | Determination Date: Three days before the payment date. |
| Back-up Cash Manager and Its Rating: | N/A |
| Main Responsibilities of Back-up Cash Manager: | N/A |

Collateral Description

CHART 2
Portfolio Breakdown by Year of Origination

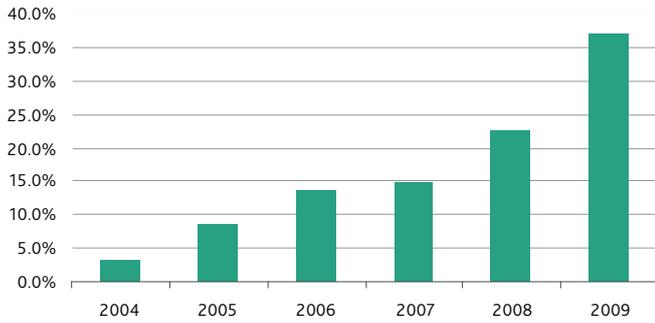


CHART 3
Portfolio Breakdown by Year of Maturity

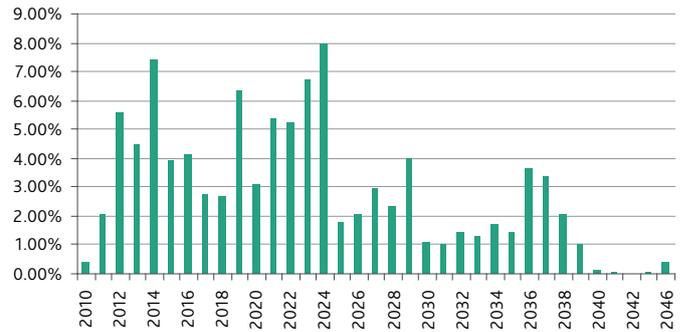


CHART 4
Portfolio Breakdown by Industry Diversification

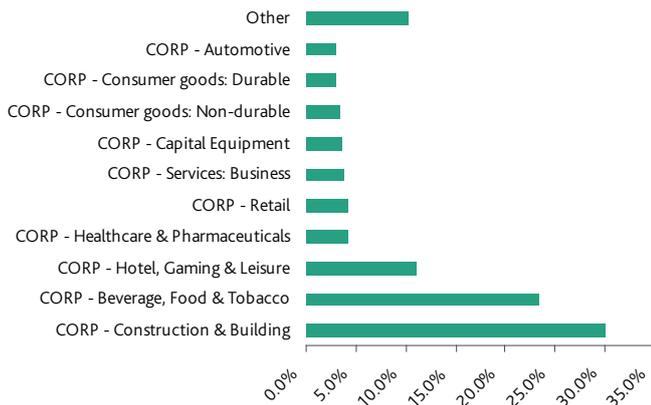


CHART 5
Portfolio Breakdown by Guarantee Type

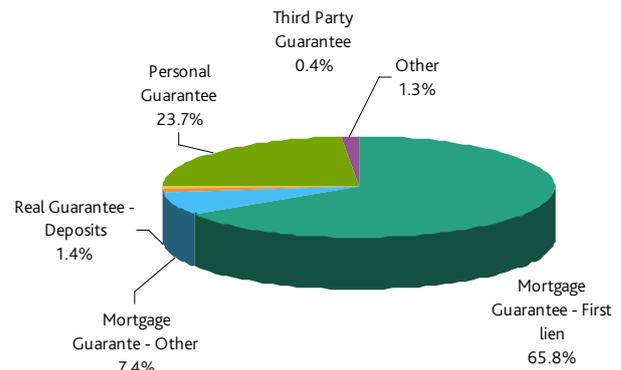


CHART 6
Mortgage Guarantee breakdown by Property Type

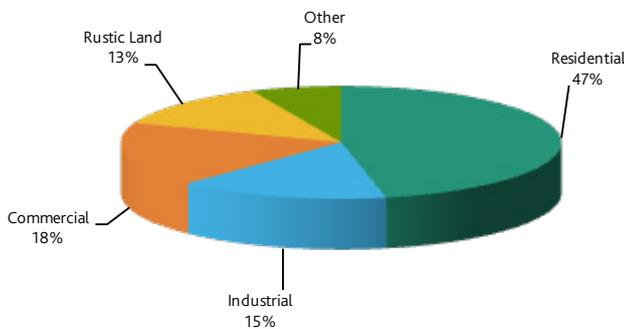
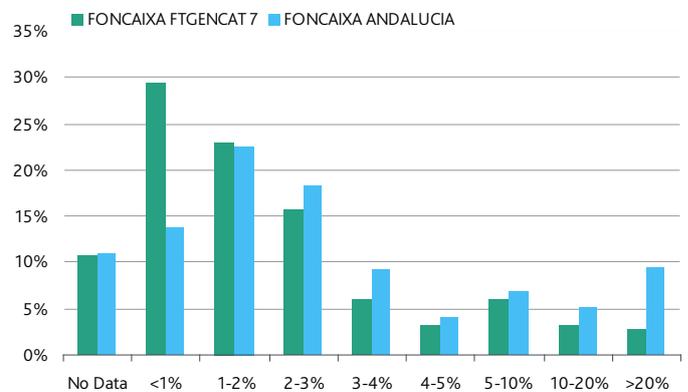


CHART 7
1 Year DP according to "la Caixa"'s Internal ratings (provisional pools)



Audits: Performed by Deloitte, S.L. in compliance with the Spanish regulatory framework.

Product Description: The portfolio consists of initial drawdowns under lines of credit and commercial loans extended to Spanish SMEs to fund general working capital and long term business expansion. All the lines of credit are secured by real estate mortgages while part of the commercial loans are unsecured. The portfolio breakdown by company size is 66.2% self-employed and micro-enterprises (turnover less than €1 million), 24% small enterprises (turnover between €1 million and €9 million), 9.8% medium enterprises (turnover between €9 million and €50 million). The tenor of the product varies (from 1 to 40 years) depending on the purpose of the loans. Loans are either subject to constant amortisation (around 6.2% of the portfolio) or standard amortising loans (French amortisation, 91.3%), with a small amount of bullet loans (2.5%).

Lines of credit: 44.5% of the provisional portfolio comprises initial drawdowns under a product commercialised as “*Crédito Hipotecario*”.

This *Crédito Hipotecario* product is set up as a line of credit that is granted for the purpose of giving the borrower the opportunity to obtain additional amounts easily, as it amortises the previous drawdowns, and some flexibility to payback.

Borrowers are allowed to withdraw for an amount equal to the already amortised amount, or up to the established credit limit. The products being securitised under this transaction are first withdraws, typically used for the purpose of acquiring assets and working asset.

Main features:

1. The subsequent redraws rank pari-passu with the first draw in case of execution.
2. Each client will receive just one monthly instalment, although each different redraw will be stated separately.
3. The first redraw cannot exceed an 80% LTV limit in order to acquire houses. To acquire commercial properties the limit is typically set up at 60% and to acquire other types of assets the limit is 50%. Additional redraws are typically capped at 80% LTV levels for acquiring houses and 50% for the rest of assets.
4. The disposal of second drawdowns is never automatic. “la Caixa” has full discretion (based on the borrower’s payment history in “la Caixa” or outside, etc.) as to whether or not a second drawdown is feasible or not.
5. There is a period during the last four years of the life of the loan where subsequent redraws will not be allowed.
6. Lines of credit might have the option of enjoying principal grace periods, either at the beginning or during the life of the credit line. Each borrower has the option to request it for a maximum of 36 months. In the definitive pool 13.6% is currently enjoying it (with an average remaining term of 9.2 months) and 0.36% could do it in the future (for an average term of 11.4 months).
7. Additionally, some lines might have the option of enjoying interest and principal grace periods (holiday payment). In this case, the borrower could request, for a maximum of 12 months, holiday payments during which neither principal nor interest is paid. Unpaid interest is capitalised at the end of the grace period. In the definitive pool 10.2% could enjoy a future holiday payment (for an average term of 11.3 months). “la Caixa” indicates that a 1% commission it is charged when this is requested.

Eligibility Criteria:

The key eligibility criteria are as follows:

- » 100% of the debtors are located in Andalusia
- » 50% are SMEs according to the CE definition.
- » All the loans/lines of credits have been formalised under public deed.
- » All the loans are euro-denominated and have repaid at least one instalment.
- » 100% of the principal of the loans has been drawn.
- » All the mortgaged properties are fully developed and located in Spain

The pool will not include syndicated loans or refinancing loans/credits.

Additional Information on Borrowers:

| | |
|---------------------------|--|
| Top Debtor Concentration: | 1.19% |
| Top 5 Debtors: | 3.97% |
| Top 10 Debtors: | 6.03% |
| Top 25 Debtors: | 10.69% |
| Industry Concentration: | Construction & Building 30.0%; Beverage, Food & Tobacco 23.3%; Hotel, Gaming & Leisure 11.1% |
| Geographic Diversity: | Andalusia (100%) |

Additional Information on Portfolio:

| | |
|-------------------------------------|--|
| Number of Contracts: | 6,418 |
| Type of Contracts: | 44.5% credit lines and 55.5% standard loans. |
| Contract Amortisation Style: | 91.3% French, 6.2% Constant Amortisation, 2.5% bullet |
| % Large Corporates: | 0% |
| % Bullet Loans: | 2.5% |
| % Real Estate Developers: | 5% |
| WA Interest Rate: | 3.95% |
| WA Internal Rating ⁽¹⁾ : | 60 |
| LTV(first-lien) ⁽²⁾ : | 64.7% |
| Guarantees: | Mortgage - First lien 65.84%; Mortgage - Other 7.36%; Real - Deposits 1.43%; Third party 0.39%; Personal 23.68%; Other 1.3% |
| Mortgage Guarantees: | Residential 47%; Industrial 15%; Commercial 18%; Rustic Land 13%; Other 7% |

(1) Information available for 89% of the provisional portfolio.

(2) Prior ranks not provided for second-lien loans, which are not included in this average. The LTV for lines of credit has been calculated assuming that all these products withdraw the maximum amount possible under each line.

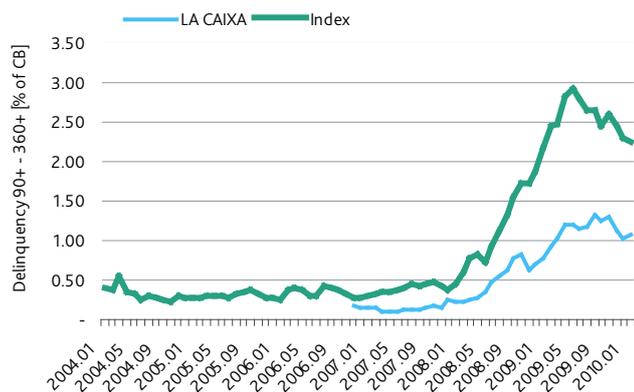
Credit Analysis

Precedent Transactions' Performance: "la Caixa" is one of the most active originators in the securitisation of SME loans in Spain. The performance of the originator's precedent transactions shows the best performance among the Spanish originators in the SME segment.

As of January 2010, the 90-360 delinquencies for "la Caixa"'s deals were equal to 1.07% (so about half of the market index).

CHART 8

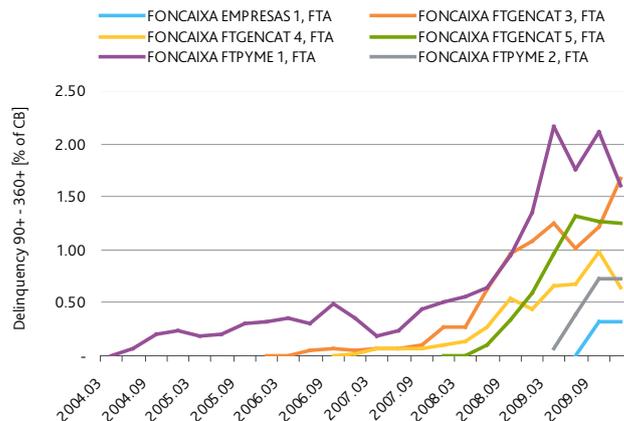
Delinquencies 90 - 360 "la Caixa" transactions vs market index



Source: Moody's Investors Service, Moody's Performance Data Service (periodic investor/servicer reports)

CHART 9

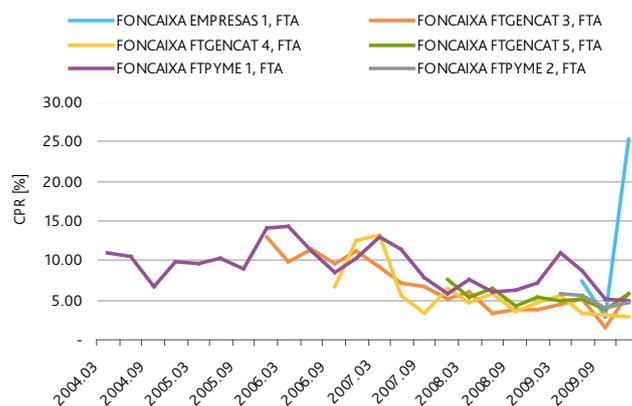
Delinquencies 90 - 360 "la Caixa" transactions vs market index



Source: Moody's Investors Service, Moody's Performance Data Service (periodic investor/servicer reports)

CHART 10

Delinquencies 90 - 360 "la Caixa" transactions vs market index



Source: Moody's Investors Service, Moody's Performance Data Service (periodic investor/servicer reports)

Default Definition: The definition of a defaulted asset in this transaction is one which is more than 12 months in arrears or where the obligor is bankrupt.

Data Quantity and Content: Moody's has not received data by quarter of origination to perform a vintage analysis. However, Moody's has received line-by-line information on default probabilities according to "la Caixa"'s internal ratings/scorings. The average Default Probability (over one year) and the Loss Given Default, according to "la Caixa"'s internal analysis, are equal to 5.4% and 26.6%, respectively.

In addition, Moody's has available meaningful information about historical performance of previous "la Caixa" SME deals, as shown in Charts 7 to 9. Moody's notes that the monitoring information from "la Caixa"'s deals shows a good performance.

In Moody's view, the quantity of data received is in line compared to transactions which have achieved high investment grade ratings in this sector.

Assumptions: Note other values within a range of the notional amount listed below may result in achieving the same ratings.

Assumptions

| | |
|----------------------------------|---|
| CPR: | 5% |
| Distribution: | Inverse Normal |
| Default rate: | 20% |
| Stdev/mean: | 46% |
| Timing of default: | Flat over first 7.5 years |
| Recoveries: | Mean 60% (stochastic recoveries) |
| Recovery lag: | 50% (in 2nd year after default) and 50% (in 3rd year) |
| Correlation Default/ Recoveries: | 20% |
| Amortisation profile: | Actual pool amortisation |
| Fees: | 0.50% |
| Fees floor: | €25,000 |
| Euribor (three-month): | 4% |
| PDL definition: | 12 months |
| Write-off: | 12 months |

Derivation of default rate assumption: Moody's analysed the performance monitoring data on previous deals as well as other sources of information (like macroeconomic data) to determine the default assumption.

Moody's has complemented the monitoring data analysis with a top-down approach, as detailed below.

Moody's split the portfolio into three sub-pools based on the economic sector in which the debtor was active: (i) construction and building; (ii) hotel, gaming and leisure; and (iii) all other industries. Moody's rating proxies assumed are shown in the table below.

| BORROWER'S MAIN SECTOR OF ACTIVITY | RATING PROXY |
|------------------------------------|--------------|
| Construction & building | B2 |
| Hotel, Gaming and Leisure | B2 |
| Other industries | B1 |

The above assumptions include some adjustments that take into account the current macro-economic environment (generally in the range of one-two notches) as well as the originator's underwriting ability. "la Caixa"'s default rates is the lowest in the Spanish markets (see Chart 12), therefore Moody's has taken into consideration the current performance of "la Caixa"'s SME deals in its assumptions.

Moody's further adjusted the assumptions to account for the size of the companies (one notch down for micro and small enterprises). Finally, we also adjusted the PD assumptions according to the loan characteristics. For bullet loans the PD was increased considering an additional one year exposure to default at the time of refinancing. For loans with current or potential principal grace period or

potential holiday payment an additional 10% PD stress was applied.

The standard deviation of the default distribution was determined (using CDOROM) by splitting the portfolio into 35 sectors of activity and assuming a fixed pair-wise correlation parameter where the inter-industry correlation was stressed to 6%.

Timing of defaults: Moody's tested several timing of default curves to assess the robustness of the ratings. In the base-case scenario, the timing of defaults curve assumed is flat over 7.5 years (with a 12-month lag).

Derivation of Recovery Rate Assumption: Assumptions for recoveries were made on the basis of (i) historical recovery information available from previous deals of "la Caixa": (ii) statistical information on the Spanish SME market; (iii) feedback from Moody's corporate team; and (iv) other quantitative and pool derived aspects. Regarding the last point, Moody's estimated the recovery rate on the secured portion of the portfolio based on the property valuation data, applying conservative haircuts to take into account property price deflation and associated costs to the recovery process. Moody's has taken into consideration the high proportion of loans backed by first-lien mortgage loans (65.8%) with the relatively low WALTV (64.7%) over the maximum drawable amount and the type of properties.

Modelling Approach: Given the number of assets and the size of the exposures in the portfolio (see section entitled "Collateral Description"), Moody's derived the default distribution curves by using the inverse normal density law.

To determine the distribution, two main input parameters needed to be assessed: (i) the mean default probability of the portfolio; and (ii) the standard deviation of the default distribution.

Moody's tested the credit enhancement levels by using ABSROM cash flow model, which has been adjusted to take into account a number of structural features.

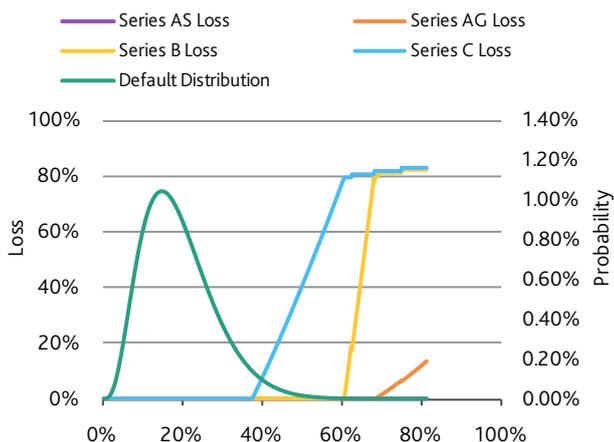
Moody's considered how the cash flow generated by the collateral was allocated to the parties within the transaction, and the extent to which various structural feature of the transaction might provide additional protection to investors, or act as a source of risk. In addition, Moody's analysed the strength of triggers to reduce the exposure of the portfolio to originator or servicer bankruptcy.

To determine the rating assigned to each series of notes, Moody's used an expected loss methodology that reflected the probability of default for each series of notes. With this purpose, and in order to allocate losses to the notes in accordance with their priority of payments and relatively size, Moody's built a cash flow model that reproduce many deal-specific characteristics (the main input parameter of

the model is described in the table above). Weighting each default scenario's severity result on the notes with its probability of occurrence, Moody's calculated the expected loss average for each series of the notes as well as the expected average life. Moody's then compared the quantitative values to the Moody's idealised expected loss table to determine the ratings assigned to each series of the notes.

CHART 11

Defaults Distribution and Loss Sensitivity



Treatment of Concerns:

- » **Exposure to real estate:** Approximately 30% of the portfolio is exposed to the Construction and Building sector (according to Moody's industry classification). Moody's assumed a higher default probability for obligors operating in this industry and in the Hotels, Gaming and Leisure sector (rating proxy equal to B2) than for the rest of obligors (rating proxy equal to B1). "la Caixa"'s default rates have recently deteriorated, although they remain significantly below the market average.
- » **Longer tenors:** The portfolio has a relatively long weighted-average remaining term (approximately 12.85 years for SME loans). This implies a higher degree of uncertainty regarding Moody's quantitative assumptions. The longer amortisation profile of the pool was modelled and penalties were assessed for any loan where payments are not made monthly or quarterly.
- » **Regional concentration:** 100% of the portfolio is concentrated in the Andalusia region, following the requirements of the guarantee programme. Moody's assumed a higher correlation for pools concentrated in one region of Spain (correlation was stressed to 6%), as opposed to portfolios with lower regional concentration (4% correlation).
- » **Lines of Credit:** The portfolio comprises 44.5% of initial drawdowns under lines of credit. The amount of drawdowns not included in the portfolio (and ranking pari passu with the securitised drawdowns) has not been reported by "la Caixa". At the same time, the borrower could require further drawdowns after closing, impacting the LTV of the securitised drawdowns. These facts create significant uncertainty in the severity for such products, given the possible increase of the LTV. Moody's assumed a LTV for these lines of credits calculated on the maximum drawable amount instead of the current securitised amount.
- » **Second-lien mortgage loans:** The portfolio has 7.36% of second-lien loans. Given that "la Caixa" has not provided information about the prior ranks with seniority above the second-lien loans, Moody's has adjusted the recovery assumptions for such loans, expecting higher losses compared to first-lien loans.

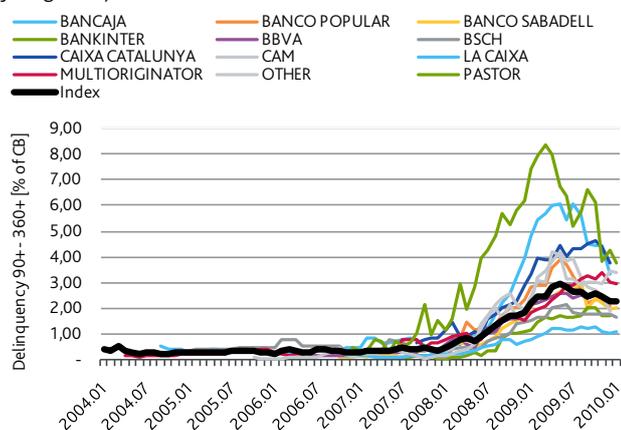
Benchmark Analysis

Performance Relative to Sector: In Moody's view, the historical performance of 90 days past due compares very positively to other recent transactions in this sector. Chart 12 shows the outstanding proportion of delinquencies in Moody's rated Spanish SME transactions grouped by originator. Please note that performance shown is affected by several factors, such as the age of the transaction, the pool specific characteristics, the presence of a revolving period, etc. The performance of "la Caixa"'s transactions is significantly better than the index even though its default rates have recently deteriorated.

CHART 12

Spanish SME Cumulative Defaults

(by Originator)



Source: Moody's Investors Service, periodic investor reports

Benchmark Table Best practice:

| DEAL NAME | FONCAIXA ANDALUCIA FEMPRESAS 1, FTA | FONCAIXA FTGENCAT 7 | FTGENVAL TDA CAM 1, FTA | FONCAIXA EMPRESAS 1, FTA |
|--|--|-----------------------------|---|-------------------------------------|
| COUNTRY | SPAIN | SPAIN | SPAIN | SPAIN |
| Closing Date | 03/03/2010 | 01/10/2009 | 08/07/2009 | 23/03/2009 |
| Currency of Rated Issuance | Euro | EURO | Euros | Euros |
| Rated Notes Volume (excluding NR and Equity) | 500,000,000 | 1,000,000,000 | 200,000,000 | 6,000,000,000 |
| Originator | "la Caixa" | "la Caixa" | Caja de Ahorros del Mediterráneo ("CAM") | "la Caixa" |
| Long-term Rating ¹ | Aa2 | Aa2 | A3 | Aa1 |
| Short-term Rating ¹ | P-1 | P-1 | P-2 | P-1 |
| Servicer ¹ | "la Caixa" | "la Caixa" | CAM | "la Caixa" |
| Long-term Rating ¹ | Aa2 | Aa2 | A3 | Aa1 |
| Short-term Rating ¹ | P-1 | P-1 | P-2 | P-1 |
| Contract Information (as % Total Pool) | | | | |
| (Fully) amortising contracts % | 97.50% | 98.40% | 100.00% | 95.90% |
| Bullet / balloon contracts % | 2.50% | 1.60% | 0.00% | 4.10% |
| Monthly paying contracts % | 83.85% | 92.00% | 82.30% | 94.00% |
| Quarterly paying contracts % | 3.30% | 4.00% | 15.10% | 3.70% |
| Semi-annually paying contracts % | 3.30% | 1.00% | 1.30% | 1.00% |
| Annually paying contracts % | 3.49% | 1.00% | 0.60% | 1.40% |
| Method of payment - Direct Debit (minimum payment) | 100.00% | 100.00% | 100% | 100% |
| Floating rate contracts % | 89.00% | 85.70% | 96.20% | 97.00% |
| Fixed rate contracts % | 11.00% | 14.30% | 3.80% | 3.00% |
| WA initial yield (Total Pool) | 3.95% | 4.55% | 3.87% | 5.31% |
| WAL of Total Pool (in years) | 7.4 | 3.5 | 5.2 | 4.4 |
| WA seasoning (in years) | 2.1 | 2.1 | 1.4 | 2.7 |
| WA remaining term (in years) | 12.9 | 7.8 | 9.5 | 11.8 |
| Portfolio share in arrears > 30 days % | 0.00% | 0.00% | 0.00% | 0.00% |
| No. of contracts | 6,418 | 29,901 | 1,827 | 33,742 |
| Obligor Information (as % Total Pool) | | | | |
| No. of obligors | 5,838 | 16,105 | 3,689 | 25,855 |
| Name 1st largest industry | Construction & Building | Construction & Building | Services: Business | Construction & Building |
| 2nd largest industry | Beverage, Food & Tobacco | Beverage, Food & Tobacco | Construction & Building | Diversified/Conglomerated Sector |
| 3rd largest industry | Hotel, Gaming & Leisure | Consumer goods: Non-durable | Hotel, Gaming & Leisure | Hotel, Gaming & Leisure |
| Size % 1st largest industry | 30.00% | 32.80% | 16.40% | 27.89% |
| 2nd largest industry | 23.30% | 7.00% | 15.70% | 17.39% |
| 3rd largest industry | 11.10% | 6.80% | 9.90% | 7.91% |
| Effective Number (obligor group level) | 954 | 2,010 | 564 | 928 |
| Single obligor (group) concentration % | 1.19% | 0.59% | 1.08% | 2.03% |
| Top 10 obligor (group) concentration % | 6.03% | 3.85% | 6.60% | 10.60% |
| Collateral Information (as % Total Pool) | | | | |
| WA RE collateralisation level (WA LTV) | 64.70% | 61.60% | 59.30% | 53.00% |
| Collateralised by first lien mortgage | 65.84% | 8.80% | 31.00% | 62.30% |
| Geographical Stratification (as % Total Pool) | | | | |
| Name 1st largest region | Andalucia | Catalonia | Alicante | Madrid |
| 2nd largest region | | | Valencia | Catalonia |
| 3rd largest region | | | Murcia | Andalusia |
| Size % 1st largest region | 100.00% | 100.00% | 30.20% | 27.01% |
| 2nd largest region | | | 11.51% | 30.30% |
| 3rd largest region | | | 10.61% | 15.28% |
| Asset Assumptions | | | | |
| Gross default / Net loss definition in this deal | 12 months | 12 months | 12 months | 12 months |
| Type of default / loss distribution | Inverse Normal | Inverse Normal | User Defined | Inverse Normal |

| DEAL NAME | FONCAIXA ANDALUCIA FEMPRESAS 1, FTA | FONCAIXA FTGENCAT 7 | FTGENVAL TDA CAM 1, FTA | FONCAIXA EMPRESAS 1, FTA |
|--|---|---|---|---|
| COUNTRY | SPAIN | SPAIN | SPAIN | SPAIN |
| Moody's equivalent rating for Non-RE subpool | B1 | Ba2 | B1 | Ba3 |
| Moody's equivalent rating for RE subpool | B2 | Ba3 | NA | B1 |
| Mean gross default rate - initial pool | 20.00% | 17.30% | 23.00% | 13.00% |
| Stdev. | 9.20% | 7.80% | 8.63% | 5.85% |
| CoV | 46.00% | 45.11% | 37.50% | 45.00% |
| Stochastic Recoveries modelled? | Yes | Yes | No | Yes |
| Mean recovery rate | 60.00% | 58.00% | 50.00% | 58.00% |
| Stdev. recovery rate (if any) | 20.00% | 20.00% | NA | 20.00% |
| Recovery lag (in months) | 22.50 | 21.38 | 21.38 | 90.00 |
| Correlation severity / default | 10.00% | 10.00% | NA | 10.00% |
| Correlation severity | 10.00% | 10.00% | NA | 10.00% |
| Prepayment Rate(s) | 5% | 5% | 5% | 7% |
| Fees | 0.50% outstanding balance / 25,000 floor | 0.50% outstanding balance / 25,000 floor | 0.50% outstanding balance / 25,000 floor | 0.50% outstanding balance / 25,000 floor |
| Capital structure (as % Total Pool) | | | | |
| Size of | Aaa rated class | 82.00% | 87.00% | 80.00% |
| | Aa3 rated class | 5.00% | | |
| | A3 rated class | 13.00% | 2.50% | |
| | Baa3 rated class | | 10.50% | 4.75% |
| | Ba3 rated class | | | 8.00% |
| | B2 rated class | | 20.00% | |
| | Equity | | | 10.50% |
| Reserve fund | 18.00% | 15.50% | 15.30% | 10.50% |

Parameter Sensitivities

Parameter Sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary.

Parameter sensitivities for this transaction were calculated in the following manner: Moody's assumed nine scenarios derived from the combination of mean default rate: 20.0% (base case), 22.5% (base + 2.5%) and 25.0% (base + 5%) and recovery rate: 60% (base case), 52.5% (base – 7.5%) and 45% (base – 15%). The 20% - 60% scenario represents the base case assumptions used in the initial rating process.

The charts below show the parameter sensitivities for this transaction with respect to all Moody's rated tranches*.

TABLE 2

| | | RECOVERY RATE | | | |
|-----------|-------|---|----------|---------|---------|
| | | Portfolio WA PD Assumption ³ | 60% | 52.5% | 45% |
| SERIES AS | 20.0% | Aaa* | Aaa (0) | Aaa (0) | Aaa (0) |
| | 22.5% | Aaa (0) | Aaa (0) | Aaa (0) | Aaa (0) |
| | 25.0% | Aaa (0) | Aaa (0) | Aaa (0) | Aaa (0) |
| SERIES AG | 20.0% | Aaa* | Aaa (0) | Aa1 (1) | Aa1 (1) |
| | 22.5% | Aaa (0) | Aaa (0) | Aa1 (1) | Aa1 (1) |
| | 25.0% | Aaa (0) | Aaa (0) | Aa2 (2) | Aa2 (2) |
| SERIES B | 20.0% | Aa3* | A1 (1) | A1 (1) | A1 (1) |
| | 22.5% | A1 (1) | A2 (2) | A2 (2) | A2 (2) |
| | 25.0% | A2 (2) | A3 (3) | A3 (3) | A3 (3) |
| SERIES C | 20.0% | A3* | Baa2 (2) | Ba1 (4) | Ba1 (4) |
| | 22.5% | Baa1 (1) | Baa3 (3) | Ba1 (4) | Ba1 (4) |
| | 25.0% | Baa2 (2) | Ba1 (4) | Ba2 (5) | Ba2 (5) |

* Results under base case assumptions indicated by asterisk '*'. Change in model-indicated rating (# of notches) is noted in parentheses.

Worst-case scenarios: At the time the rating was assigned, the model output indicated that Series AG would have achieved a "Aa range" rating even if the cumulative mean DP was as high as 25% and even assuming a recovery rate as low as 45%, whilst the Series B and Series C would have been A3 and Ba2, respectively, in the same scenario.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Originator Linkage: "la Caixa" will act as servicer (a back-up servicer will be appointed if "la Caixa" is downgraded below Baa3).

Significant Influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings: further deterioration in the real estate market beyond the recovery lag and stress which was modelled.

| COUNTERPARTY RATING TRIGGERS | CONDITION | REMEDIES |
|---------------------------------|---|---------------------------------|
| Interest Rate Swap Counterparty | In accordance with Moody's swap guidelines* | |
| Issuer Account Bank | Loss of P-1 | Replace/Eligible guarantor |
| Servicer | Loss of Baa3 | Appointment of back up servicer |
| Liquidity Facility Provider | NA | |
| Other | | |

* See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, 15 May 2006.

Monitoring Report: Moody's has reviewed the standard monitoring report (publicly available at the management company website for previous similar deals) and would like to receive the following important data in addition to the information reflected on the report:

- » All the transaction's triggers details
- » The cumulative 90 days "defaults" (as obtained for the rating process of the deal)
- » The amount of gross excess spread before write offs
- » Prepaid principal amount.
- » Quarterly loan-by-loan pool evolution reports (including recovery data)

Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Methodology Used

- » [Refining the ABS SME Approach: Moody's Probability of Default assumptions in the rating analysis of granular Small and Mid-sized Enterprise portfolios in EMEA](#), March 2009 (SF141058)
- » [Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa](#), June 2007 (SF90890)
- » [Moody's Approach to Rating the CDOs of SMEs in Europe](#), February 2007 (SF90480)
- » [FTPYMES: Moody's Analytical Approach to Spanish Securitisation Funds Launched Under Government's FTPYMES Programme](#), October 2003 (SF27063)
- » [Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cashflow Transactions Moody's Methodology](#), May 2006 (SF73248)

Credit Opinion

- » ["la Caixa"](#), June 2009

Performance Overview

- » [Foncaixa Empresas 1 Fondo de Titulización de Activos](#), October 2009 (SF185586)
- » [Foncaixa FTPYME 2 Fondo de Titulización de Activos](#), October 2009 (SF184825)
- » [FTGENCAT 5, Fondo de Titulización de Activos](#), October 2009 (SF186256)

Pre-Sale Report

- » [FONCAIXA FTGENCAT 7, Fondo de Titulización de Activos](#), December 2009 (SF186295)
- » [Foncaixa Empresas 1 Fondo de Titulización de Activos](#), April 2009 (SF163126)
- » [Foncaixa FTPYME 2 Fondo de Titulización de Activos](#), November 2008 (SF147470)
- » [FTGENCAT 5, Fondo de Titulización de Activos](#), November 2007 (SF112966)
- » [FONCAIXA FTGENCAT 4, Fondo de Titulización de Activos](#), June 2006 (SF77414)
- » [FONCAIXA FTGENCAT 3, Fondo de Titulización de Activos](#), November 2005 (SF64521)
- » [FONCAIXA FTPYME 1, Fondo de Titulización de Activos](#), November 2003 (SF28910)

Special Report

- » [Spanish SME Q2 2009 Indices](#), September 2009 (SF176866)
- » [Structural Features in the Spanish RMBS Market – Artificial Write-Off Mechanisms: Trapping the Spread](#), January 2004 (SF29881)
- » [Moody's Approach to Rating Ith-to-Default Basket Credit-Linked Notes](#), April 2002 (SF13090)
- » [Moody's Approach to Rating the CDOs of SMEs in Europe](#), February 2007 (SF90480)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Originator's Underwriting and Collection Practices

| | |
|---|---|
| Originator Ability: | <p>"la Caixa" is Spain's largest savings bank, its third-largest banking group and the biggest financial institution in Catalonia and the Balearic Islands, where it holds market shares of 26.1% of customer funds, 16.1% of loans and 21.8% of branches. Catalonia is one of Spain's wealthiest regions and enjoys a diversified economy.</p> <p>"la Caixa" has more than doubled its number of branches since 1990, with 62.5% of the group's branches now located outside its traditional market. As such, the bank currently derives less than 50% of its operating income from its home markets. Nationwide, "la Caixa" enjoys a 10.3% share of deposits, 9% of loans and 12% of total branches. "la Caixa" is Spain's market leader in bancassurance, leading issuer of credit cards both in terms of turnover and number of cards in circulation, and has a national market share of 7% in mutual funds.</p> <p>"la Caixa"'s aim is to be a universal bank, although the bulk of its business still comes from standardised banking products. The bank is increasingly providing more value-added services to private individuals - primarily mortgages, where it enjoys an 11 % market share in Spain, and SMEs through a highly automated distribution network backed by a decentralised business model.</p> |
| Sales and Marketing Practices: | <p>"la Caixa" provides services to its customers through a multi-channel distribution:</p> <ul style="list-style-type: none"> » Branch network in Spain: 5,339 branches. » Employees: 27,637. » 79 specialised branches for companies with more than €10 million turnover, and four purely for big corporates. » 31 specialised branches for private banking. » 14 international branches. |
| Underwriting Policies and Procedures: | <ul style="list-style-type: none"> » "la Caixa"'s analytical approach is based on the borrower's repayment capacity rather than the nature of the securities pledged. » Internal rating and credit scoring: The several internal rating and credit scoring systems in place play a key role in "la Caixa"'s underwriting process. The entity has four different models: three for SMEs depending on the size and one for large corporates. The scoring system for self-employed individuals is a very efficient tool, with scores updated monthly. The same efficiency is detected in the internal rating system for corporates, where the internal ratings are updated annually (when the financial statements are published) but also operational alerts are periodically shown. Both systems have already been certified by the Bank of Spain (so the size of regulatory capital needed is estimated with them). » Approval mechanisms to cover specific segments, distinguishing between retail banking, property development and business banking. » System of authorisation limits based on expected loss. » Electronic file as a procedure for managing applications. » Individual customer segment: risk-adjusted price control systems for mortgage applications through differentiated authorisation limits. » The stage of the economic cycle we are currently in, especially regarding the property sector, has confirmed the advisability of using tools to measure risk in the process of approving or rejecting transactions. Restrictive policies have been applied to mortgage operations in excess of 80% of the value of the guarantee. » Business segment: Risk metrics in the approval process: <ul style="list-style-type: none"> ○ Ratings: essential element in the analysis. Controls are set up to ensure that the ratings are used in analysing the risk of each loan. If the rating has not been updated the system rejects the operation. ○ System of risk adjusted prices. This complements the assessment of risk adjusted return at customer level, calculated monthly as benchmark spread (risk cost) versus margin on risk (customer level margin). » Employees have authority to grant small loans to borrowers with high exposure, therefore streamlining processes. » 78% of approved loans granted at branch level, 13% granted by the area managers, 6% by the business division managers and 3% by the head office and the Board of Directors (as of December 2008). |
| Collateral Valuation Policies and Procedures: | <ul style="list-style-type: none"> » "la Caixa" has set up procedures to make sure of the adequate valuation of the collateral assets. » Based on independent valuations. Different levels and committees to authorise the operations. |
| Closing Policies and Procedures: | <ul style="list-style-type: none"> » In line with the market standards. |
| Credit Risk Management: | <ul style="list-style-type: none"> » Global Risk Committee: In charge of a comprehensive management of the Group's risks, among them credit risk. » Concession Policy Committee: Sets authorisation limits and charges for credit operations. » Credit Committee: Analyses and, if appropriate, approves operations within its level of responsibility, referring those outside the bounds of its authority to the Board of Directors. » Risk measurement models: Tools and techniques based on specific needs of each type of risk, including ratings, scorings, probability of default (PD), loss given default (LGD) and exposure at default (EAD). The models are integrated into management and monitoring. » Banking Business Management Model implemented throughout the organisation down to the branch level. » The branches have innovative tools on hand to assist them with global management of all the business they generate. » The internal models for measuring credit risk have received approval from the Bank of Spain. |
| Originator Stability: | Aa2/P-1/B- |
| Quality Controls and Audits: | <ul style="list-style-type: none"> » "la Caixa" is regulated by the Bank of Spain and carries out annual external audits. » Internal Audit Division: continuously monitors internal control systems and checks the accuracy of the risk measurement and control methods employed by the various divisions involved in risk monitoring. |
| Regulated by: | » Bank of Spain |
| Management Strength and Staff Quality | <ul style="list-style-type: none"> » Average tenure with company: Not made available. » Average Turnover of underwriting staff: Not made available. » Length of tenor for head of credit risk management: Not made available. » Compensation structure i.e. incentive for receivables growth: Not made available. |

Arrears Management:

| | |
|---------------------------------|---|
| # of Receivables per Collector: | » Not made available. |
| Staff Description: | » "la Caixa" has recently increased its staff in the different teams supporting the recovery process (from 40 to 400 persons) and outsource the documents preparation task before the judicial process to a company fully owned by it named GDS-CUSA (another additional 100 persons). This unit is in charge of the prevention, control and monitoring of loan recovery within the network reinforced. More than 570 specialists managing default risk. » Prevention and monitoring processes under supervision of the Risk Senior Executive Vice-President Office. » New Debt Recovery Executive Vice-President to boost recoveries management. » Average tenure with company: Not made available. » Turnover: Not made available. » Compensation structure i.e. incentive for collections achieved: Not made available. |
| Early Stage Arrears Practices: | » "la Caixa" checks daily the debtors' accounts in case of unpaid positions in order to collect any amount in such accounts. |
| Late Stage Arrears Practices: | » Improvement in the parameterisation and automatization of the processes, both at the prevention stage and at the recovery stage. » Boost of specific IT tools for each stage of the process. » "la Caixa" can repossess properties in case of void auctions. » In the case of repossessed properties, Servihabitat (a real estate company owned by "la Caixa") is in charge of marketing and selling those properties. |
| Average Time to Repossess: | » Not made available. |
| Loan Modifications: | » Not made available. |

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