FONCAIXA EMPRESAS 1, Fondo de Titulización de Activos

SME loans / Spain

Closing Date
23 March 2009

Contacts
Luis Mozos
+34 91 702-6615
Luis.Mozos@moodys.com
Gabriel Paneda
+34 91 702-6620
Gabriel.Paneda@Moodys.com

Client Service Desk
Frankfurt: +49 69 2222-7847
London: +44 20 7772-5454
Madrid: +34 91 414-3161
Milan: +39 023 6006-333
Paris: +33 1 7070-2229
clientservices.emea@moodys.com
New York: +1 212 553-1653

Monitoring
monitor.abs@moodys.com

Website
www.moodys.com

DEFINITIVE RATINGS

Series	Rating	Amount (million)	% of Notes	Maturity	Coupon
A1	**Aaa**	€600	10.00	January 50	3mE + 0.40%
A2	**Aaa**	€600	10.00	January 50	3mE + 0.40%
A3	**Aaa**	€600	10.00	January 50	3mE + 0.40%
A4	**Aaa**	€3,435	57.25	January 50	3mE + 0.50%
B	**Baa3**	€285	4.75	January 50	3mE + 1.25%
C	**Ba3**	€480	8.00	January 50	3mE + 1.75%
D	**Ca**	€630	10.50	January 50	3mE + 4.00%
Total*		€6,000	100.00		

The ratings address the expected loss posed to investors by the legal final maturity. 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. 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 on Series A1/A2/A3/A4/B/C, and for ultimate payment of interest and principal at par on or before the rated final legal maturity date on Series D.

** Excluding Series D*

OPINION

Strengths of the Transaction

- High percentage of mortgage loans (around 69% of the pool)
- Around 15% of the debtors are large companies with an annual turnover above €100 million
- Well diversified portfolio in terms of region
- Good seasoning (2.70 years)
- No loans in arrears included in the final portfolio
- Internal ratings provided (certified by the Bank of Spain in summer 2008)
- Experience of La Caixa as originator and servicer and well rated Aa1/ P-1
- Good performance of previous deals
- A relatively strong swap agreement guaranteeing an excess spread of 0.75%
- A 10.5% reserve fund to cover potential shortfalls in interest and principal
- Excess spread-trapping mechanism through a 12-month "artificial write-off"

Weaknesses and Mitigants

- Around 28% of the borrowers are concentrated in the Real Estate sector. Moody's has treated this in its quantitative analysis, reflected mainly though the loss and correlation assumptions.
- Around 29% of the loans correspond to a flexible product structured as a line of credit (*Credito Abierto*) though the guarantee is always a first-lien mortgage. Moody's took this into consideration in its quantitative assessment, both in the default and recovery assumptions.
- Relatively long remaining term (over 11 years). This is linked to the fact that 69% of the pool are mortgage loans. Moody's has taken this into consideration in its quantitative analysis.
- No historical information was provided for this transaction. However, monitoring information was available from previous similar transactions from this originator/servicer. Moody's took this info into consideration in its quantitative assessment, mainly in the default and recovery assumptions.
- The structure envisions a pro-rata amortisation of Series A3, A4, B and C that leads to reduced credit enhancement of the A3 and/or A4 in absolute terms.. This is mitigated by strict triggers which interrupt the pro-rata amortisation of the notes if the performance of the transaction deteriorates. Moody's has tested this structural feature and impact in its cash flow modeling of the transaction.
- The structure envisions interest deferral trigger on Series B and C that would provide a benefits to the repayment of the series senior to each of them if triggered, but increases the expected loss on Series B and C themselves. The trigger has also been set a relatively low levels, Moody's has reflected this in the rating of the Class B and C.

STRUCTURE SUMMARY *(see page 4 for more details)*

Issuer:	FONCAIXA EMPRESAS 1, Fondo de Titulización de Activos
Structure Type:	Senior/Mezzanine/Subordinated/Equity floating rate notes
Borrowers:	Spanish companies (all sizes)
Seller/Originator:	Caja de Ahorros y Pensiones de Barcelona (La Caixa, **Aa1**/**P-1**)
Servicer:	La Caixa
Interest Payments:	Quarterly on each payment date
Principal Payments:	**A1**, **A2** and **A3** soft-bullet. Other pass through on each payment date
Payment dates	19 March, 19 June, 19 September and 19 December
Credit Enhancement/Reserves:	0.75% excess spread per annum 10.5% reserve fund Subordination of the notes
Hedging:	Strong interest rate swap
Interest Rate Swap Counterparty:	La Caixa (**Aa1**/**P-1**)
Paying Agent:	La Caixa (**Aa1**/**P-1**)
Note Trustee (Management Company):	GestiCaixa S.G.F.T;S.A
Arranger/Lead Manager:	GestiCaixa S.G.F.T;S.A

COLLATERAL SUMMARY (AS OF MARCH) *(see page 9 for more details)*

Receivables:	Standard loans and first draw-downs of lines of credit granted to Spanish companies
Total amount:	€6,000 million
Number of Contracts:	32,742
Number of Borrowers:	25,855
Effective Number of Borrowers:	928
Geographic Diversity:	Well diversified. Top Madrid 26%
WA Remaining Term:	11.84 years
WA Seasoning:	2.70 years
Delinquency Status:	No loans in arrears included at closing
Historical Loss Experience:	Not provided for this deal

NOTES

Series	Subordination	Reserve Fund	Total
A1	90.0%*	10.5%	100.5%
A2	80.0%*	10.5%	90.5%
A3	70.0%*	10.5%	80.5%
A4	12.75%*	10.5%	23.25%
B	8.0%*	10.5%	18.5%
C	0.0%*	10.5%	10.5%
D	0.0%	0.0%	0.0%

* *Subject to pro-rata amortisation triggers*

Excess spread at closing is 0.75%

TRANSACTION SUMMARY

Cash securitisation of standard loans and first draw-downs of lines of credit granted to Spanish enterprises

FONCAIXA EMPRESAS 1 (the "Fondo") is a securitisation fund created with the aim of purchasing a pool of standard loans and first draw-downs of lines of credit ("*Crédito Abierto*") granted by La Caixa to Spanish enterprises (excluding self-employed individuals and Real Estate Developers – CNAE 701). This is the ninth loans-to-enterprises transaction carried out by La Caixa.

The Fondo has issued six series of notes to finance the purchase of the loans:

– A senior tranche comprising four **Aaa**-rated series
– A mezzanine Series B, rated **Baa3**
– A subordinated Series C, rated **Ba3**

Each series of notes is supported by the series subordinate to itself, a cash reserve (funded with the benefits from the issuance of Series D) and the excess spread guaranteed under the swap agreement with La Caixa. The swap agreement will also hedge the Fondo against the risk derived from having different index reference rates and reset dates on the assets and on the notes, and any renegotiation of the interest rate on the loans.

Other structural aspects are the pro-rata amortisation of the notes (provided certain conditions are met), a default definition equal to 12 months past due and the interest deferral trigger for Series B and C based on the cumulative amount of written-off loans.

Additionally, the Fondo benefits from a subordinated loan provided by the originators to cover the expenses of issuing the notes.

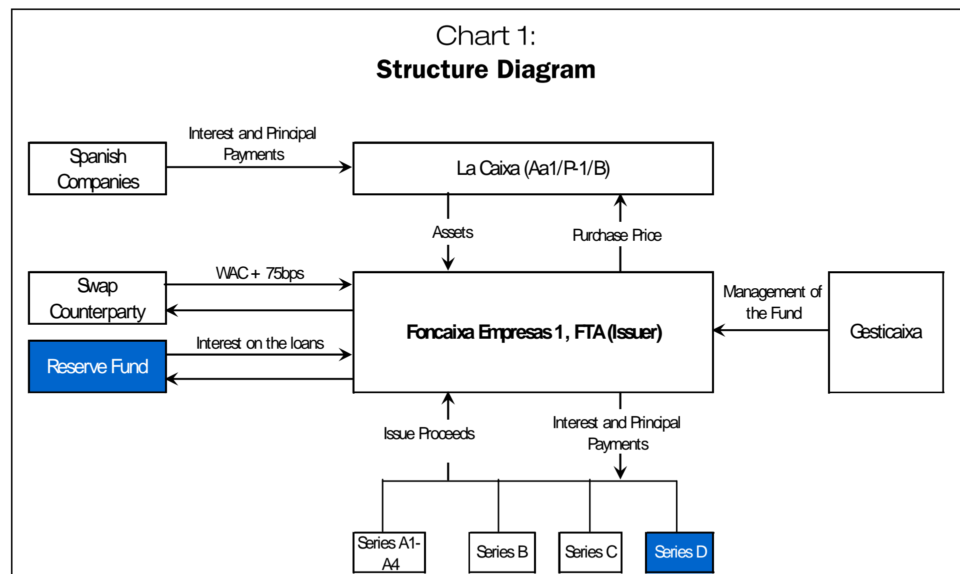
Moody's based the ratings primarily on: (i) an evaluation of the underlying portfolio of loans; (ii) historical performance information and other statistical information; (iii) the swap agreement hedging the interest rate risk; (iv) the credit enhancement provided through the GIC account, the excess spread, the cash reserve and the subordination of the notes; and (v) the legal and structural integrity of the transaction.

Moody's ratings address the expected loss posed to investors by the legal final maturity.

STRUCTURAL AND LEGAL ASPECTS

Standard capital structure, besides the Aaa split, incorporating the following key features: a strong swap agreement and deferral of interest based on accumulated level of written-off loans

Chart 1:
Structure Diagram



Interest rate swap guaranteeing the interest rate of the notes plus 75 bppa of excess spread and covering the servicing fee in case of the replacement of La Caixa as servicer

To hedge the Fondo against the interest rate risk (potential mismatch derived from having different index reference rated and reset dates (as well as fixed-rate loans) on the assets and on the notes), it will enter into a swap agreement with La Caixa. According to the swap agreement, on each payment date:

– The Fondo will pay La Caixa the interest actually received from the loans plus the yield from the amortisation account
– La Caixa will pay the weighted-average interest rate on the notes plus 75 bppa over a notional equal to the outstanding amount of non-delinquent loans plus the amortisation account balance and the servicer fee due on that payment date if La Caixa is substituted as servicer.

The excess spread available through the swap agreement constitutes the first layer of protection for investors.

If La Caixa's long-term rating is downgraded below **A2**, or its short-term rating is downgraded below **P-1**, it will have to (i) collateralise its obligation under the swap for an amount sufficient to maintain the then current rating of the notes; or (ii) find a suitably rated guarantor or substitute. Any failure by La Caixa to comply with these conditions will constitute an event of default under the swap agreement.

GIC providing an annual interest rate equal to the index reference rate of the notes

The treasury account will be held at La Caixa. The proceeds from the loans, amounts received under the swap agreement and the reserve fund will be deposited in the treasury account. Triggers are in place to protect the treasury account from a possible downgrade of La Caixa's short-term rating. Should La Caixa's short-term rating fall below **P-1**, it will have to perform one of the following main actions in the indicated order of priority within 30 business days:

- Find a suitably rated guarantor or substitute; or
- Transfer the treasury account to another **P-1** entity

La Caixa guarantees an annual yield of the amounts deposited in the treasury account equal to the index reference rate of the notes.

Reserve fund fully funded upfront with proceeds from the issuance of Series D

The reserve fund is designed to help the Fondo meet its payment obligations and will be held at La Caixa. It will be initially fully funded with the benefits from the issuance of the Series D notes, the reserve fund will be used to protect the Series A1, A2, A3, A4, B and C notes against interest and principal shortfall on an ongoing basis.

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:

- 10.5% of the initial balance of the Series A1, A2, A3, A4, B and C notes
- The higher of:
  - 21% of the outstanding balance of the Series A1, A2, A3, A4, B and C notes
  - 5.25% of the initial balance of the Series A1, A2, A3, A4, B and C notes

However, the amount required under the reserve fund will not be reduced on any payment date on which either of the following scenarios occurs:

- The arrears level (defined as the percentage of non-written-off loans that are more than 90 days in arrears) exceeds 1%
- The reserve fund is not funded at its required level on that payment date

Standard waterfall

On each quarterly payment date, the *Fondo's* available funds (amounts received from the asset pool, the reserve fund, amounts received under the swap agreement and interest earned on the transaction accounts) will be applied in the following simplified order of priority:

1) Costs and fees
2) Any amount due under the swap agreement and swap termination payment if the *Fondo* is the defaulting party
3) Interest payment to Series A1, A2, A3 and A4
4) Interest payment to Series B (if not deferred)
5) Interest payment to Series C (if not deferred)
6) Retention of an amount equal to the principal due under the notes
7) Interest payment to Series B (if deferred)
8) Interest payment to Series C (if deferred)
9) Replenishment of the reserve fund
10) Interest payment to Series D
11) Principal payment to Series D
12) Junior payments and cash back to the originator.

In the event of liquidation of the *Fondo*, the payment structure will be modified with the sole aim of ensuring that any amount due to a series is repaid before any payment to a subordinated series is made.

Interest deferral mechanism based on the level of accumulated written-off loans

The payment of interest on Series B and C will be brought to a more junior position if, on any payment date, the following conditions are met:

Series B:	– The accumulated amount of written-off loans since closing is higher than 19.5%; and – Series A1, A2, A3 and A4 are not fully redeemed
Series C:	– The accumulated amount of written-off loans since closing is higher than 15%; and – Series B is not fully redeemed

Principal due to the notes incorporates a 12-month "artificial write-off" mechanism

The transaction's structure benefits from an "artificial write-off" mechanism. This mechanism is implicit in the definition of the principal due under the notes, which is calculated as the difference between (i) the outstanding amount of the notes; and (ii) the outstanding amount of the non-written-off loans (the "written-off loans" being defined as those loans with any amount due but unpaid for more than 12 months (or earlier, if the debtor goes bankrupt or the management company considers that there are no reasonable expectations of recovery under each such loan)).

The "artificial write-off" speeds up the off-balance sheet of a non-performing loan; thus, the amount of notes collateralised by non-performing loans is minimised, and, consequently, the negative carry. However, the most important 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.

A principal deficiency will occur, on any payment date, if the issuer's available funds are not sufficient to reimburse the principal due under the notes, according to the cash flow rules stated above (the difference between these two amounts being the principal deficiency).

Principal due allocation mechanism

Until the payment date on which the initial amount of Series B and C exceeds 9.5% and 16% respectively, of the outstanding amount under the Series A1, A2, A3, A4, B and C notes, the amount retained as principal due will be used for the repayment of the following items in the indicated order of priority:

1) Amortisation of Series A1, A2, A3 and A4, as described below.
2) Amortisation of Series B
3) Amortisation of Series C

Once Series B and C start to amortise, the amount retained as principal due will be distributed pro-rata between the following:

– Amortisation of Series A3 and/or A4, as A1 and A2 will be already fully amortised
– Amortisation of Series B
– Amortisation of Series C

so that the percentages indicated above for Series B and C are maintained at any payment date thereafter. Nevertheless, amortisation of Series B and C will not take place on a payment date on which any of the following events occurs:

– The arrears level exceeds 1.25% and 1.00% for Series B and C, respectively.
– The reserve fund is not at the required level.
– The outstanding amount of the non-written-off loans is lower than 10% of the initial amount of the pool.

Series A1, A2 and A3 are soft-bullet notes and are expected to mature 27, 30, and 33 months after the closing date, respectively. On each payment date during the first 33 months, the first €175 million retained as principal due will be deposited in the amortisation account and the remaining amount will be used to amortise Series A4. The management company will keep track of the amounts (assigned sequentially) corresponding to each Series A1, A2 and A3 and the cash will be applied accordingly in the corresponding first payment date of each of the Series. The potential negative carry that this mechanism could generate has been envisioned to be covered through the swap.

Class D amortisation

The Class D notes will amortise, on each payment date, for an amount equal to the difference between the outstanding amount of the Class D notes and the reserve fund's required amount on the current payment date.

Borrower payments are swept into the account daily to minimise the commingling risk

To minimise the commingling risk (i.e. asset collections lost or trapped in the insolvent estate of the Originator), the proceeds from the loans received by La Caixa are swept into the Fondo's treasury account daily. Additionally, at the request of the Management Company, La Caixa has the obligation to notify the debtors of the transfer of the payments of loans directly to the Fondo's accounts in a period no longer than 5 days if: (i) it is involved in an insolvency process; (ii) intervention on its behalf by the Bank of Spain; or (iii) it is substituted as servicer. The Management Company also has the right to notify the debtors if the originator fails to do it itself.

COLLATERAL

Pool of standard loans and first draw-downs of Crédito Abierto product granted to Spanish enterprises well diversified across Spain

As of March 2009 the definitive portfolio comprises 32,742 loans and 25,855 debtors. Around 29% of the loans correspond to a flexible product structured as a line of credit named *Crédito Abierto* (please see Appendix I for a detailed description of the product) where the guarantee is always a first-lien mortgage. The rest of the portfolio is composed of standard loans. Both products were originated by La Caixa in its normal course of business.

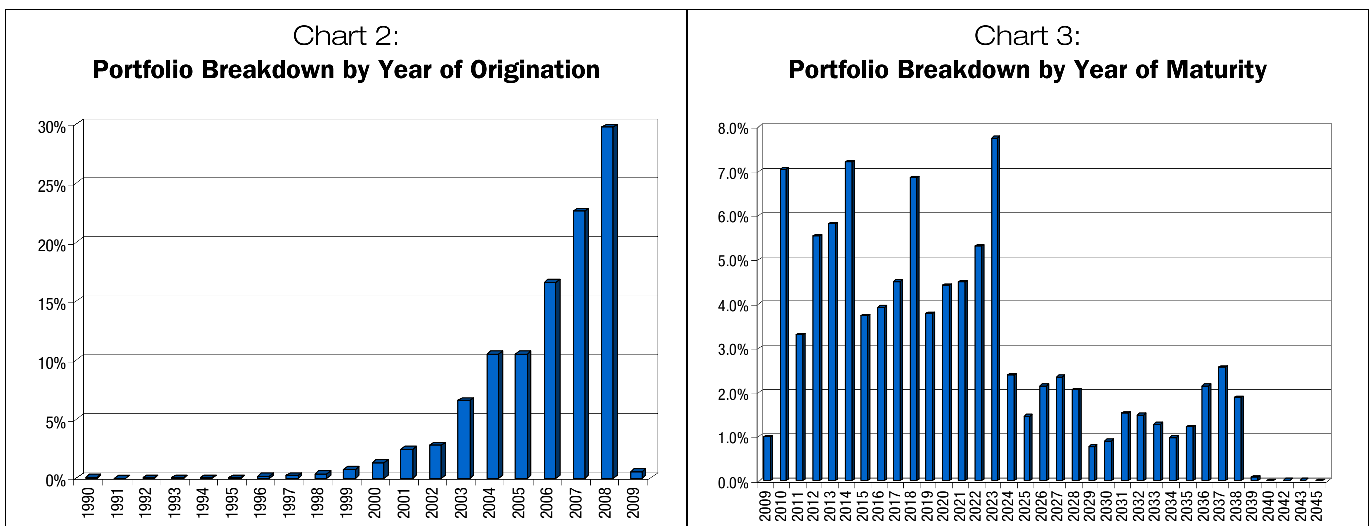
The loans were originated between 1990 and 2009, with a weighted-average seasoning of 2.70 years and a weighted-average remaining term of 11.84 years. The longest loan matures in January 2047.

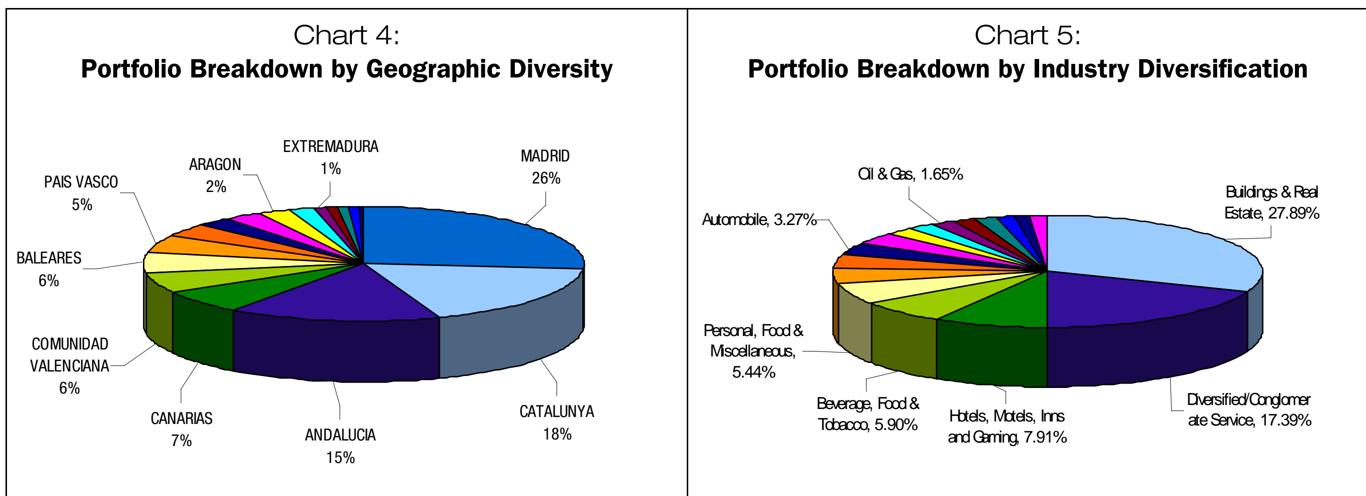
Only 4.1% of bullet loans are included in the portfolio and around 14% of the loans are currently in grace period. Less than 1% could potentially enjoy a full holiday payment for 12 months in average.

Around 69% of the outstanding of the portfolio is secured by a mortgage guarantee over different types of properties (64% of the portfolio is first-lien with a weighted average LTV of 51%). The remaining is secured by a personal guarantee (28%), a real guarantee (2%) or a third party guarantee (2%).

Geographically, the pool is concentrated in Madrid (26%), Catalonia (18%) and Andalusia (15%). **Approximately 28% of the portfolio is concentrated in the "buildings and real estate" sector according to Moody's industry classification.** The Real Estate Developer sector has been excluded.

Around 15% of the debtors are large companies with an annual turnover above €100 million. In terms of debtor concentration, the pool includes exposures up to 1.67% of the issuance amount.





The originator represents and guarantees that:

- The loans have been granted according to its current credit policies.
- At origination it is requested that all the mortgaged properties are covered by an insurance policy.
- There has been no breach of any of the loan agreements.

Limitations on renegotiation of both the interest rate and the maturity of the loans

Since the closing date, the management company authorises La Caixa to renegotiate the interest rate or maturity of the loans. However, La Caixa will not be able to (i) renegotiate the interest rate of any loan if the weighted-average interest rate of the pool falls below three-month Euribor plus 0.50%, or (ii) extend the maturity of any loan beyond July 2047. Moreover, the renegotiation of the maturity of the loans is subject to several conditions, of which the following are the most significant:

- The global initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the pool.
- The frequency of payments cannot be reduced.
- The amortisation profile cannot be modified.

ORIGINATOR, SERVICER AND MANAGEMENT COMPANY

La Caixa's Aa1/P-1/B ratings reflect the institution's solid credit fundamentals

La Caixa's **Aa1**/**P-1**/**B** ratings reflect the institution's solid credit fundamentals. La Caixa is the 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 26.7% of customer funds, 16.6% of loans and 22.6% of branches. Catalonia is one of Spain's most prosperous and fastest-growing regions and enjoys a diversified economy. La Caixa has more than doubled its number of branches since 1990, with 60.8% 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 10.1% share of deposits, 9% of loans and 11.9% 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 5.5% in mutual funds. 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 a 11.1% market share in Spain - through a highly automated distribution network backed by a decentralised business model. The above-mentioned characteristics are appropriately captured by a B score on franchise value.

Over the past decade, the bank has leveraged its good presence in the Catalan market to strengthen its domestic retail banking position outside its traditional markets. This was initially achieved through a series of bank acquisitions under a strategic expansion plan, and has been completed with an aggressive and closely monitored branch expansion plan. As a result, La Caixa has more than doubled its number of branches since 1990, with 60.8% of the group's branches now located outside its traditional market. Branches opened over the last ten years (45% of La Caixa's network) now contribute 23% of the group's business volumes and 20% of banking profits.

Servicer

La Caixa will act as servicer of the loans, and will transfer the proceeds from the portfolio daily into the "treasury account".

If La Caixa undergoes bankruptcy proceedings or fails to perform its obligations as servicer, the management company will have to designate a new servicer.

Management Company

GestiCaixa is an experienced management company in the Spanish securitisation market. Currently, it carries out the management of 32 securitisation funds.

MOODY'S ANALYSIS

Table 1:
Modelling Assumptions

Mean default	13.0% - 13.5%
Coefficient of Variation	43% - 48%
Recovery rate	55% - 60%
Recovery lag	1 - 2 years
Annualised prepayment rate	6% - 8%

Moody's used an inverse normal approach to derive the default distribution in the portfolio, accompanied with stochastic recoveries

Moody's has analysed this transaction using the rating methodology for European SME securitisations as described in the Rating Methodology reports "Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa", June 2007 and "Moody's Approach to Rating CDOs of SMEs in Europe", February 2007.

Given the number of assets and the size of the exposures in the portfolio (see section entitled Collateral), Moody's derived the default distribution curves by using the inverse normal density law. To determine such 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

As regards the first item, Moody's determined a default contribution for each single entity, basing its analysis on (i) internal ratings received from the originator; (ii) statistical information from the Spanish SME market; (iii) performance of similar deals; and (iv) other qualitative and pool-derived aspects. The value tested as **mean default** was in the range of **13.0% - 13.5%**.

As regards the second item, the standard deviation of the default distribution was determined (using CDOROM v2.4) assuming a fixed pairwise correlation parameter; the resulting **coefficient of variation** (COV) was in the range of **43% - 48%**.

The **timing of default** was assumed to be front-loaded and adjusted to the weighted average life of the pool. Sensitivity scenarios were run to check the strength of ratings with less likely back-loaded timing of default scenarios.

Recoveries were assumed to be normally distributed and correlated with default scenarios. Again, given available data, the distribution parameters were estimated based on (i) historical information received for previous deal; (ii) statistical information from the Spanish SME market; (iii) Moody's statistical information for the EMEA SME and corporate market; (iv) mortgages and other type of guarantees in the portfolio; and (v) other qualitative and pool-derived aspects. The **mean** value assumed for the **recovery distribution** was in the range of **55% - 60%**, while the **standard deviation** was in the range of **20% - 25%**.

Assumptions for **prepayments** were also tested in Moody's quantitative analysis and partly derived from historical and statistical information, as well as qualitative assessments. The values tested were in the range of **6% - 8**%.

Cash-flow modelling in order to determine the rating of the notes

Moody's considered how the cash flows generated by the collateral were allocated to the parties within the transaction, and the extent to which various structural features of the transaction might themselves provide additional protection to investors, or act as a source of risk. In addition, Moody's ensured that the transaction is not affected by the bankruptcy of the originator or the servicer of the portfolio.

To determine the rating associated to each series of notes, Moody's used an expected loss methodology that reflected the probability of default for each series of notes times the severity of the loss expected for each series of notes. With this purpose, and in order to allocate losses to the notes in accordance with their priority of payment and relative size, Moody's used a cash-flow model (ABSROM v2.1.1) that reproduced many deal-specific characteristics: the main input parameters of the model have been described above.

Weighting each default scenario's severity result on the notes with its probability of occurrence, Moody's calculated the expected loss level for each series of notes as well as the expected average life. Moody's then compared these quantitative values to the Moody's Idealised Expected Loss table for each rating assigned to the notes.

Legal analysis

Moody's verifies that the legal documents correctly reflect the structure of the deal, as well as the assumptions made in its analysis.

RATING SENSITIVITIES AND MONITORING

The ratings of the notes depend on the portfolio performance and counterparty ratings

The management company, GestiCaixa, has committed to provide Moody's with access to a website from which a report containing at least quarterly pool level performance and payments to the notes data can be obtained. Moody's considers the amount of data currently available on the website to be acceptable for monitoring collateral performance, although further improvements will be encouraged. If Moody's access to the website is curtailed or adequate performance information is not otherwise made available to Moody's, our ability to monitor the ratings may be impaired. This could negatively impact the ratings or, in some cases, Moody's ability to continue to rate the Notes.

The ratings of the notes depend on the portfolio performance and the ratings of the main counterparties. The **main performance triggers** in the transaction are the following:

- Interest deferral triggers on Series B and C (based on cumulative amount of written-off loans)
- Trigger to switch pro-rata amortization of Series A (A1, A2, A3 and A4), B and C to sequential (based on delinquencies)
- Trigger to stop the reserve fund release (based on delinquencies)

Moody's will monitor this 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 to the rating will be publicly announced and disseminated through Moody's Client Service Desk. For updated monitoring information, please contact monitor.abs@moodys.com

RELATED RESEARCH

Visit moodys.com for further details

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:

Pre-sale Report

- FONCAIXA FTPYME 2, Fondo de Titulización de Activos, November 2008 (SF147470)
- FONCAIXA 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

- Information on EMEA SME Securitisations: Moody's view on granular SME loan receivable transactions and information guidelines, March 2007 (SF92748)
- Moody's Spanish SME Loan-Backed Securities Index, April 2004 (SF35231)
- Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)

Rating Methodologies

- 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)
- Moody's Approach to Rating ith-to-Default Basket Credit-Linked Notes, April 2002 (SF13090)
- The Lognormal Method Applied to ABS Analysis, July 2000 (SF8827)

Analysis

- Caja de Ahorros y Pensiones de Barcelona, Dec 2007 (106331) – see also Credit Opinion

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 I – “CRÉDITO ABIERTO” PRODUCT DESCRIPTION

“Crédito Abierto”description

The *Crédito Abierto* product is set up as a line of credit that is granted for the sole purpose of giving the borrower flexibility in terms of the payment of its mortgage loan. Borrowers are allowed to withdraw for an amount equal to the already amortised amount, or up to the established credit limit. The product being securitised under this transaction is the first withdraw, which is typically used for the purpose of acquiring assets and working asset.

Main features:

1) The subsequent redraws rank pari-passu with the first withdraw 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 in other to acquire other type of assets the limit is 50%. Additional redraws are typically capped at 80% LTV levels in the case of acquiring houses and 50% for the rest of assets.
4) The disposal of second draw-downs is never automatic. La Caixa has full discretion (based on the borrower’s payment history in La Caixa or outside, etc) as to whether a second drawdown is feasible or not.
5) There is a period during the last 4 years of the life of the loan where subsequent redraws will not be allowed.
6) Loans will 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.
7) Loans will have the option of enjoying interest and principal grace periods (holiday payment). Each borrower has the option to request, for a maximum of 12 months, grace periods during which neither principal nor interest is paid. Unpaid interest is capitalised at the end of the grace period.

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